

Financial Task Group

Date: 5 November 2015

Subject: Financial Report 2015/16 – September 2015

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 £3.57million, 0.67% of the gross budget.
 - B. That Cabinet approve the virement of £118k from the corporate contingency to Children, Schools and Families for the second quarter costs of additional social worker capacity.
 - C. That Cabinet approve the adjustments to the capital programme detailed in appendix 5b
- That Cabinet approve the following adjustments to the Capital Programme

Schemes	2015-16	2016-17
	£	£
Replacement of Civica Icon	125,000	0
Croydon Rd/Mitcham Rd Shared Use Path	0	300,000
Wimbledon TFL	(322,000)	200,000
TFL Projected Slippage from 2014/15*	(101,230)	0
Total	(298,230)	300,000
*Transport for London (TfL) Grant for 2014/15 permissible to spend up to 31/8/15. Unspent balance to be returned to TfL		

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

1.1 This is the financial monitoring report for the half year to 30th September 2015.

This financial monitoring report provides:-

- The income and expenditure at period 6 and a full year forecast projection.
- An update on the capital programme and detailed monitoring information;
- An update on Corporate Items in the budget 2015/16;
- Progress on the delivery of the 2015/16 revenue savings
- An update on the delivery of 2014/15 savings

2. 2015/16 FORECAST OUTTURN BASED UPON LATEST AVAILABLE DATA

Executive summary – At the end of period to 30th September 2015 the year end forecast is net £3.57m overspend, 0.67% of the gross budget.

Summary Position as at 30th September 2015

	Current Budget 2015/16 £000s	Full Year Forecast (Sept) £000s	Forecast Variance at year end (Sept) £000s	Forecast Variance at year end-previous month (Aug) £000s	Outturn variance 2014/15 £000s
Department					
3A. Corporate Services	14,825	14,895	70	(327)	(691)
3B. Children, Schools and Families	52,737	54,273	1,535	1,713	2,663
3C. Community and Housing	61,898	63,311	1,413	1,075	2,774
3D. Public Health	1,154	790	(364)	(301)	(0)
3E. Environment & Regeneration	24,174	27,469	3,295	3,067	1,703
Overheads	0	0	0	0	0
NET SERVICE EXPENDITURE	154,788	160,737	5,950	5,227	6,448
3E. Corporate Items					
Impact of Capital on revenue budget	14,117	14,092	(25)	(25)	205
Central budgets	(14,818)	(17,176)	(2,358)	(2,286)	(2,817)
Levies	926	926	0	0	0
TOTAL CORPORATE PROVISIONS	225	(2,158)	(2,383)	(2,311)	(2,612)
TOTAL GENERAL FUND	155,012	158,579	3,567	2,916	3,836
FUNDING					
Revenue Support Grant	(30,425)	(30,425)	0	0	0
Business Rates	(33,686)	(33,686)	0	0	0
Other Grants	(9,434)	(9,434)	0	0	(154)
Council Tax and Collection Fund	(81,471)	(81,471)	0	0	0
FUNDING	(155,016)	(155,016)	0	0	(154)

The forecast overspend has increased by £0.6m since last month. The delay to the award for tackling traffic congestion of net £2.9m remains one of the significant reasons for the forecast overspends, together with pressures in CSF caused by transport costs and additional burdens from central government, and pressures in C&H caused by delays in achieving 2014/15 and 2015/16 savings.

Spending needs to be reviewed across all departments as if the outturn remains at this level, General Fund balances will reduce to £11.5m, just above the minimum level. Further savings may need to be found if this continues to ensure a minimum level of General Fund balances are maintained.

	Current Budget 2015/16	Full Year Forecast (Sept)	Forecast Variance at year end (Sept)
Expenditure	£000	£000	£000
Employees	97,562	99,242	1,679
Premises Related Expenditure	8,736	8,101	(635)
Transport Related Expenditure	14,686	15,274	587
Supplies and Services	173,899	173,027	(872)
Third Party Payments	89,464	93,772	4,309
Transfer Payments	104,045	100,588	(3,458)
Support Services	31,902	31,901	(1)
Depreciation and Impairment Losses	16,505	16,506	0
Corporate Provisions	225	(2,158)	(2,383)
GROSS EXPENDITURE	537,024	536,251	(773)
Income			
Government Grants	(265,429)	(262,414)	3,015
Other Grants, Reimbursements and Contribs	(26,030)	(26,025)	5
Customer and Client Receipts *	(57,891)	(57,064)	827
Interest	(44)	(20)	24
Recharges	(32,547)	(32,546)	1
Balances	(70)	398	468
GROSS INCOME	(382,012)	(377,672)	4,340
NET EXPENDITURE	155,012	158,579	3,567

* A more detailed summary of Customer of Client Receipts is included as Appendix 10.

Chart 1 below shows the forecast year end variance for departmental expenditure with a comparison against prior years.

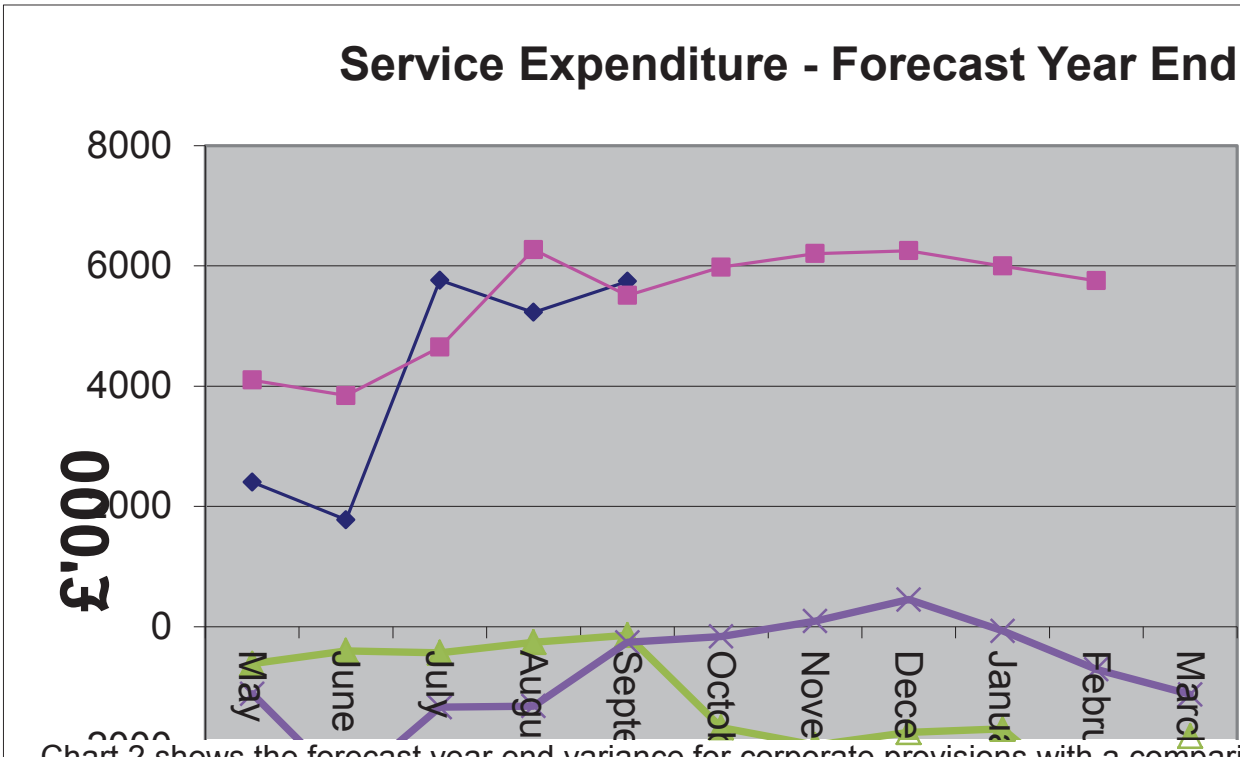
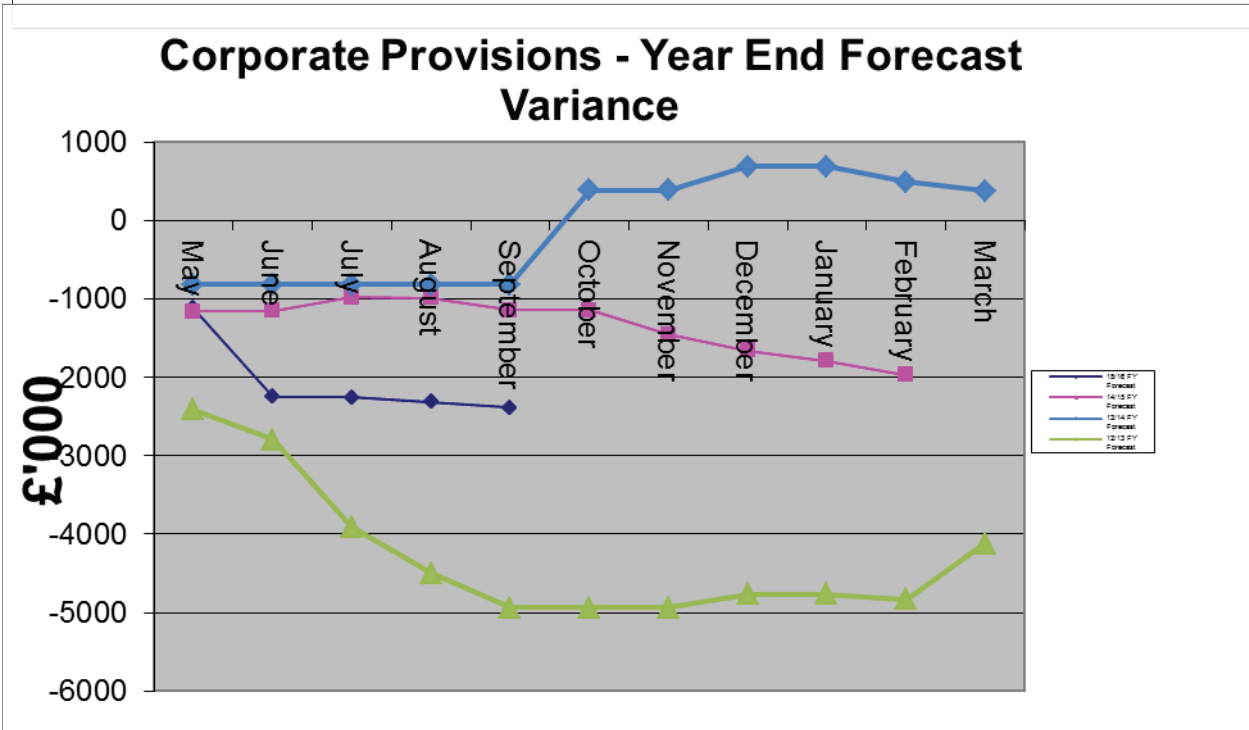


Chart 2 shows the forecast year end variance for corporate provisions with a comparison against 2014/15, 2013/14 and 2012/13.



3. DEPARTMENTAL SUMMARY OF CURRENT POSITION

Corporate Services

	2015/16 Current Budget	Full year Forecast Sept	Forecast variance at year end Sept	Forecast variance at year end August	2014/15 Outturn Variance
	£000	£000	£000	£000	£000
Business Improvement	4,782	4,666	-116	-161	-259
Infrastructure & Transactions	9,722	9,484	-238	-262	-347
Resources	7,377	7,184	-193	-276	-255
Human Resources	2,367	2,338	-29	76	-26
Corporate Governance	3,176	2,892	-284	-297	-433
Customer Services	2,632	2,315	-317	-261	-273
Corporate Items including redundancy costs	1,384	2,631	1,247	854	1,320
Total (controllable)	31,440	31,510	70	-327	-273

Overview

At the end of the half year to 30th September 2015 the Corporate Services department are forecasting an overspend of £70k at year end, an adverse movement of approx. £400k from last month.

The movement is mainly due to the cost of temporary accommodation being significantly higher than the subsidy available which is capped. The cost of temporary accommodation is disclosed in Housing Services within C&H whereas the shortfall is within corporate items in Corporate Services together with Housing Benefits subsidy grant.

Business Improvement – underspend £116k

The reasons for the forecast underspend remain the same, an overachievement of street naming income of approx. £90k and vacant posts in the new systems and development team structure due to a delay in successful recruitment.

Infrastructure and Transactions – underspend £238k

The forecast underspend relates to the revenue generated from the Corporate Print Strategy and an overachievement of income in the Post service following the introduction of Docqticket system and the renegotiation of the postal and print contracts. Some vacant posts are being held and underspends on non salary budgets to offset savings, whilst alternative savings are identified.

Resources – underspend £193k

There is a forecast underspend of £100k due to vacant posts and delays in recruitment. In addition some future years savings are being captured early.

Corporate Governance – forecast underspend £284k

There is a forecast underspend of approx. £140k following the transfer of the Benefits Investigation team to the DWP under the Single Fraud Investigation Service. There will be an underspend in the current year due to DCLG funding but the cost of this service will increase next year. There is a forecast underspend of £35k for vacant posts and £50k for future year saving captured early.

The internal audit team TUPE transferred to the London Borough of Richmond on 1st October 2015 when Merton joined the shared audit service between Richmond and Kingston, with Richmond as the host borough.

Customer Services – forecast underspend £317k

There is a forecast underspend of approx. £130k due to vacant posts within the division.

Additional funding received from the DWP for welfare reforms eases the pressure on the benefits and local tax team and an improvement in court costs charged resulting in a forecast underspend of approx. £140k.

The Merton bailiffs' service is forecasting an overachievement of fee income of £150k but this is offset by a shortfall on the shared bailiffs' income target of £130k.

Translation services are forecasting a small overachievement of income of £10k and there are some forecast underspends on the establishment and parking cash collection contracts of £25k.

Corporate items - forecast overspend £1,247k

The main reasons for the forecast overspend are a forecast overspend of approx. £800k for redundancies and a £750k shortfall in subsidy for temporary accommodation.

The budget monitoring process will focus on pressures to ensure remedial action is taken and underspends can be held to offset any overspends.

Environment & Regeneration

Environment & Regeneration	2015/16 Current Budget £000	Full year Forecast (Sept) £000	Forecast Variance at year end (Sept) £000	Forecast Variance at year end (Aug) £000	2014/15 Outturn Variance £000
Public Protection	(9,398)	(6,055)	3,343	3,220	(53)
Sustainable Communities	12,846	12,762	(84)	(109)	203
Waste Services	15,434	15,167	(267)	(284)	1,440
Other	(876)	(573)	303	240	(291)
Total (Controllable)	18,006	21,301	3,295	3,067	1,299

Description	2015/16 Current Budget £000	Forecast Variance at year end (Sept) £000	Forecast Variance at year end (Aug) £000	2014/15 Variance at year end £000
Employee underspend within Parking Services	3,177	(127)	(141)	99
Delay in implementation of measures to tackle traffic congestion	(3,510)	3,510	3,510	0
Overachievement of income in Parking Services	(11,976)	(96)	(211)	110
Employee overspend within Regulatory Services	2,058	127	171	99
Underspend on third party payments within Safer Merton	251	(29)	(29)	(78)
Other	602	(42)	(80)	(177)
Total for Public Protection	(9,398)	3,343	3,220	(53)
General Supplies & Services underspend within B&DC	243	(43)	(47)	(64)
Shortfall in Building & Development Control (B&DC) income	(1,893)	121	140	(46)
General Supplies & Services underspend within Future Merton	1,520	(101)	(76)	(132)
Premises related underspend within Property Management	283	(63)	(55)	32
Overachievement of rental income within Property Management	(4,060)	(164)	(182)	(181)
Employee related overspend within Greenspaces	2,374	51	59	142
Underachievement of Customer & Client Receipts within Greenspaces	(1,979)	312	161	79
General Supplies & Services underspend within Greenspaces	553	(53)	(47)	(10)
Employee underspend within Senior Mgmt & Support	886	(158)	(158)	(51)
Other	14,919	14	(28)	363
Total for Sustainable Communities	12,846	(84)	(109)	203
Employee overspend within Waste Services	7,552	147	65	316
Transport related underspend within Waste Services	1,928	(318)	(242)	(155)
General Supplies & Services underspend within Waste Services	912	(78)	(78)	(169)
Overspend on 3 rd Party Payments	6,986	145	119	909
Overachievement of Customer & Client Receipts within Waste Services	(2,357)	(105)	(97)	527
Overspend within Transport Services	(876)	303	240	(291)
Other	413	(58)	(51)	12
Total for Street Scene & Waste	14,558	36	(44)	1,149
Total Excluding Overheads	18,006	3,295	3,067	1,299

Overview

The department is currently forecasting an overspend of £3,286k at year end. The main areas of variance are Parking Services, Waste Services, Greenspaces, Future Merton, Transport Services, Property management, Building & Development Control, and Senior Management & Support.

Pressures

Public Protection

Parking & CCTV Services

The section is currently forecasting an overspend of £3,312k mainly due an unsuccessful legal challenge to the award of the contract for the provision and maintenance of ANPR cameras, resulting in a delay to the contract

award. The expected contract start date is March 2016, whereas the budgeted expectation was for a November 2015 start. However, as a March 2016 commencement cannot be guaranteed at present, all income and expenditure relating to ANPR is excluded from the current forecast. It may be possible to include forecast income for 2015/16 in the next monitor. It is expected that improved compliance and traffic flow at the locations concerned will be seen within a couple of months of implementation.

In addition, the section is experiencing a continued reduction in existing PCN related income (£259k) due to increased compliance, and the continued funding of CPZ related expenditure (£260k). This is being offset by over-recoveries in most areas of permit / bay suspension revenue (£630k). In addition, this outturn position includes allowance for a c£60k loss of income as a result of providing free parking during the Christmas period.

There is also a forecast £127k employee related underspend, which will partly mitigate these budget pressures.

Regulatory Services Partnership

An overspend of £90k is forecast mainly as a result of a delay in implementing the second phase of the shared service staffing structure, which was budgeted to begin in April but was not implemented until October.

Sustainable Communities

Building & Development Control

The section is currently forecasting an underachievement of income of £121k. This is partially offset by an underspend of £43k in supplies and services.

Property Management

The section is currently forecasting an underspend of £209k. This is as a result of exceeding their commercial rental income expectations by £164k due to a current high occupancy rate, although this forecast has reduced slightly due to two tenants currently defaulting. There is also an NNDR related underspend of £70k whereby the authority is not currently liable for the fee.

Future Merton

The supplies and services underspend is as a result of various general underspends, together with the fact that some costs have now been recognised as relating to capital.

Greenspaces

The section is currently forecasting an overspend of £282k, which is mainly as a result of an underachievement of internment income (£100k), sports income (£75k), and income relating to rents (£54k). These pressures are being partially off-set by an expected supplies and services underspend of £53k.

This forecast also includes a loss of £53k (£78k loss overall as £25k marketing costs borne by the OCPB reserve) in relation to the inaugural Classics in the Park event.

Senior Management & Support

An underspend of £158k is being forecast due to not filling vacant posts in order to contribute towards the department's mitigating actions.

Street Scene & Waste

Waste Services

The section is currently forecasting an underspend of £267k, which is mainly due to an underspend on transport (£318k), supplies and services (£78k), and customer and client receipts (£105k). This reflects an improvement in commercial waste business.

However, the section is also forecasting an overspend relating to the ongoing operational and disposal costs associated with the management of the HRRC and transfer station (£248k). Although the site is now under new

management, this overspend is due to the part year effect of the current arrangements. However, it is expected that this pressure will not reoccur next year.

Waste services are also working closely with SLWP to manage operational cost associated to both the HRRC and Waste transfer station. In preparation for the second half of the year, the service is looking at the feasibility of the transfer station and undertaking a commercial review to assess its long term viability.

Waste Operations are progressing with the procurement of two additional vehicles to provide greater service resilience and to mitigate the need for overtime to cover mechanical breakdowns.

Transport Services

The section is currently forecasting an overspend of £303k which is mainly as a result of a lower than expected user requirement of the Workshop, external income, additional agency requirements due to staffing issues in the first part of the year, and a delay in the external use of the tachograph centre.

Agency staff usage has been stopped and focus has been put on securing additional work for the Tachograph Centre, and a number of external customers are now signing up to use our services.

Management Action

The E&R Director has requested the department look for further actions and options to mitigate the forecast overspend as far as possible.

Children Schools and Families

Children, Schools and Families	2015/16 Current Budget £000	Full year Forecast (Sep) £000	Forecast Variance at year end (Sep) £000	Forecast Variance at year end (Aug) £000	2014/15 Variance at year end £000
Commissioning, Strategy and Performance	8,630	9,586	956	890	1,287
Education	17,270	17,990	720	715	953
Social Care and Youth Inclusion	12,016	12,360	344	593	580
Public Health contribution	0	(328)	(328)	(328)	(415)
PFI	7,999	7,842	(157)	(157)	6
Redundancy costs	2,091	2,091	0	0	39
Total (controllable)	48,006	49,541	1,535	1,713	2,450

Overview

At the end of September Children Schools and Families had a forecast overspend of £1.535m on local authority funded services. The overspend has been netted down by one off Public Health money of £328k making the underlying overspend £1.863m, (£2.041m last month) a reduction of £178k.

Local Authority Funded Services

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

Description	Budget £000	Sep £000	Aug £000	2014/15 £000
Fostering and residential placements (ART)	5,192	611	482	1,052
Supported lodgings/housing	629	499	450	427
Un-accompanied asylum seeking children (UASC)	60	279	258	193
Procurement & School organisation	547	(294)	(287)	(128)
Other small over and underspends	2,202	(139)	(13)	(257)
Subtotal Commissioning, Strategy and Performance	8,630	956	890	1,287
SEN Transport	3,878	646	669	1,168
Children with disabilities team (CWD) staffing	554	65	95	24
Other small over and underspends	12,838	9	(49)	(236)
Subtotal Education	17,270	720	715	953
No Recourse to Public Funds (NRPF)	20	459	459	441
Independent review and service quality	530	164	164	210
Social Work staffing	3,394	148	188	315
Serious case review	77	(77)	(77)	(76)
Youth Offending Team	616	(96)	(17)	0
CAMHS	303	(57)	0	(207)
Adoption & 14+ teams	1,498	(111)	(78)	0
Other small over and underspends	5,578	(86)	(46)	(103)
Subtotal Children's Social Care and Youth Inclusion	12,016	344	593	580
Public Health contribution	0	(328)	(328)	(415)
Subtotal PFI	7,999	(157)	(157)	6
Subtotal Redundancy cost	2,091	0	0	39
Grand total Children, Schools and Families	48,006	1,535	1,713	2,450

Commissioning, Strategy and Performance Division

While the numbers of Looked After Children (LAC) remain relatively stable, the complexity of a significant proportion of cases is causing the net overspend of £611k. This includes on-going pressures on in-house fostering of £371k and residential placements of £331k which is offset by underspends in mother and baby placements of £3k, independent agency fostering of £37k and secure accommodation costs of £51k.

The budget for semi-independent and supported lodgings/housing placements is estimated to overspend by £499k. 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 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 £279k this year due to both an increase in cases and an increase in the number of claimants turning 18 which is when central government contribution towards these cases ceases. The number of UASC who have entered and who have been distributed across London has increased from 233 in 2011/12 to 462 in 2014/15.

Procurement and school organisation budgets are expected to underspend by £294k as a result of lower spend forecast on re-venueisation budgets. This budget relates to construction projects that cannot be classified as capital. The majority of this is required for temporary classrooms due to rising pupil demand when it is not viable to provide permanent buildings. This year demand for reception year places is slightly lower than forecast so there has been no need for temporary classrooms.

There are various other small over and underspends forecast across the division netting to a £139k underspend. These combine with the items described above to arrive at the total reported divisional overspend of £956k.

Education Division

SEN and FE transport cost are expected to overspend by £646k, £23k less than the forecast last month. The overspend relates to cost on external home to school transport as additional budget was received to balance the internal transport cost. It is due to an increase in number and complexity of caseload. We are reviewing both demand management, cost efficiency of supply and safeguarding of students with E&R who provide the in-house service and commission the taxi service.

The CWD team staffing costs is expected to overspend by £65k. 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. The funding for the first quarter has been included in the budgets and the forecast for the year adjusted for the second quarter. On top of the additional staff, the team also has to cover vacancies with higher cost agency staff.

There are various other small over and underspends forecast across the division netting to a £9k overspend. These combine with the item described above to arrive at the total reported divisional overspend of £720k.

Children's Social Care and Youth Inclusion Division

The NRPF budgets are forecast to overspend by £459k for the current financial year. 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 independent review and service quality team is expected to overspend by £164k. This is due to the use of agency staff to cover permanent IRO vacancies as well as additional resources above establishment to ensure appropriate caseloads to support the quality assurance function.

The Central Social Work, MASH and Permanency team's staffing costs is expected to overspend by £148k. 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 six additional social workers. The funding for the first quarter has been included in the budgets and the forecast for the year adjusted for the second quarter. On top of the additional staff, the team also has 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

The serious case review budget is expected to underspend by £77k because there has been no need to commission reviews during the current financial year.

The Youth Offending Team (YOT) is expected to underspend by £96k. This is due to a combination of holding staff vacancies and providing a reduced wraparound service as part of management action to reduce the overall departmental overspend.

The Children and Adolescent Mental Health Service (CAMHS) is expecting to underspend by £57k due to vacancies.

The adoption and 14+ teams are expected to underspend by £111k relating to temporarily holding staff vacancies as a result of management action to reduce the overall departmental overspend.

There are various other small over and underspends forecast across the division netting to a £112k underspend. These combine with the item described above to arrive at the total reported divisional overspend of £344k.

Dedicated Schools Grant

DSG funded services is forecast to underspend by £390k. These budgets are not within the council's general fund and cannot be offset against the local authority funded budgets. Any underspend 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 analyses.

The main reasons for the forecast relates to an estimated underspend of £429k in Independent Residential School provision. This figure is expected to reduce towards year-end as additional placements are made throughout the year.

There are various other smaller over and underspends forecast across the DSG netting to a £39k overspend which, combined with the item above, equates to the net underspend of £390k.

Management Action

Staffing

Agency cost continues to be a cost pressure for the department. The continued recruitment drive including recruitment of NQSWs and retention payments which we started with last year will all have a positive impact on the current financial year and we will continue to take action to bring down anticipated overspends on agency/staffing costs.

Placements

Our edge of care panel continues to ensure that entry to care thresholds is maintained. The impact of increased numbers of UASC is in particular affecting our LAC and care leaver numbers and we remain in the lowest rate of care range in London.

Work continues to ensure we lever in appropriate health contribution to children with complex needs and our ART service is driving down placement costs including through regional partnership commissioning.

Transport

We are modelling the potential impact of personal budgets from transport for 15/16 to assist in delivering cost reduction solutions to individual children's transport needs. 18 personal budgets were approved this financial year providing an on-going cost reduction of £82k.

We are monitoring tight eligibility thresholds and defending appeals and we have extended our independence travel training which has delivered savings of £49k to date.

New burdens

There are a considerable number of duties placed on the Local Authority which have not been fully funded or not funded at all. However this still leaves a net departmental overspend of £298k. The table below highlights the estimated overspends relating to these duties:

Description	Budget £000	Sep overspend forecast £000	Aug overspend forecast £000
Supported lodgings/housing	629	499	450
Un-accompanied asylum seeking children (UASC)	60	279	258
No Recourse to Public Funds (NRPF)	20	459	459
Total	709	1,237	1,167

These estimates only include services for these children and families including housing cost, they do not include staffing cost. Staff cost related to these clients are estimated to be about £270k.

Young people aged between 18 and 21 now have the right to stay in their foster, residential or other placements beyond 18. 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.

The majority of families presenting as NRPF 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.

Additional social worker capacity

As highlighted in the budget reports to Cabinet and Council, additional capacity is being kept under regular reviewed and funded quarterly from the corporate contingency. CMT / Cabinet are asked to approve the virement for the second quarter of £118k from the corporate contingency. This adjustment has already been built into budget forecast for September.

Community and Housing

Overview

At the end of September 2015 Community and Housing is forecast to overspend by £1.413m as shown in summary table 1 below. The Department received funding/growth of £3.9m for protecting and modernising social care and increased integration under the Better Care Fund, and to manage the new duties arising from the Care Act 2014. The cost pressures from upward price increases from providers nationally in the social care market, demographic changes to the population which mean we have more people with higher and complex levels of need eligible for services, the new requirements imposed through the Care Act, the lack of domiciliary and bed-based capacity in the national and local social care market which has had a significant negative impact on the ability to avoid Delayed Transfer of Care (DToC) charges, which will be further compounded by Winter pressures, the increasing cost trends resulting from the complexity of support for young people in transition from CSF to Adult Social Care and other new burdens such as the Cheshire West judgement on Deprivation of Liberty (DoLs) Safeguards, significantly increasing the volume of assessments under the DoLs procedure. This has magnified and compounded the volatility of the 3rd party Placements budget. Due to similar pressures in 2014-15 and delayed implementation, the planned savings target for 2014 -15 was not met. The Department is in parallel trying to recoup the shortfall in savings via the 2015-16 and 2016-17 savings plans.

Table 1 Community and Housing	2015/16 Current Budget £000	Full Year Forecast (Sep) £000	2015/16 Forecast Variance (Sep) £000	2015/16 Forecast Variance (Aug) £000	2014/15 Variance at year end £000
Access and Assessment	41,132	43,050	1,918	1,917	2,352
Commissioning	4,617	4,555	(62)	39	(221)
Direct Provision	5,924	6,340	416	(52)	1,188
Directorate	1,053	997	(56)	(22)	(223)
Directorate – Care Act Implementation Expenditure	1,265	665	(600)	(600)	0
Directorate – Care Act Implementation Income	(1,265)	(1,265)	0	0	0
**Contribution from Public Health	0	(328)	(328)	(328)	(500)
Adult Social Care	52,726	54,014	1,288	954	2,596
Libraries and Heritage	2,436	2,401	(35)	(20)	4
Merton Adult Education	(179)	77	256	278	254
Housing General Fund	1,903	1,807	(96)	(136)	(106)
Total (controllable)	56,886	58,299	1,413	1,076	2,748

The Adult Social Care forecast overspend has been netted down by £328k of one- off Public Health money giving an underlying overspend of £1.616m.

Additionally, a corporate settlement of £262k budget transfer has been approved to reduce the transport forecast over-spend.

The estimated costs of transition from children's to adult services totalling £675k has been included in the Period 6 placements forecast.

Access and Assessment – £1.918k over-spend

Access and Assessment	Forecast Variance (Sep) £000	Forecast Variance (Aug) £000
Gross Placements overspend	2,874	2,934
Other A&A under-spends	(892)	(847)
Sub-total Net over-spend	1,982	2,087
Over achievement of Client Contribution	(64)	(170)
Total Access & Assessment	1,918	1,917

Description	2015/16 Budget £000	Forecast Variance (Sep) £000	Forecast Variance (Aug) £000	2014/15 Variance at year end £000
Access & Assessment				
Gross Placements	38,178	2,874	2,934	3,689
Placements - Other	368	(39)	(43)	0
Transport**	180	40	40	0
Client & CCG Contribution Income	(11,875)	(64)	(170)	(612)
Concessionary Fares & Taxi-card	9,203	(160)	(157)	(45)
Care-first	136	(126)	(129)	(117)
Other Access & Assessment	9,369	(607)	(558)	(563)
Better Care Fund – NHS Social Care Transfer Income	(4,427)	0	0	0
Sub-total Access & Assessment	41,132	1,918	1,917	2,352
Commissioning				
Brokerage, Contracts, Performance & Planning & Commissioning	1,061	(136)	(140)	(237)
Voluntary Organisations - grants	756	79	113	138
Voluntary Organisations – Contracts	200	(23)	(23)	(24)
Voluntary Organisations – Dementia contract	230	8	8	11
Pollards Hill Contract (excluding transport)	82	(14)	(14)	0
Transport** (Pollards Hill & Woodlands)	133	0	0	32
LD – LDDF Grant	127	0	0	0
Supporting People Grant	2,128	24	95	(141)
Better Care Fund – NHS Social Care Transfer Income	(100)	0	0	0
Sub-total Commissioning	4,617	(62)	39	(221)
Direct Provision				
Transport **	619	6	11	604
Day Centres	1,828	(28)	(28)	(58)
Supported Living	873	499	19	109
Residential (Excluding transport)	806	179	174	222
Mascot	368	8	24	5
Other Direct Provision	262	0	3	10
Miles - Reablement	1,568	(223)	(230)	371
Helping People at home revenue grant	0	(25)	(25)	(75)
Better Care Fund – NHS Social Care Transfer Income	(400)	0	0	0
Sub-total Direct Provision	5,924	416	(52)	1,188
Directorate				
Staffing Costs	934	(56)	(22)	(223)
Adult Social Care Redesign – Projects	300	0	0	0
Better Care Fund – NHS Social Care Transfer Income	(181)	0	0	0
Care Act Implementation	1,265	(600)	(600)	0
Care Act Implementation-Grant	(865)	0	0	0
Better Care Fund – NHS Social Care Transfer	(400)	0	0	0
Subtotal Directorate	1,053	(656)	(622)	(223)
Contribution from Public Health (Ageing-Well grants)	0	(328)	(328)	(500)
Sub-total Adult Social Care	Page 530 26	1,288	954	2,595

Description	2015/16 Budget £000	Forecast Variance (Sep) £000	Forecast Variance (Aug) £000	2014/15 Variance at year end £000
Libraries	2,436	(35)	(20)	4
Merton Adult Education	(179)	256	278	254
<u>Housing</u>				
Temporary Accommodation	1,256	857	812	624
Temporary Accommodation – Housing Benefits	(1,140)	(860)	(860)	(540)
Homelessness Prevention	320	9	7	(127)
Housing Advice and Options	500	(14)	(12)	(7)
Housing Needs	283	(11)	(8)	(43)
Housing Strategy	139	(10)	(13)	(18)
Housing Supply & Development	266	(17)	(8)	(3)
Housing Environmental Health	228	(50)	(54)	(59)
Merton Action single Homeless	51	0	0	0
Reserves Funding Adjustment	0	0	0	67
Sub-total Housing	1,903	(96)	(136)	(106)
Total Community & Housing	56,866	1,413	1,076	2,748

Budget Pressures

Access and Assessment (£1.918m Forecast Overspend)

Access and Assessment is forecast to overspend by £1.918m in 2015-16. This is the net effect of forecast overspending on the third party placements budget of £2.874m less forecast underspending on other budgets of £0.956m. These underspends have been planned by management to reduce the impact of external environmental cost pressures beyond our control

The main pressures are:

Price pressures. Nationally the market in social care has shown that providers are successfully demanding increases in fees. This is due to pressures such as clarification over the definition of minimum wage and increasing challenges in hiring staff. Merton has in recent years held fees low compared with other boroughs, for example by not offering an increase for inflation for five years. However, providers can now obtain better prices from neighbouring boroughs and/or the NHS. This means that to secure supply and sustain a viable market Merton is having to negotiate new higher fees.

The impact of the negotiations agreed to date is £581k (£387k for Residential and Nursing placements and £194k for Domiciliary care providers.

New Demographic pressures. Our best estimate of demographic growth pressures affecting 2015-16 are:

£432k in 2015-16 on older people's budgets due to increased aging of the population based on POPPI (Projecting Older People Population Information System) data. This requires clearer demonstration.

£78k in 2015-16 on Working age adults budgets (excluding Learning disabilities) based on PANSI (Projecting Adult Needs and Service Information System) data, and 2015-16 we expect young people who make the transition to adult services will cost ASC £675k to support in 2015-16. This requires clearer demonstration.

NHS pressures. These pressures are from delayed hospital discharge as a result of a lack of capacity in the social care market to support the discharge of a greater volume people at a greater level of dependency. As an indicator of this pressure, the:

Number of people needing "double ups" (i.e. two carers at any one time to manage personal care for a customer) increased from 12.1% to 15.3% of domiciliary care customers in 2014/15.

The average home care hours per week received per person supported in 2014-15 rose from 15.8 to 17.4 hours.

£50k of DToC fines has been estimated and included in the forecast for impact of delay in transferring clients from hospital. NHS England and Merton CCG are scrutinising the reasons for the delay which will impact on the performance targets agreed in the Better care fund agreement and places this at risk.

New responsibilities arising from the Cheshire West judgement and the Care Act 2014.

Although the Government has provided some funding to cover the implications of the Care Act (£865k) and the Cheshire West judgement around Deprivation of Liberty Assessments (DOLS) (£80k), risks are that: The costs of the Care Act responsibilities, most notably to sustain a viable care and support market may exceed this funding, and It is already clear that the costs of implementing the Cheshire West judgement are well in excess of £80k as DOLS activity has increased by more than 1000% e.g. there were 40 DOLS cases in 2013-14, 526 in 2014-15 and at the end of August 2015 trends suggest there will be more than 600 in 2015-16. The actual cost of implementing this judgement in 2015/16 is estimated at £290k.

Ordinary Residents. Three new Ordinary Residence cases costing £193k were passed to Merton by neighbouring boroughs.

Commissioning (£62k Forecast Underspend):

There are staff various vacancies across the commissioning team resulting in an under-spend of £137k.

There are planned contract negotiations and efficiencies in Supporting People contracts to ensure the budget does not overspend.

Direct Provision (£416k Forecast Overspend)

The overspend is mainly as a result of the demand for residential and supported living placements.

Direct Provision Residential Care/Supported Living Services (£678k forecast overspend)

There is pressure on the staffing costs of £143k due to the on-going unfunded impact of the Single Status National Agreement.

The original staffing budget for Supported Living was set for a 22 bedded residential unit. The service changed from a residential service to a supported living service where customers live within their own homes with staff supporting them. This not only empowers the customer, but is cheaper at around £470 per week compared to £1,294 per week. Therefore, the service is now supporting 40 customers at various sites, two of these sites provide 24 hour staffing cover.

Glebelands Extra Care Supported Living was transferred to Direct Provision in 2009 with inadequate budget to cover the existing staff team. Since 2011, the client support hours have increased from 169 to 321 per week.

The forecast variance for Direct Provision has changed from an underspend of £52k in August to an overspend of £416k in September, because projected income that is recouped from the Access and Assessment placement budgets to cover the SLA has not been included. This is to be reviewed by finance and the budget will be realigned.

Directorate (£656k Forecast Underspend)

Libraries (£35k forecast underspend)

The underspend is mainly attributable to some staff vacancies and reduction in running costs whilst temporary services are in place at Colliers Wood

Merton Adult Education - £256k forecast over-spend.

The forecast is a reduction of £22k from last month

The overspend is caused by £153k in year reductions in SFA funding and the inability to realise savings target of £176K.

This forecast has taken into account funding the new MAE Commissioning Team roles.

A re-structure is planned from October 2015 for the remainder of the year.

Housing (£96k forecast underspend).

There are various staff vacancies across the housing teams resulting in the under-spend.

The accounting for Housing benefits relating to Temporary accommodation is to be reviewed to clarify amount received as entitlement v subsidy.

Adult Social Care - Delivery of Savings

The savings programme developed for 2014/15 contained a number of savings (£2.265m) which were not delivered in 2014-15. Similarly the 2015/16 savings have not been delivered and urgent action is required for both years to bring the budget back into balance. If savings had been delivered the budget would be underspending.

Management action

Actions to mitigate the pressures above and to recoup the savings shortfall from 2014-15 include:

Ones already in place :

- Resources panels twice a week
- Clear programme of reviews
- Continued success from brokerage team to place people in difficult circumstances and negotiate costs down
- Regular budget monitoring with finance staff and ensuring that forecasts are timely and accurate
- Re-ablement flexing role to take more people out of hospital temporarily when we can't place them in agencies
- Successful negotiations with providers to mitigate many requests for increased fees
- Market management/shaping work: Recognising the challenges posed by the market costs we are undertaking a number of individual negotiations with providers looking at what models of delivery we can design that will enable the services to be delivered in partnership with providers for the lowest costs. In addition, there are some areas where we feel we can negotiate even keener prices and we are actively pursuing those as well. So far in these negotiations we have achieved agreed rate increases, on average of just 38% of what was demanded by providers. The estimated cost impact is £581k versus £1,522k demanded by providers.

Further measures:

- New reports on all individual customers to show fluctuations in support costs and activity include new ways of procuring access to care home placements, creating a more flexible market for domiciliary care based on personal assistants and investigating how we can use varied tools and techniques tools to forecast demand even more accurately and reduce void costs.

Placements Activity Data

The table below details the current number of clients and care packages.

Activity Data	Care Packages (No's) Sep	Care Packages (No's) Aug	Clients (No's) Sep	Clients (No's) Aug	Total Yearly Commitment @ September £000
<u>Service Area</u>					
Mental Health	133	138	120	121	1,620
Physical and Sensory	331	327	225	220	4,608
Learning Disabilities **	418	420	337	338	12,961
Older People	1,806	1,807	1,229	1,228	21,487
Substance Misuse	12	8	8	7	152
No recourse to public funds	18	18	9	9	224
TOTAL Gross placement expenditure	2,718	2,718	1,928	1,923	41,052

The impact of the rate increase negotiations agreed to date is £581k of which £387k is to Residential and Nursing providers and £194k for Domiciliary care providers.

Learning Disability Commitment also includes estimated transition costs of £675k.

Details of the estimated costs are:-

1. At age 18 when the young person comes to ASC - £250k
2. At age 19 when they leave school - £125k
3. At age 21/22 (or possible older with the recent Children and Families Act) when they leave college - £300k

Public Health

Public Health is forecast to under-spend by £364k, an increase of £63k on the forecast reported in previous month.

Public Health	2015/16 Budget £000	Period6 (Sep) Forecast £000	Forecast Variance (Sep) £000	Forecast Variance (Aug) £000	2014/15 Final Out- turn Variance £000
PH - Directorate	1,246	1,119	(127)	(119)	(305)
PH- Contraception	713	713	0	0	(26)
PH - STI Testing and Treatment (GUM)	2,060	2,194	134	134	110
PH - SH Advice, Prevent and Promotion	217	219	2	2	(97)
PH - NHS Health check	322	315	(7)	0	17
PH - Falls Prevention	66	66	0	0	(1)
PH – Non Recurrent Project	1,154	1,106	(47)	0	0
PH – Obesity	539	521	(18)	(18)	(28)
PH – Live well (including smoking Cessation)	345	331	(14)	(14)	(35)
PH – Substance Misuse (Drugs and Alcohol)	2,098	1,849	(249)	(249)	(422)
PH – School Nursing (including National Child Measurement programme)	849	849	0	0	(4)
PH Surveillance and Control of Infectious Diseases	10	0	(10)	(9)	(9)
PH – Determinants	160	149	(11)	(11)	0
PH – Community Services Contract Estates	285	284	0	0	0
PH – New Investments	154	138	(16)	(16)	(275)
Total Public Health (controllable)	10,218	9,917	(364)	(301)	(1,075)

There is a potential risk of an in-year claw back on the Public Health grant allocation as a result of the recent budget announcement by the chancellor. The consultation sets out possible options on how the £200 million of savings might be spread across LA's. One suggestion is a straight 6.2% cut to all LA's. This equates to a reduction of £573k on the PH grant and £91k on the 0-5 (Health Visiting) allocation due to transfer in October (Total £664k)

Details of how this reduction if applied will be allocated across PH projects or how it will be taken back in year have not been agreed.

(E) Corporate Items

The details comparing actual expenditure up to 30 September 2015 against budget are contained in Appendix 2. The main areas of variance as at 30 September 2015 are:-

Corporate Items	Current Budget 2015/16 £000s	Full Year Forecast (Sep.) £000s	Forecast Variance at year end (Sep.) £000s	Forecast Variance at year end (Aug.) £000s	2014/15 Year end Variance £000s
Cost of borrowing	14,117	14,092	(25)	(25)	205
Use for Capital Programme	0	0	0	0	0
Impact of Capital on revenue budget	14,117	14,092	(25)	(25)	205
Investment Income	(559)	(841)	(282)	(210)	(385)
Pension Fund	5,042	5,042	0	0	(300)
Pay and Price Inflation	575	575	0	0	(883)
Contingencies and provisions	4,474	3,024	(1,450)	(1,450)	64
Income Items	(174)	(800)	(626)	(626)	(914)
Appropriations/Transfers	(7,670)	(7,670)	0	0	(399)
Central Items	1,687	(671)	(2,358)	(2,286)	(2,817)
Levies	926	926	0	0	0
Depreciation and Impairment	(16,506)	(16,506)	0	0	0
TOTAL CORPORATE PROVISIONS	225	(2,158)	(2,383)	(2,311)	(2,612)

There has been an increase of £72k in the level of forecast investment income (this is currently under review).

4. CAPITAL PROGRAMME 2015-19

4.1 Capital Expenditure

4.1.1 The table below compares capital expenditure to September over the last four years:

Depts.	Spend To September 2012	Spend To September 2013	Spend To September 2014	Spend To September 2015	Variance 2012 to 2015	Variance 2013 to 2015	Variance 2014 to 2015
C&H	418	778	182	286	(132)	(492)	104
CS	1,083	1,372	480	518	(565)	(854)	38
CSF	13,732	4,725	7,979	8,036	(5,696)	3,311	57
E&R	4,334	4,149	1,685	2,987	(1,347)	(1,162)	1,302
Total Capital	19,568	11,023	10,326	11,827	(7,740)	804	1,501

Outturn £000s	40,487	31,564	36869	
Budget £000s				42,508
Projected Spend September 15 £000s				38,927
Percentage Spend to Budget				27.82%
Percentage Spend to Outturn/Projection	48.33%	34.92%	28.01%	30.38%
Monthly Spend to Achieve Projected Outturn £				4,517

4.1.2 September is half way through the financial year, departments have spent 27.8% of their budget or 30.4% of their forecast outturn. The Authority has caught up with prior year spend in 2013-14 and 2014-15 but is behind that achieved in 2012/13. To achieve a projected spend of £38.9m officers will need to spend just over £3.9m per month for the rest of the financial year. The table below shows that in September 2015 departments have managed to spend just under £3.8 million.

Department	Spend To August 2015 £000s	Spend To September 2015 £000s	Increase £000s
C&H	267	286	19
CS	431	518	88
CSF	6,719	8,036	1,317
E&R	1,645	2,987	1,342
Total Capital	9,062	11,827	2,766

4.2 The Table below shows the movement in the 2015/19 corporate capital programme since the July 2015 financial monitoring report, September challenge meetings will also review the proposed programme for 2016/17 which at £63 million is currently considerably above the level of spend achieved in recent years:

Depts	Current Budget 15/16	Adjustments	Revised Budget 15/16	Current Budget 16/17	Adjustments	Revised Budget 16/17	Current Budget 17/18	Variance	Revised Budget 17/18	Current Budget 18/19	Variance	Revised Budget 18/19
C&H	2,185	60	2,246	2,324	0	2,324	340	0	340	340	0	340
CS	8,663	125	8,788	4,890	0	4,890	2,881	0	2,881	2,757	0	2,757
CSF	16,050	0	16,050	29,011	0	29,011	20,979	0	20,979	20,104	0	20,104
E&R	17,474	(2,049)	15,425	22,157	2,125	24,282	15,327	0	15,327	6,379	0	6,379
TOTAL	44,372	(1,864)	42,508	58,382	2,125	60,506	39,527	0	39,526	29,579	0	29,579

4.3 The table below summarises the position in respect of the Capital Programme as at August 2015 the detail is shown in Appendix 5a

Merton Summary Capital Report - September 2015 Monitoring

Scheme Description	Total Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance
Community and Housing	2,244,990	285,913	917,611	(650,567)	2,244,374	(616)
Corporate Services	8,788,310	518,424	2,919,663	(2,401,239)	5,178,499	(3,609,811)
Children Schools and Families	16,049,640	8,035,998	8,077,715	(133,592)	16,024,638	(25,002)
Environment and Regeneration	15,424,580	2,986,904	5,862,859	(2,875,955)	15,479,300	54,720
Total Capital	42,507,520	11,827,239	17,777,848	(6,061,353)	38,926,811	(3,580,709)

- a) Corporate Services – The majority of the projected variance is caused by five major corporate schemes
- a. the Acquisition Fund £1,542k - this budget is held corporately,
 - b. Bidding Fund £1,357k (subject to business cases for European Funding)
 - c. Transformation Budget £88k – this budget is held corporately and vired as transformation projects are identified.
 - d. Disaster Recovery £181k the remainder of budget was being held as contingency until the first testing is undertaken in November 2015 but even if this fails it is not currently expected that all the remaining budget will be required.
 - e. Customer Contact Programme and Document Management System projects which are being progressed under one contract are currently showing slippage of £420k. Currently this is an estimate of the likely outturn for 2015/16 as the contract milestones for payments have not yet been agreed with the provider and confirmed
 - f. Environment and Regeneration – The major cause of the projected overspend is linked to the Parks investment Scheme, which is projecting a £50,450 overspend. The timing of expenditure is currently being reviewed, as Parks Investment is a block annual scheme any projected overspend will be funded by a roll forward of their 2016/17 budget, unless another funding source can be identified.

4.3 Appendix 5b details the adjustments being made to the Capital Programme this month. A brief description of the adjustment is provided in this Appendix.

4.4 Appendix 5c details the change in funding the programme 2015-17. The table below shows the movement in the Capital programme for 2015/16 since its approval in March 2015:

Depts.	Original Budget 15/16	Net Slippage 2014/15	Adjustments	New External Funding	New Internal Funding	Re-profiling	Revised Budget 15/16
Community and Housing	2,161	1,436	189	0		(1,540)	2,246
Corporate Services	7,428	2,408	(126)	0	125	(1,047)	8,788
Children Schools and Families	17,105	1,014	268	130	0	(2,467)	16,050
Environment and Regeneration	15,240	2,345	(2,195)	233	252	(450)	15,425
Total	41,933	7,203	(1,864)	363	377	(5,504)	42,508

5. DELIVERY OF SAVINGS

Department	Target Savings 2015/16	Projected Savings 2015/16	Period 6 Forecast Shortfall	Period 6 Forecast Shortfall
	£000's	£000's	£000's	%
Corporate Services	1,170	1,099	(71)	(6.1)%
Children Schools and Families	781	781	0	0.0%
Community and Housing	2,154	1,889	(266)	(12.3)%
Environment and Regeneration	4,192	766	(3,426)	(81.7)%
Total	8,297	4,535	(3,763)	(45.3)%

Appendix 7 details the progress on savings for 2015/16 by department.

£3.2m of the E&R savings shortfall relates to the unsuccessful legal challenge to the award of the contract for the provision and maintenance of ANPR camera. This will be met next year. In relation to the remaining shortfalls – these are reviewed regularly by DMT and where it is deemed that the savings cannot be achieved alternative savings have been/ will be proposed to Cabinet.

Mitigating actions continue to be applied wherever possible in order to minimise the in-year pressures.

Adult Social Care have initiated various management actions to recoup the savings shortfall. This includes new innovative commissioning approaches and reviewing the current commissioning strategy. Also working on a number of other innovative ideas to help meet a growing need in a different way to the current process.

2014/15 Savings not fully achieved

Department	Savings 2014/15	Savings Achieved 2014/15	14/15 Shortfall	15/16 Shortfall expected
	£000's	£000's	£000's	£000's
Corporate Services	975	917	(58)	0
Children Schools and Families	140	100	(40)	0
Community and Housing	2,829	300	(2,529)	1,079
Environment and Regeneration	784	280	(504)	118
Total	4,728	1,597	(3,131)	1,197

Appendix 8 reports the 2014/15 savings not achieved and projects the full year affect of these savings in 2015/16. Further work is being performed to ensure the 2014/15 savings shortfall is addressed in the current year.

6. CONSULTATION UNDERTAKEN OR PROPOSED

6.1 All relevant bodies have been consulted.

7. TIMETABLE

7.1 In accordance with current financial reporting timetables.

8. FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

8.1 All relevant implications have been addressed in the report.

9. LEGAL AND STATUTORY IMPLICATIONS

9.1 All relevant implications have been addressed in the report.

10. HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

10.1 Not applicable

11. CRIME AND DISORDER IMPLICATIONS

11.1 Not applicable

12. RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

12.1 The emphasis placed on the delivery of revenue savings within the financial monitoring report and the risk of part non-delivery of savings is contained on the key strategic risk register and will be kept under review.

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

Appendix 1-	Detailed monthly position table
Appendix 2 –	Detailed Corporate Items table
Appendix 3 –	Pay and Price Inflation as at September 2015
Appendix 4 –	Treasury Management: Outlook
Appendix 5a –	Current Capital Programme 2015/16
Appendix 5b –	Current Capital Programme 2015/16 – Adjustments September 2015
Appendix 5c –	Funding Current Capital Programme 2015/16 & 2016/17
Appendix 6 -	Departmental charts
Appendix 7 -	Progress on 2015/16 savings
Appendix 8-	2014/15 savings achieved and expected in 2015/16
Appendix 9 –	Cash flow statement
Appendix 10 -	Customer and Client Receipts

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
September 2015**

APPENDIX 1

	Original Budget 2015/16	Current Budget 2015/16	Year to Date Budget (Sept)	Year to Date Actual (Sept)	Full Year Forecast (Sept)	Forecast Variance at year end(Sept)	Forecast Variance at year end- previous month (Aug)	Outturn Variance 2014/15
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000
Department	-							
3A. Corporate Services	14,025	14,825	18,138	14,136	14,895	70	(327)	(691)
3B. Children, Schools and Families	50,894	52,737	96,601	95,754	54,273	1,535	1,713	2,663
3C. Community and Housing	-							0
Adult Social Care	56,080	56,455	28,127	26,067	57,743	1,288	954	2,593
Libraries & Adult Education	3,169	3,289	1,873	1,755	3,510	221	258	281
Housing General Fund	2,151	2,154	960	353	2,058	(96)	(136)	(100)
3D. Public Health	320	1,154	212	(1,670)	790	(364)	(301)	(0)
3E. Environment & Regeneration	23,986	24,174	4,137	3,419	27,469	3,295	3,067	1,703
Overheads	0	0	0	0	0	0	0	0
NET SERVICE EXPENDITURE	150,624	154,788	150,048	139,813	160,737	5,950	5,227	6,448
3E. Corporate Items								
Impact of Capital on revenue budget	14,117	14,117	2,790	2,562	14,092	(25)	(25)	205
Other Central items	-10,651	-14,818	-7,063	-2,495	-17,176	-2,358	-2,286	(2,817)
Levies	926	926	503	503	926	0	0	0
TOTAL CORPORATE PROVISIONS	4,392	225	-3,770	570	-2,158	-2,383	-2,311	-2,612
TOTAL GENERAL FUND	155,016	155,012	146,277	140,383	158,579	3,567	2,916	3,836
- Funding	-							
- Business Rates	(33,686)	(33,686)	(4,077)	(4,077)	(33,686)	0	0	0
- RSG	(30,425)	(30,425)	(19,360)	(19,360)	(30,425)	0	0	0
- Council Tax Freeze Grant 2014/15	(861)	(861)	(434)	(434)	(861)	0	0	6
- Section 31 Grant	(1,134)	(1,134)	(539)	(539)	(1,134)	0	0	(160)
- New Homes Bonus	(2,642)	(2,642)	(2,142)	(2,142)	(2,642)	0	0	0
- PFI Grant	(4,797)	(4,797)	(2,398)	(2,398)	(4,797)	0	0	0
Grants	(73,545)	(73,545)	(28,951)	(28,951)	(73,545)	0	0	(154)
Collection Fund - Council Tax Surplus(-)/Deficit	(4,813)	(4,813)	0	0	(4,813)	0	0	0
Collection Fund - Business Rates Surplus(-)/Deficit	393	393	0	0	393	0	0	0
Council Tax								
- General	(76,758)	(76,758)	0	0	(76,758)	0	0	0
- WPCC	(293)	(293)	0	0	(293)	0	0	0
Council Tax and Collection Fund	(81,471)	(81,471)	0	0	(81,471)	0	0	0
FUNDING	(155,016)	(155,016)	(28,951)	(28,951)	(155,016)	0	0	(154)
NET	0	(4)	117,327	111,432	3,567	3,567	2,916	3,682

	Current Budget 2015/16	Year to Date Budget (Sept)	Year to Date Actual (Sept)	Full Year Forecast (Sept)	Forecast Variance at year end (Sept)
Expenditure	£000	£000	£000	£000	£000
Employees	97,562	48,535	48,566	99,242	1,679
Premises Related Expenditure	8,736	5,073	3,020	8,101	(635)
Transport Related Expenditure	14,686	7,292	6,113	15,274	587
Supplies and Services	173,899	83,236	80,200	173,027	(872)
Third Party Payments	89,464	42,387	39,860	93,772	4,309
Transfer Payments	104,045	51,824	50,896	100,588	(3,458)
Support Services	31,902	0	0	31,901	(1)
Depreciation and Impairment Losses	16,505	7	0	16,506	0
Corporate Provisions	225	(3,770)	570	(2,158)	(2,383)
GROSS EXPENDITURE	537,024	234,584	229,225	536,251	(773)
Income					
Government Grants	(265,429)	(52,778)	(54,036)	(262,414)	3,015
Other Grants, Reimbursements and Contribs	(26,030)	(6,919)	(7,500)	(26,025)	5
Customer and Client Receipts	(57,891)	(26,390)	(27,314)	(57,064)	827
Interest	(44)	0	0	(20)	24
Recharges	(32,547)	(2,150)	0	(32,546)	1
Balances	(70)	(70)	8	398	468
GROSS INCOME	(382,012)	(88,307)	(88,842)	(377,672)	4,340
NET EXPENDITURE	155,012	146,278	140,383	158,579	3,567

APPENDIX 2

3E. Corporate Items	Council 2015/16 £000s	Original Budget 2015/16 £000s	Current Budget 2015/16 £000s	Year to Date Budget (Sept) £000s	Year to Date Actual (Sept) £000s	Full Year Forecast £000s	Forecast Variance at year end (Sept) £000s	Forecast Variance at year end (Aug) £000s
Cost of Borrowing Use for Capital Programme	14,117	14,117	14,117	2,790	2,562	14,092	(25)	(25)
Impact of Capital on revenue budget	14,117	14,117	14,117	2,790	2,562	14,092	(25)	(25)
Investment Income	(559)	(559)	(559)	(233)	(422)	(841)	(282)	(210)
Pension Fund	5,042	5,042	5,042	840	354	5,042	0	0
Corporate Provision for Pay Award	189	189	0	0	0	0	0	0
Provision for inflation in excess of 1.5%	543	543	475	0	0	475	0	0
Utilities Inflation Provision	100	100	100	0	0	100	0	0
Pay and Price Inflation	832	832	575	0	0	575	0	0
Contingency	1,500	1,500	1,263	0	0	263	(1,000)	(1,000)
Single Status/Equal Pay	100	100	100	0	15	50	(50)	(50)
Bad Debt Provision	500	500	500	0	0	500	0	0
Loss of income arising from P3/P4	400	400	400	0	0	0	(400)	(400)
Revenuisation and miscellaneous	3,525	3,525	2,211	0	0	2,211	0	0
Contingencies and provisions	6,025	6,025	4,474	0	15	3,024	(1,450)	(1,450)
Local Services Support Grant	0	0	0	0	3	0	0	0
Other	(174)	(174)	(174)	0	0	(800)	(626)	(626)
Income items	(174)	(174)	(174)	0	3	(800)	(626)	(626)
Appropriations: CS Reserves	(3,003)	(3,003)	(3,682)	(3,682)	(232)	(3,682)	0	0
Appropriations: E&R Reserves	(1,631)	(1,631)	(1,788)	(1,788)	(13)	(1,788)	0	0
Appropriations: CSF Reserves	(618)	(618)	(1,152)	(1,152)	(1,152)	(1,152)	0	0
Appropriations: C&H Reserves	(545)	(545)	(700)	(700)	(700)	(700)	0	0
Appropriations: Public Health Reserves	(320)	(320)	(1,154)	(1,154)	(1,154)	(1,154)	0	0
Appropriations: Corporate Reserves	806	806	806	806	806	806	0	0
Appropriations/Transfers	(5,311)	(5,311)	(7,670)	(7,670)	(2,445)	(7,670)	0	0
Depreciation and Impairment	(16,506)	(16,506)	(16,506)	0	0	(16,506)	0	0
Central Items	3,466	3,466	(701)	(4,273)	67	(3,084)	(2,383)	(2,311)
Levies	926	926	926	503	503	926	0	0
TOTAL CORPORATE PROVISIONS	4,392	4,392	225	(3,770)	570	(2,158)	(2,383)	(2,311)

Pay and Price Inflation as at August 2015

In 2015/16, the budget includes 1% for increases in pay and 1.5% for increases in general prices, with an additional amount of £0.543m 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 and it will only be released when it is certain that it will not be required.

Pay:

The pay award for 2015/16 was agreed as part of a two year settlement which ends on 31 March 2016

Prices:

The Consumer Prices Index (CPI) fell by 0.1% in the year to 2015, down from no change (i.e. 0.0%) in the year to August 2015. A smaller rise in clothing prices on the month compared with a year ago and falling motor fuel prices were the main contributors to the slight fall in the rate.

CPIH grew by 0.2% in the year to September 2015, down from 0.3% in August 2015.
RPI annual inflation stands at 0.8% in September 2015, down from 1.1% in August 2015.

Outlook for inflation:

On 6 October 2015, the Bank of England's Monetary Policy Committee (MPC) voted by a majority of 8-1 to maintain the Bank Base Rate at 0.5%. The Committee voted unanimously 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 its summary of its decision, the MPC noted that "Twelve-month CPI inflation was zero in August, well below the 2% target rate. Around three-quarters of that deviation reflects unusually low contributions from energy, food and other imported goods prices. The remaining quarter reflects the past weakness of domestic cost growth. Although rising, increases in labour costs remain lower than would be consistent with meeting the inflation target in the medium term, were they to persist at current rates. Core inflation remains subdued at around 1%, influenced both by restrained labour cost growth and by muted import cost growth, itself partly reflecting the continuing dampening influence of sterling's appreciation since mid-2013. With inflation below the target, and the likelihood that at least some spare capacity remains in the economy, the MPC intends to set monetary policy so as to ensure that growth is sufficient to absorb any remaining underutilised resources. That will support domestic cost growth and is necessary to ensure that inflation is on track to return sustainably to the 2% target rate within two years."

The MPC also reiterated its view that "the likely persistence of the headwinds restraining economic growth following the financial crisis means that, when Bank Rate does begin to rise, it is expected to do so more gradually and to a lower level than in recent cycles. Such guidance, however, is an expectation and not a promise: the path that Bank Rate will actually follow over the next few years will depend on economic circumstances."

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 (September 2015)			
	Lowest %	Highest %	Average %
2015 (Quarter 4)			
CPI	0.0	0.9	0.3
RPI	0.8	1.6	1.2
LFS Unemployment Rate	5.1	5.6	5.4
2016 (Quarter 4)	Lowest %	Highest %	Average %
CPI	1.0	2.7	1.7
RPI	1.2	3.7	2.8
LFS Unemployment Rate	4.7	5.8	5.2

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

Independent medium-term projections for the calendar years 2015 to 2019 are summarised in the following table:-

Source: HM Treasury - Forecasts for the UK Economy (August 2015)					
	2015	2016	2017	2018	2019
	%	%	%	%	%
CPI	0.1	1.4	1.9	2.0	2.0
RPI	1.0	2.2	3.1	3.2	3.4
LFS Unemployment Rate	5.5	5.1	5.0	4.9	4.9

Treasury Management: Outlook

The Bank Base Rate has been kept at its low of 0.5% since March 2009. At its meeting ending on 6 October 2015, the MPC voted by a majority of 8-1 to maintain Bank Rate at 0.5%. The Committee voted unanimously to maintain the stock of purchased assets financed by the issuance of central bank reserves at £375 billion

In the MPC minutes published on 8 October 2015 it was noted that “The near-term outlook for CPI inflation appeared slightly weaker than at the time of the August Inflation Report, in part reflecting the further decline in the oil price. CPI inflation was likely to remain close to zero before picking up around the turn of the year. But it now appeared likely to remain below 1% until spring 2016. The outlook for inflation in the medium term, after the direct effects of past movements in international energy and food prices have washed out of the annual comparison, was of more relevance to the setting of monetary policy, however. At that horizon, the path of inflation would reflect the balance of two opposing forces: the extent to which domestic costs pressures built, set against any persisting external disinflationary pressure... A majority of private sector economists surveyed by Reuters still expected Bank Rate to be raised in the first quarter of 2016, although there had been an increase in the proportion expecting a rate rise in the second quarter of next year. Short-term interest rates had fallen in the United States, where implied expectations of the first increase in official interest rates had also been pushed back. In the euro area, too, short-term interest rates had declined and a majority of private sector economists responding to a survey conducted by Reuters continued to expect an extension of the ECB’s Public Sector Purchase Programme beyond its scheduled conclusion in September 2016. A key question was the extent to which these falls in risk-free interest rates reflected a monetary stimulus that would act to bolster growth in advanced economies, or whether the declines would merely act to offset the impact of a weaker global environment. “

The MPC’s forecasts of Bank Base Rate in recent Quarterly Inflation Reports is summarised in the following table:-

	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	End Q.1 2018	End Q.2 2018	End Q.3 2018
August 2015		0.5	0.5	0.6	0.7	0.9	1.0	1.2	1.3	1.4	1.5	1.6	1.7	1.7
May 2015	0.5	0.5	0.5	0.6	0.7	0.8	0.9	1.0	1.1	1.2	1.3	1.3	1.4	
February 2015	0.4	0.5	0.5	0.6	0.6	0.7	0.8	0.9	1.0	1.0	1.1	1.1		
November '14	0.6	0.7	0.8	1.0	1.1	1.2	1.4	1.5	1.5	1.7	1.7			
August 2014	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 August 2015

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.

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 - September 2015 Monitoring

Scheme Description	Total Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance
Adult Social Care						
The Gables Mitcham	576,280	34,446	576,280	(541,834)	576,280	0
Other	133,550	1,638	26,940	(25,302)	132,933	(617)
Libraries						
Library Self Service	350,000	0	0	0	350,000	0
Housing						
8 Wilton Road	60,160	(13,011)	60,161	(73,172)	60,161	1
Disabled Facilities	1,125,000	262,840	254,230	(10,259)	1,125,000	0
Community and Housing Total	2,244,990	285,913	917,611	(650,567)	2,244,374	(616)

Corporate Services Summary Capital Report - September 2015 Monitoring

Scheme Description	Total Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance
Business Improvement Total	2,440,570	114,507	1,337,574	(1,223,067)	2,019,940	(420,630)
Corporate Governance	880	0	880	(880)	0	(880)
Corporate Items	2,899,340	0	0	0	0	(2,899,340)
Facilities Management Total	1,783,280	314,188	988,543	(674,355)	1,764,435	(18,845)
IT Total	847,550	89,241	348,550	(259,309)	665,624	(181,926)
Resources	686,700	0	114,126	(114,126)	686,700	0
IT Transformation Unallocated	129,990	488	129,990	(129,502)	41,800	(88,190)
Corporate Services Total	8,788,310	518,424	2,919,663	(2,401,239)	5,178,499	(3,609,811)

Children, Schools & Families Summary Capital Report - September 2015 Monitoring

Scheme Description	Total Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance
Aragon expansion	0	(11,083)	0	(11,083)	0	0
Beecholme expansion	95,000	0	47,500	(47,500)	0	(95,000)
Cranmer expansion	31,260	6,185	31,260	(25,075)	31,260	0
Joseph Hood Permanent Expansn	3,830	(2,965)	3,830	(6,795)	3,830	0
St Mary's expansion	157,080	46,975	157,080	(110,105)	157,078	(2)
All Saints/ South Wim YCC exp	3,550	3,547	3,550	(3)	3,550	0
Hillcross School Expansion	1,560,510	1,299,665	748,595	551,070	1,560,510	0
Merton Abbey Temp Accomodation	1,179,940	798,984	686,670	112,314	1,179,940	0
Pelham School Expansion	3,161,140	2,536,718	1,938,210	598,508	3,161,140	0
Dundonald expansion	3,106,710	1,052,556	1,118,780	(66,224)	3,106,710	0
Poplar Permanent Expansion	289,900	160,177	(120,867)	281,044	289,900	0
Singlegate expansion	1,412,810	200,918	718,544	(517,626)	1,412,810	0
Wimbledon Park expansion	70,530	(48,863)	70,530	(119,393)	70,530	0
Primary Expansion	11,072,260	6,042,814	5,403,682	639,132	10,977,258	(95,002)

Children, Schools & Families Summary Capital Report - September 2015 Monitoring Continued ...

Scheme Description	Total Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance
Devolved Formula Capital	568,830	180,876	286,932	(106,056)	568,830	0
Early Years	0	(59,158)	0	(59,158)	0	0
Free School Meals	193,080	162,732	138,080	24,652	193,080	0
Haslemere	0	195	0	195	0	0
Cricket Green Site	137,470	20,530	72,444	(51,914)	137,470	0
Primary school autism unit	1,145,240	520,497	916,180	(395,683)	1,145,240	0
Breaks-disabled children grant	0	(7,242)	0	(7,242)	0	0
Perseid	1,139,680	713,020	564,546	148,474	1,139,680	0
Schs Cap Maint & Accessibility	808,860	370,859	413,860	(43,001)	878,860	70,000
B631 - Solar PV Raynes Prk Pav	0	(1,000)	0	(1,000)	0	0
Raynes Park Sports Pavilion	4,770	0	4,770	(4,770)	4,770	0
Secondary School expansion	770,000	0	209,996	(209,996)	770,000	0
Schools Equipment Loans	104,450	0	52,225	(52,225)	104,450	0
Admissions IT System	105,000	91,875	15,000	(15,000)	105,000	0
	4,977,380	1,993,184	2,674,033	(772,724)	5,047,380	70,000
Children Schools and Families	16,049,640	8,035,998	8,077,715	(133,592)	16,024,638	(25,002)

0

Environment & Regeneration Summary Capital Report - September 2015 Monitoring

Scheme Description	Total Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance
Footways Planned Works	1,060,000	441,644	214,180	227,464	1,060,000	0
Greenspaces	955,840	418,577	375,601	42,976	1,013,660	57,820
Highways General Planned Works	439,860	1,928	178,685	(176,757)	439,860	0
Highways Planned Road Works	1,500,000	950,256	422,150	528,106	1,500,000	0
Leisure Centres	1,328,760	30,517	188,760	(158,243)	1,328,760	0
Other E&R	93,260	24,965	47,760	(22,795)	93,260	0
On and Off Street Parking	20,140	10,236	20,140	(9,904)	20,140	0
Regeneration Partnerships	3,732,110	147,246	1,639,915	(1,492,669)	3,732,110	0
Street Lighting	600,000	10,434	0	10,434	600,000	0
Street Scene	340,690	179,078	127,660	51,418	340,690	0
Transport for London	2,495,200	753,614	1,433,400	(679,786)	2,495,200	0
Traffic and Parking Management	1,462,630	23,029	1,046,000	(1,022,971)	1,459,530	(3,100)
Transport and Plant	877,690	(11,172)	18,373	(29,545)	877,690	0
Safer Merton - CCTV & ASB	300,000	0	60,000	(60,000)	300,000	0
Environmental Health	0	0	0	0	0	0
Waste Operations	218,400	6,552	90,235	(83,683)	218,400	0
Environment and Regeneration	15,424,580	2,986,904	5,862,859	(2,875,955)	15,479,300	54,720

Virement, Re-profiling and New Funding - September

Appendix 5b

	2015/16 Budget	Virements	Adjusted & New Funding	Reprofiling	Revised 2015/16 Budget	2016/17 Budget	Reprofiling	Revised 2016/17 Budget	Narrative
-	£	£	£	£	£	£		£	
Corporate Services									
Civic Centre- Upgrading lifts	309,040	83,000			392,040	46270		46,270	£83k vired from an underspend on the IT Stability Networks project to cover additional works to replace damaged guides and upgrade the associated safety systems on lift car number two, which were identified as a result of the larger Civic centre four lift refurbishment project.
Replacement of Civica Icon (1)	0		125,000		125,000	0		0	Replacement of Civica Icon System - Current Contract ceases 31/3/16
ITSD Enhancements	85,000	(83,000)			2,000	250000		250,000	No further works required for stability networks for 15/16. Propose to move budget to fund additional lift work.
Community & Housing									
8 Wilton Road	0		60,160		60,160	0		0	Required to pay supplier - This will be funded by the DOH grant currently unapplied.
Environment & Regeneration									
Mitcham Major schemes	1,800,000			(1,600,000)	200,000	884,000	1,600,000	2,484,000	Based on likely outturn £1.6million needs to be re-profiled into 2016/17
Croydon Rd/Mitcham Rd Shrd Use Path (1)	0				0	0	325,000	325,000	TfL Funded Scheme
A298/A238 Strategic Corridor	320,000		(26,000)		294,000	0		0	TfL Some of the Budgeted Spend has now been identified as revenue and £26k is being transferred.
Wimbledon TFL(1)	322,000		(122,000)	(200,000)	0	3,000,000	200,000	3,200,000	Scheme re-profiled into 2016-17
TFL Projected Slippage (1)	357,230		(101,230)		256,000	0		0	Underspend for 2014/15 Adjusted in Agreement with TfL
Total	3,193,270	0	(64,070)	(1,800,000)	1,329,200	4,180,270	2,125,000	6,305,270	

Capital Programme Funding Summary 2015/16

Appendix 5c

	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
August Monitoring - October Cabinet	21,106	23,265	44,371
8 Wilton Road	0	60	60
Replacement of Civica Icon	125	0	125
Wimbledon TfL	(122)	(200)	(322)
Mitcham Major schemes	0	(1,600)	(1,600)
A298/A238 Strategic Corridor	0	(26)	(26)
TfL Projected Slippage	0	(101)	(101)
September Monitoring - October Cabinet	21,109	21,398	42,507

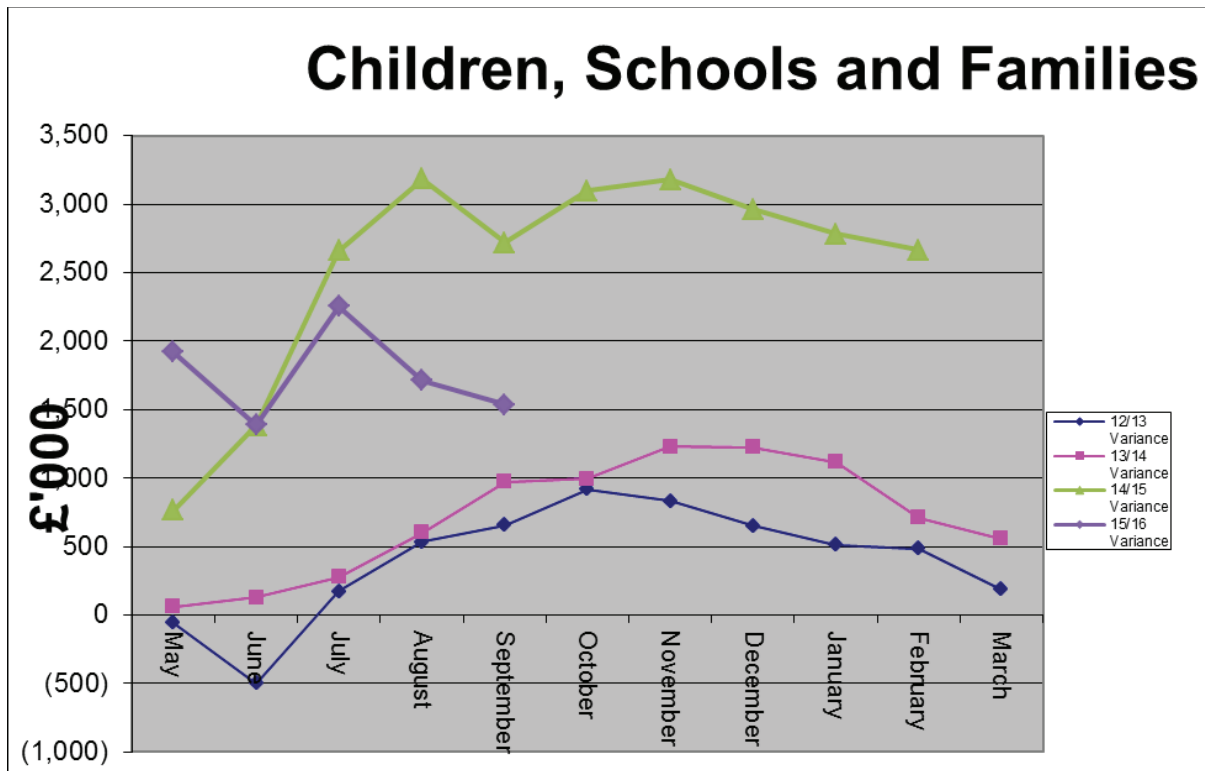
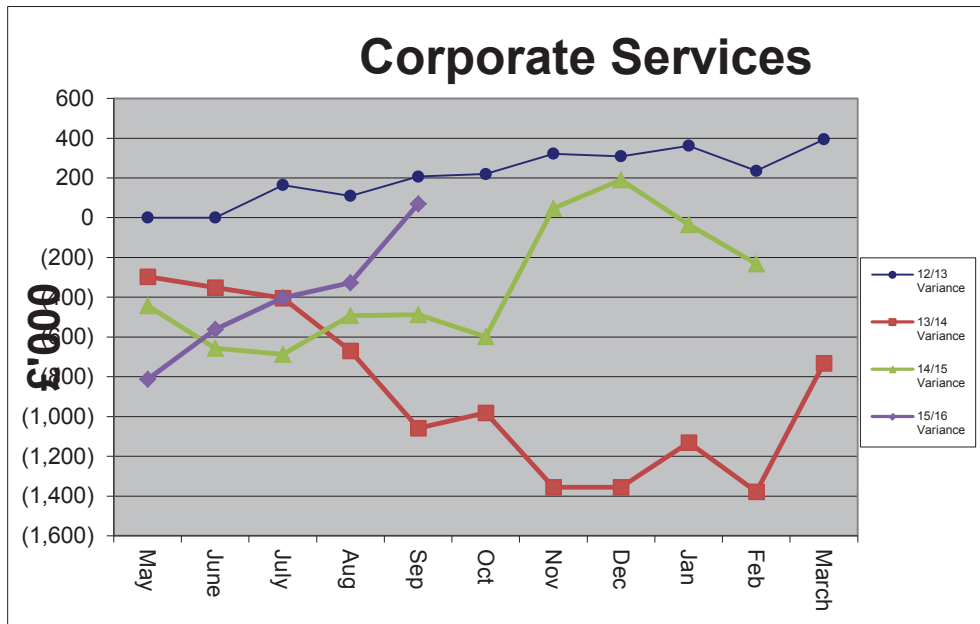
Capital Programme Funding Summary 2016/17

Appendix 5c

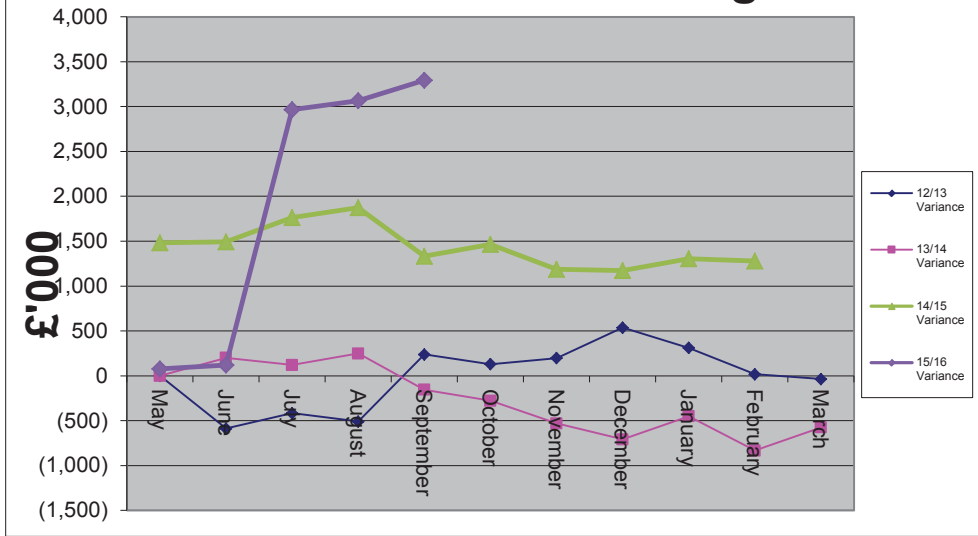
	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
August Monitoring	44,834	13,547	58,381
Wimbledon TfL	0	200	200
Croydon Rd/Mitcham Rd Shrd Use Path	0	325	325
Mitcham Major schemes	0	1,600	1,600
September Monitoring	44,834	15,672	60,506

APPENDIX 6

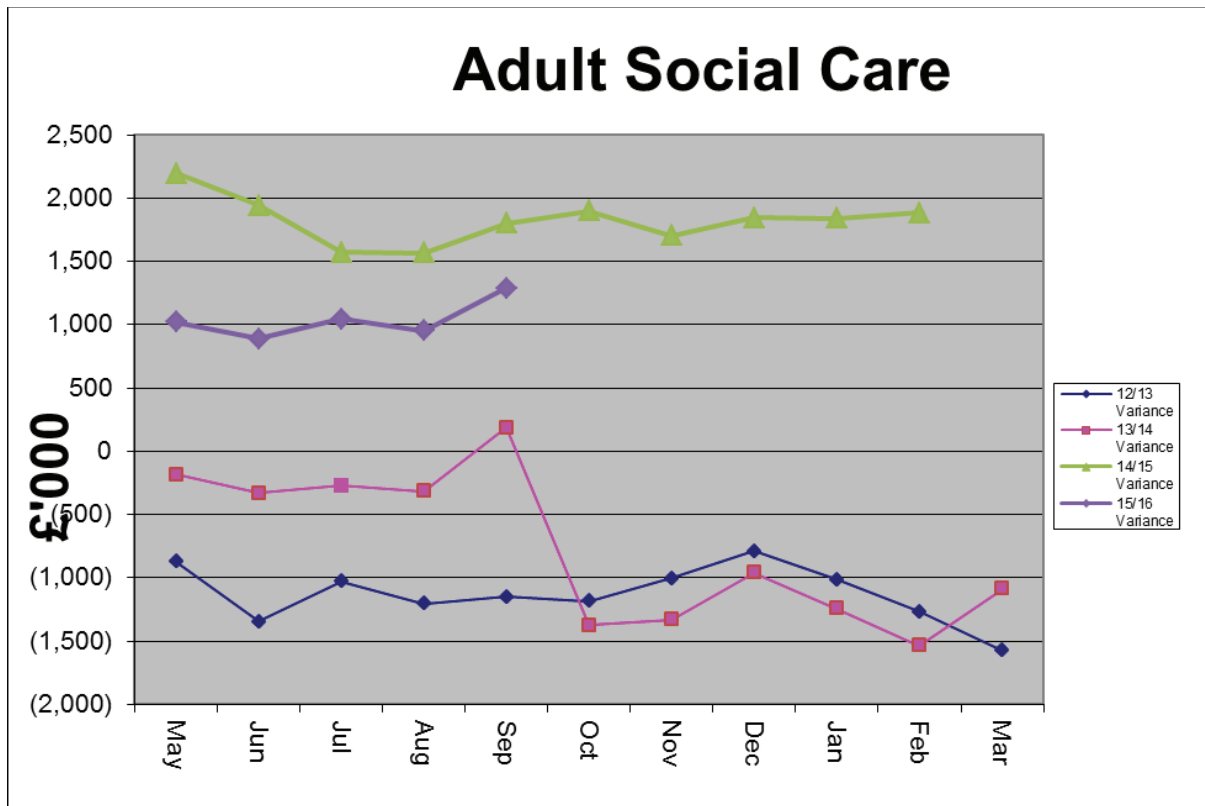
The following charts show the forecast year end variance by department with a comparison for 2012/13, 2013/14 and 2014/15:

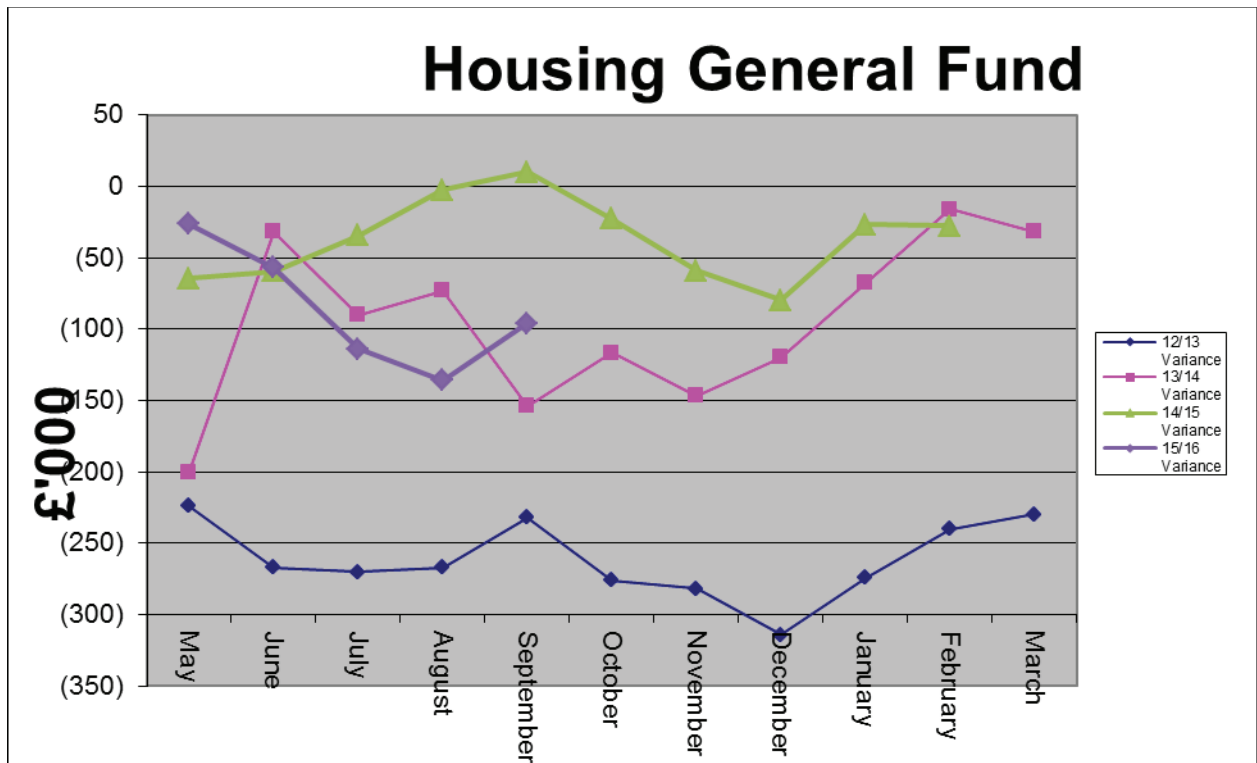
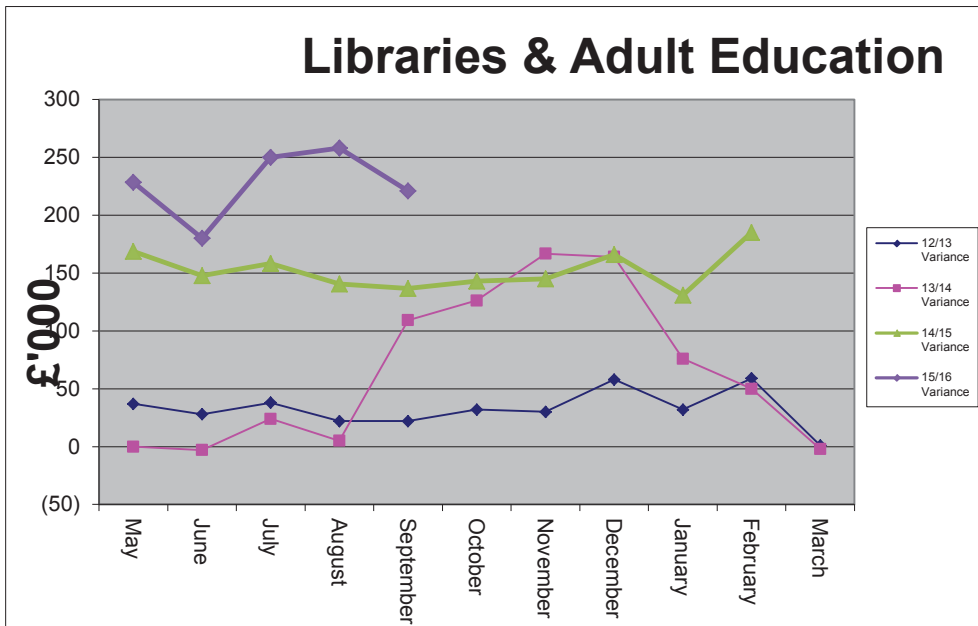


Environment and Regeneration



Adult Social Care





DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES - PROGRESS ON SAVINGS 15-16

Ref	Description of Saving	2015/16 Savings Required £000	2015/16 Savings Expected £000	Shortfall	RAG	16/17 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Unders pend? Y/N
CSF2012-04	<u>CSF Commissioning Function and Commissioning Budgets</u> Reduce expenditure on LAC and SEN placements	100	100	0	A	A	Paul Ballatt	Base budgets were reduced for the savings target. Although we expect to achieve the savings target, increased cost due to higher and more complex caseload is causing the service area to overspend. Detailed analysis to back up the cost reduction in placement costs through negotiations with providers are reported to DMT every quarter.	Y
CSF2012-07	<u>CSF Children Social Care & Youth Inclusion</u> Family and Adolescent Services Stream - Transforming Families (TF), Youth Offending Team (YOT) and in Education, Training and Employment (ETE)	220	220	0	G	G	Paul Angeli		
CSF2013-01	<u>CSF Early Years</u> Substantial reduction in EY budgets whilst retaining existing Children's Centres targeted work in areas of higher deprivation (up to 10% reduction overall to Children's Centre services). Reduction in funding and in kind contributions to voluntary sector organisations	160	160	0	G	G	Jane McSherry		
CSF2014-01	<u>School Standards and Quality</u> This is a re-profiling of the budgeted savings for 2015-17 agreed by Council on 5 March 2014. Instead of spreading the income generation and management efficiencies saving of £80k over two years, we propose bringing the total saving forward to 2015/16.	80	80	0	G	G	Jane McSherry		
CSF2014-02	<u>Commissioning, Strategy and Performance</u> This is a re-profiling of the budgeted saving agreed by Council for 2015-17 on 5 March 2014. Due to demographic pressures on the budget we reduced the post 16 LAC/CL accommodation saving for 2015/16 from £100k to £58k.	58	58	0	A	A	Paul Ballatt	Base budgets were reduced for the savings target. Although we expect to achieve the savings target, increased cost due to higher and more complex caseload is causing the service area to overspend. Detailed analysis to back up the cost reduction in placement costs through negotiations with providers are reported to DMT every quarter.	Y
CSF2014-03	<u>Commissioning, Strategy and Performance</u> This will be achieved through a combination of reducing our training for facilitators of parenting programmes and decommissioning a service where the commissioned outcomes are not being delivered.	63	63	0	G	G	Paul Ballatt		

DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES - PROGRESS ON SAVINGS 15-16

Ref	Description of Saving	2015/16 Savings Required £000	2015/16 Savings Expected £000	Shortfall	RAG	16/17 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Unders pend? Y/N
	<u>Youth Services</u>								
CSF2014-04	Reduced investment in commissioned and in-house youth services.	100	100	0	G	G	Jane McSherry		
	Total Children, Schools and Families Department Savings for 2015/16	781	781	0					

APPENDIX 7

DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2015/16

Ref	Description of Saving	2015/16 Savings Required £000	2015/16 Expected Savings £000	Shortfall £000	RAG	16/17 RAG	Responsible Officer	Comments	Budget Manager Comments	R /A Included in Forecast Over/Undersp end? Y/N
	Adult Social Care									
ASC7	Below Inflation Uplift to third party suppliers	350	138	212	R	R	Rahat Ahmed-Man	The 2015-2016 budget allowed inflation growth of £550k i.e. if actual contract price increases were restricted to £200k or less this saving would be achieved. However, market pressures not envisaged when this target was set and beyond our control means this saving is no longer realistic. To date the commissioning team has only negotiated increased rates where absolutely necessary and overall has negotiated rate increases well below that asked for by providers. The financial impact of negotiations completed to date is estimated at £412k in 2015-16. This compares to requested increases of £1.083m, but means the £350k savings target will not be achieved and it looks likely that actual savings will be around £138k, but this could increase/reduce as and when new price increases are agreed and at least one large contract (Eltandia) is ongoing.	Expected shortfall - (Details as per ASC market report)	
CH1	Brokerage efficiency savings	31	100	(69)	G	G	Rahat Ahmed-Man	Based on actual savings in previous years which exceeded £100k the Brokerage Manager is confident that this is a feasible savings target from better sourcing/re negotiations in 2015-16 . Projected savings have already gone above the £31k target by £25k and <u>there is a high probability that this target can be substantially exceeded</u> to help recoup 2014-15 savings shortfalls.	Over-achieving target - currently £98k	

APPENDIX 7

DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2015/16

Ref	Description of Saving	2015/16 Savings Required £000	2015/16 Expected Savings £000	Shortfall £000	RAG	16/17 RAG	Responsible Officer	Comments	Budget Manager Comments	R /A Included in Forecast Over/Undersp end? Y/N
ASC9	Remodelling and re-procuring the domiciliary care service, following the end of the 3 year contract starting in 2012.	250	(169)	419	R	R	Rahat Ahmed-Man	Like ASC7 above market pressures beyond our control have resulted in domiciliary care rates increasing rather than decreasing as envisaged when savings targets were originally set. To date the commissioning team has only negotiated increased rates where absolutely necessary and overall has negotiated rate increases well below that asked for by providers. The financial impact of negotiations completed to date is estimated at £169k in 2015-16. This compares to requested increases of £439k and means the £250k savings target will not be achieved.	Expected shortfall - see tabs ASC market - details and ASC markets - summary for further details	
CH10	Procurement Opportunities	250	362	(112)	G	G	Rahat Ahmed-Man	The Orchard Hill LD Supported Living Contract was relet from 16th February 2015. The new price assuming care hours do not exceed 1,350 in a year is £980k p.a. This compares to an annual cost under the old contract of £1.391m i.e. whole year savings forecast is £411k. The pro rata savings in 2015-16 are therefore £362k, so the £250k target <u>will be over-achieved in 2015-16 by £112k</u> . This will help compensate for the dom care savings (above) unlikely to be achieved.		
ASC10A	Review of care packages with a view to an overall average reduction in line with promoting independence	100	225	(125)	G	G	Rahat Ahmed-Man	In 2015-16 reviews will focus on mid-range packages of £400-£1500 p.w. (excl. Dir Payments as these were reviewed in 2014-15). The combined £206k savings target from the reviews in these three savings targets represents just 1% of the annual cost of these packages and reviews between Apr - Aug 2015	Over-recovering on 15/16 reviews by a further £125k - counted against 14/15 savings not	

Page 60

APPENDIX 7

DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2015/16

Ref	Description of Saving	2015/16 Savings Required £000	2015/16 Expected Savings £000	Shortfall £000	RAG	16/17 RAG	Responsible Officer	Comments	Budget Manager Comments	R /A Included in Forecast Over/Undersp end? Y/N
*ASC18	* Review of care packages	75	75	0	G	G	Rahat Ahmed-Man	have already identified savings of £161k (78% of the target) so we are on track to achieve and in all probability exceed this target. This will help to compensate for any savings shortfalls related to contract price increases. The £161k savings identified so far include £45K identified in 2014-15 but relating to 2015-16 + £42k identified by reviews in Apr-June + £39k identified by reviews in July + £34k identified by reviews in August. RAG rating for CH2 remains amber until cumulative savings identified from all review activity equals or exceeds the £206k target. Anticipated over achievement will help offset dom care savings (above) unlikely to be achieved.	Savings not achieved	
CH2	Domiciliary care service	31	100	(69)	A	G	Rahat Ahmed-Man			
CH2	Procurement Opportunities (Placement budget)	32	23	10	A	G	Rahat Ahmed-Man	So far possible annual savings of £20k to £25k have been identified from changes to night cover arrangements and overhead reduction programmes at Crescent Road and Woodland Way LD Supported Livings Services i.e. £7k to £12k of saving still need to be identified.	Expected shortfall	
ASC2A	Outsource Reablement Service & realise benefits / efficiencies of the remodelled service	100	100	0	G	G	Sarah Wells	Required restructuring has taken place and the budget has been adjusted i.e. the projected savings will be realised.	Target to be achieved	
*CH1	* First Contact Service .Reduce in-house provision of a first contact screening and assessment service, and have this provided within the voluntary sector within the overall costs the sector currently operate within.	125	125	0	G	G	Rahat Ahmed-Man	Required restructuring has taken place i.e. projected savings will be realised. MAAT closed and its role is now fulfilled a new Information, Advice and Support Hub will be operated in partnership with the Voluntary Sector.	Target to be achieved	
*ASC18	*Supporting People	300	300	0	A	G	Rahat Ahmed-Man	£212k identified so far so there is still a further £88k to be achieved. This is likely to be achieved through a reduction of the number of subsidy payment customers.	Target to be achieved	

Page 61

APPENDIX 7

DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2015/16

Ref	Description of Saving	2015/16 Savings Required £000	2015/16 Expected Savings £000	Shortfall £000	RAG	16/17 RAG	Responsible Officer	Comments	Budget Manager Comments	R /A Included in Forecast Over/Undersp end? Y/N
CH4	Staffing reductions within the Commissioning Team	71	71	0	A	G	Rahat Ahmed-Man	This saving will be delivered by holding staff vacancies in Commissioning. Budget monitor shows this is being achieved.	Target to be achieved	
CH4	Staffing reductions across Direct Provision	99	99	0	G	G	Andy Ottaway-Searle	The required staff restructuring has already taken place so these savings will be fully achieved.	Target to be achieved	
*CH3	* Day Care Sevices -Change the day services offer for learning and physically disabled customers who currently use in house day services, mainly High Path and All Saints.	200	200	0	G	G	Andy Ottaway-Searle	Staffing reductions have been made to achieve the savings. This has led to a re-organised day service offer, with the emphasis on a safe and secure service, with fewer activities on offer for customers. We are refining the offer to ensure each customer has as much choice as possible and will continue to seek volunteers to assist in the centres.	Target to be achieved	
	Libraries									
CH5	Reduction in Media Fund	12	12	0	G	G	Anthony Hopkins			
CH6	Increase income - Libraries	10	10	0	G	G	Anthony Hopkins			
	Merton Adult Education			0						
CH15	Increased income and some staff reductions	14	14	0	R	R	Yvonne Tomlin			
	Housing			0						
CH8	Homelessness Prevention Grant	35	35	0	G	G	Steve Langley			
Trf from F&P	Enviromental Health Salaries	69	69	0	G	G	Steve Langley			
	Total Community & Housing Department Savings for 2015/16	2,154	1,889	266						

Page 62

DEPARTMENT: CORPORATE SERVICES - PROGRESS ON SAVINGS 15-16

Ref	Description of Saving	2015/16 Savings Required £000	2015/16 Savings Expected £000	Shortfall	RAG	16/17 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
	<u>Business Improvement</u>								
CS1	Rationalisation of management costs	50	50	0	G	G	Sophie Ellis		
CS3	Generate income through training	5	0	5	R	G	Sophie Ellis	Alternate saving to be identified	N
	Business Systems Team Restructure Phase 1								
CSD36		10	10	0	G	G	Sophie Ellis		
	<u>IT Service Delivery</u>								
CS5	Review and challenge of the procurement of Support & Maintenance & Licence Contracts	60	60	0	G	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	G	Mark Humphries		
CS8	Reduction of costs through re-procurement of Wide Area Network (WAN) Links contract. Savings achieved against a number of revenue budgets spread across the Council.	10	10	0	G	G	Mark Humphries		
CS16	Asset and Change Analyst Vacant Part Post (0.8)	24	24	0	G	G	Mark Humphries		
CS17	Delete one Transactional Services Assistant Post (Compulsory Redundancy)	30	30	0	G	G	Mark Humphries		
CS18	Delete Assistant Vendor Maintenance - Part Post 0.7 FTE (Compulsory Redundancy)	24	24	0	G	G	Mark Humphries		
CS20	Energy ReFit Savings (Subject to agreed investment) - Phase 2	100	100	0	G	G	Mark Humphries		
CS21	Increase income targets for building repairs and maintenance works	45	45	0	G	G	Mark Humphries		
CS22	Restructure of Archive Store	15	15	0	A	G	Mark Humphries	Alternate to be identified	Y
CS23	Outsourcing Buildings Services and Security Service	35	35	0	G	G	Mark Humphries		
CS25	Delete one post from the Building Repair and Maintenance team (Compulsory Redundancy)	30	30	0	G	G	Mark Humphries		

DEPARTMENT: CORPORATE SERVICES - PROGRESS ON SAVINGS 15-16

Ref	Description of Saving	2015/16 Savings Required £000	2015/16 Savings Expected £000	Shortfall	RAG	16/17 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
CS27	Consolidation of Utilities budgets	50	50	0	G	G	Mark Humphries		
CS28	M&E Term Contract (Amalgamation) of Intruder Alarms	20	20	0	G	G	Mark Humphries		
CS31	Rationalise Health and Safety and Business Continuity Planning - if possible explore shared service	35	0	35	G	G	Mark Humphries		
CSD1	Increase FM's external fee income target associated with schools service level agreements and associated project works	31	0	31	R	A	Mark Humphries	Saving unlikely to be delivered in 2015/16 but alternate has been identified	Y
Corporate Governance									
CS30	Rationalise Benefits and Corporate Investigation team - possible shared resources	30	30	0	G	G	Paul Evans		
CS33	Rationalise Internal Audit teams - possible shared service	40	40	0	G	G	Paul Evans		
CS34	Services and suppliers savings within Corporate Governance	86	86	0	G	G	Paul Evans		
Customer Services									
CS36	Re tendering of Cash Collection Contract	10	10	0	G	G	Sean Cunniffe	Achieved from commencement of 2015/16	
CS39	Impact of Customer Service Review	30	30	0	G	G	David Keppler	Achieved from commencement of 2015/16	
CSD12	Rationalisation of Divisional Budgets	15	15	0	G	G	David Keppler	Achieved from commencement of 2015/16	
CSD13	Reduce Customer Access Point Assistant by 0.6FTE	15	15	0	G	G	Sean Cunniffe	Achieved from commencement of 2015/16.	
CSD17	Reduce Marketing budget - Increase self service by using Panacea - marketing solution software in order to reduce designer costs for smaller marketing jobs.	3	3	0	G	G	Sophie Poole		
Resources									
CS42	Resources -Fall Out of Pay Protection Arrangement	5	5	0	G	G	Paul Dale		
CSD20	Increased income	14	14	0	G	G	Paul Dale		

DEPARTMENT: CORPORATE SERVICES - PROGRESS ON SAVINGS 15-16

Ref	Description of Saving	2015/16 Savings Required £000	2015/16 Savings Expected £000	Shortfall	RAG	16/17 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
CSD46	Reduce budget for LCGS to match actual contribution	3	3	0	G	G	Paul Dale		
	<u>Human Resources</u>								
CS49	Introduction of new application tracking system	5	5	0	G	G	Dean Shoesmith	On target for achievement	
CSD31	Review of HR business support	19	19	0	G	G	Dean Shoesmith	Change already completed and the associated post deleted	
CSD33	HR transactional service income generation	20	20	0	G	G	Dean Shoesmith	Discussions progressing with Kingston to obtain costs for i-Trent service	
	<u>Corporate Items</u>								
	Dividend income from CHAS 2013 Limited	174	174	0	G	G	Paul Dale	Alternative saving found due to CHAS IP payment.	
	Reduction in interest charges through cash management	117	117	0	G	G	Paul Dale		
	Total Corporate Services Department Savings for 2015/16	1,170	1,099	71					

DEPARTMENT: ENVIRONMENT & REGENERATION SAVINGS PROGRESS: 2015-16

Ref		2015/16 Savings Required £000	2015/16 Savings Expected £000	Shortfall	RAG	16/17 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Unders pend? Y/N
LEISURE & CULTURE									
EN35	Various Budgets - Increased Income through various charging increases.	14	14	0	G	G	James McGinlay		N
EN36	Various Budgets - Increased Income through sale of advice & guidance.	10	10	0	G	G	James McGinlay		N
EN37	Merton Active Plus - Increased Income	5	5	0	G	G	James McGinlay		N
EV09	Renegotiation of contract with GLL for management of Leisure Centres	120	120	0	G	G	James McGinlay		N
TRAFFIC & HIGHWAYS									
EN29	Re-Structure of Traffic and Highway Services	252	196	56	R	G	James McGinlay	Due to delay in implementation, the full effect of this saving will not be realised this year.	Y
FUTURE MERTON									
EN42	Consultancy Income.	40	40	0	A	A	James McGinlay	No definitive income streams identified as yet.	Y
GREENSPACES									
EN45	Further commercialisation and development of sports and allied parks services (eg. increase in fees and charges (3.75%); cost recovery plus; service bundling; sponsorship of bedding plants,etc), aligned to the emerging strategy for sports.	39	7	32	R	A	James McGinlay	Shortfall based on P6 forecast.	Y
WASTE SERVICES									
EN16	Deletion of a vacant post within our Sheltered Placement team (£20k), and a reduction in transport related budgets.	66	66	0	G	G	Cormac Stokes		N
SAFER MERTON									
EV01	Reprocurement of CCTV maintenance contract leading to efficiency savings.	36	36	0	G	G	John Hill		N
REGULATORY SERVICES									
ER10	Merton & Richmond shared regulatory services.	230	110	120	R	G	John Hill	New structure estimated to commence in October 2015, so only a part-year effect saving will be achieved this year.	Y
PARKING SERVICES									
EN05	Introduction of mobile phone payments for parking	37	37	0	G	G	John Hill		N
EV02	Increase charges for the following types of parking permits Business £5, Trade £5, Teachers £5. Please note no allowance has been made for elasticity of demand this figure could reduce by 10%.	4	0	4	R	R	John Hill		Y
EV11	Increase all pay and display charges for on and off street parking by 10%. it should be noted that no allowance has been made for elasticity of demand this figure could reduce by 25%	125	125	0	G	G	John Hill		N
EV12	Introduction of unattended automatic number plate recognition CCTV parking enforcement cameras at fixed locations.	3,214	0	3,214	R	G	John Hill	The legal challenge to the award of the contract for the provision and maintenance of ANPR cameras received from one of the losing bidders was unsuccessful.	Y
Total Environment and Regeneration Savings 2014/15		4,192	766	3,426					

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

APPENDIX 8

Ref	Description of Saving	2014/15 Savings Required £000	2014/15 Savings Achieved £000	Shortfall	2015/16 Savings Expected £000	2015/16 Expected Shortfall £000	RAG	Responsible officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
Education										
CSF2012-08	Introduce new models of fulfilling the council's statutory responsibilities for the provision of SEN transport	140	100	40	140	0	G	Jane McSherry	The full year effect of the travel training programme and the roll-out of personal budgets will result in achieving this saving during 2015/16. To date £49k has been met from ITT and £82k from PB. The overall transport budget is expected to overspend due to increased caseloads and costs due to complexity of caseloads.	

DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2014/15

Ref	Description of Saving	2014/15 Savings Required £000	2014/15 Actuals Savings £000	Shortfall £000	RAG	2015/16 Savings Expected	2015/16 Expected Shortfall	Responsible Officer	Comments	R /A Included in Forecast Over/Undersp end? Y/N
Adult Social Care										
ASC13/ASC34	Brokerage Efficiencies	300	118	182	A	182	0	Julie McCauley	Savings not or partially delivered in 14/15 but we expect to pull this back in 15/16 - as at end of September Brokerage negotiations have resulted in savings of £98k	Y
ASC8	Optimising the use of block and spot contracts-OP&LD	300	141	159	R	108	51	David Slark	Savings not or partially delivered in 14/15 but we expect to pull this back in 15/16 - £112k from over-achievement of Orchard Hill contract will offset	Y
Page 68 ASC54	Reduction in Mental Health Placement	50	0	50	R	0	50	Kamla Sumbhoolual	Expected shortfall	Y
CH12	Remove day care costs from residential customers	250	0	250	R	0	250	Andy Ottaway-Searle	Expected shortfall	Y
CH14	All Saints Respite extension	36	0	36	R	0	36	Julie McCauley	Savings not or partially delivered in 14/15 but we expect to pull this back in 15/16 if building work is completed so building can be used for respite care	Y
CH15	Assistive Technology	70	0	70	R	0	70	Andy Ottaway-Searle	Expected shortfall	Y

Ref	Description of Saving	2014/15 Savings Required £000	2014/15 Actuals Savings £000	Shortfall £000	RAG	2015/16 Savings Expected	2015/16 Expected Shortfall	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
CH6	Voluntary Organisation- SLA reduction	150	0	150	R	0	150	Rahat Ahmed-Man	Expected shortfall	Y
ASC51	Voluntary Sector Grants-reduction in infrastructure	98	0	98	G	98	0	Rahat Ahmed-Man	Grants were reduced from circa £1m in 2013-14 to circa £830k in 2014-15. Due to a decision to provide transitional funding to various voluntary organisations the saving was not achieved in 2014-15. Transitional arrangements end in 2015-16 so savings will be achieved going forward.	Y
ASC53	Meals on wheels contract	50	0	50	R	0	50	Rahat Ahmed-Man	A new (joint arrangement with Croydon) was due to commence in July 2015, but, non-compliant bids meant the process failed. A new contract to save £100k p.a. will be let in 2015-16. The service will no longer be provided from 2016/17. Expected shortfall as forecasting to overspend in 15/16.	Y
ASC44	Remodelling of reablement service	282	0	282	R	282	0	Sarah Wells	The MILES service has been remodelled and Reablement staff structure has been adjusted. At the end of Septemeber the Reablement budget is forecast to underspend by £261k . Full Savings should be achieved by year end.	
ASC48	Staff Vacancy Factor	105	41	64	G	64	(0)	ALL	The staffing budgets were underspent, but not by as much as planned. A restructuring exercise in 2015-16 will ensure future staffing establishments are affordable and recovers this shortfall from 2014-15	
CH2	Promoting independence	500	0	500	G	500	0		The delay in implementing the reablement model meant these savings were not fully achieved. Reablement is now in place so savings in 2015-16 will be achieved and will be evidenced by comparing support hours at the start and end of reablement.Target to be achieved.	
ASC6/ASC49/CH8	Transport	246	0	246	R	0	246	Andy Ottaway-Searle	Savings were dependent on SLA re-charging - report going to CMT on impact of re-charges on service provision and savings / charging	Y

Ref	Description of Saving	2014/15 Savings Required £000	2014/15 Actuals Savings £000	Shortfall £000	RAG	2015/16 Savings Expected	2015/16 Expected Shortfall	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
ASC50/CH 7	Staffing savings in Direct Provision	216	0	216	R	216	0	Andy Ottaway-Searle	Posts were deleted and budgets reduced at the start of the year, but, increased volumes from 12 to 38 people at our supported living services, plus the need to back fill long term sickness to meet CQC standards led to other staffing budgets overspending. This offset the planned savings. Since increased activity remains unfunded this overspend will only be recouped in 2015-16 if other savings targets are over achieved . Savings not or partially delivered in 14/15 but we expect to pull some of this back in 15/16	Y
Page 70	Merton Adult Education Increase income from commercial courses and café, reduction in staff. Admin & marketing cost.	176	0	176	R	0	176	Yvonne Tomlin	MAE is forecasting to overspend and is unlikely to achieve this savings target .	
	Total Community & Housing Dep't Savings for 2014/15	2,829	300	2,529	0	1,450	1,079			

DEPARTMENT: CORPORATE SERVICES - PROGRESS ON SAVINGS 14-15

Ref	Description of Saving	2014/15 Savings Required £000	2014/15 Savings Achieved £000	Shortfall	2015/16 Savings Expected £000	2015/16 Expected Shortfall £000	RAG	Responsible Officer	Comments	R/A Included in Forecast Over/Under
	<u>Corporate Governance</u>									
CS32	Integrate the FOI and Complaints functions	40	0	40	40	0	G	Paul Evans	Alternate savings within division identified and implemented	Y
	<u>I&T</u>									
CS37	Introduce a charge for the Archive Service Facility (approximately 0.39p per month - commercial rates x 3300 boxes) to produce income - E02243	15	0	15	15	0	G	Mark Humphries	Saving achieved from the wider consolidated facilities management budgets	Y
CS47	CRB Income generation via sales to PVI	30	27	3	30	0	G	Dean Shoesmith	Income shortfall in 14/15	Y

DEPARTMENT: ENVIRONMENT & REGENERATION SAVINGS PROGRESS: 2014-15

Ref		2014/15 Savings Required £000	2014/15 Savings Achieved £000	Shortfall		2015/16 Savings Expected £000	2015/16 Expected Shortfall £000	RAG	Responsible Officer	Comments	R / A Included in Forecast Over/Underspend? Y/N
GREENSPACES											
EN45	Further commercialisation and development of sports and allied parks services	96	67	29		78	18	R	James McGinlay	Based on P6 forecast.	Y

WASTE SERVICES											
ER17	Consultancy and legal costs cease in relation to new partnership contracts	213	188	25		213	0	G	Cormac Stokes	On track to be delivered in 15/16	N
ER25	Commercial Waste and Recycling	250	0	250		250	0	G	Cormac Stokes	Saving replaced for 2015/16 by EV12.	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		0	100	R	Cormac Stokes	Improved management of the sickness monitoring is in place. All LTA being seen by HofS. However, until such time as the technical establishment has been signed off, it is not possible to confirm if this saving has been met.	Y
PARKING SERVICES											
EN03	Enforcement of new CPZ's (Controlled Parking Zones)	50	10	40		50	0	G	John Hill		Y
EN04	Implementation of Pay & Display machines in new CPZ's (Controlled Parking Zones)	75	15	60		75	0	G	John Hill		Y
Total Environment and Regeneration Savings 2014/15		784	280	504		666	118				

Sep-15

Description	2013/14	2014/15	2015/16 Year to Date	2015/16 Oct - March	2015/16 Forecast as at Sept 2015	2015/16 Forecast at July 2015	Forecast Variance at year end (July/Sept)
	Actual £000	Actual £000	Actual £000	Forecast £000	Forecast £000	Forecast £000	Forecast £000
Payments							
Payroll Related Payments (including Schools)-net pay	102,341	104,256	51,580	51,580	103,160	108,598	-5,438
Payroll related-HMRC	37,906	37,321	18,313	18,313	36,626	37,513	-887
Payroll related-Teachers Pensions Authority	12,232	13,010	6,319	6,319	12,638	13,256	-618
Payroll related-pension fund and disbursements and including back funding and added years	22,710	36,259	11,470	11,470	22,940	21,058	1,882
Service payments- (Premises, Transport, Supplies and Services and Third Party payments)	341,332	339,403	150,292	201,839	352,131	379,698	-27,567
Transfer Payments-Housing Benefits	91,560	92,065	48,495	48,495	96,990	98,095	-1,105
Bank Charges & Related Expenditure	280	252	129	129	258	265	-7
NET Business Rates Retention Scheme (RSG)	30,490	31,348	8,489	8,489	16,978	13,771	3,207
Business Rates and CTax Refunds	4,191	5,601	2,886	2,886	5,772	4,479	1,293
Capital Payments	31,624	37,118	16,280	16,280	32,559	46,823	-14,264
Total Payments	674,666	696,633	314,253	365,800	680,052	723,556	-43,504
Receipts							
Business Rates Receipts	-90,044	-91,292	-45,646	-45,646	-91,292	-82,310	-8,982
Council Tax Receipts	-101,963	-103,301	-51,651	-51,651	-103,301	-88,432	-14,869
DWP - Housing Benefit Subsidy & Admin Grant & Discretionary Housing Payment grant&S31 Grant)	-105,598	-87,289	-49,921	-49,921	-99,842	-97,219	-2,623
Grants (Including Public Health Grants)	-221,440	-228,412	-108,879	-108,879	-217,758	-218,854	1,096
Other receipts-fees and charges	-61,310	-73,621	-28,929	-28,929	-57,858	-116,420	58,562
Payroll Recoupment	-80,631	-82,897	-38,433	-38,433	-76,866	-92,390	15,524
VAT Reimbursement	-19,251	-24,247	-12,370	-12,370	-24,740	-24,270	-470
Total Receipts	-680,237	-691,059	-335,829	-335,829	-671,657	-719,895	48,238
1. Net Cashflow (Revenue and Capital Cash)	-5,571	5,574	-21,576	29,971	8,395	3,661	4,734
Interest Received on investments	- 1,607	- 798	- 100	- 517	- 617	- 617	-
Interest on Pooled Property Investment			112	112	224	224	-
Interest Paid on Debt		66	1,402	5,239	6,641	6,641	-
2. Interest-net (Net cash flow)	- 1,607	864	1,390	5,644	7,034	7,034	-
B/F Cash Deposits Balance (SoA Note 9 Financial Instruments)	80,000	80,000	86,100	96,885	86,100	86,100	-
B/F Bank Balance (SoA Note 14 Cash and cash equivalents)	- 530	- 182	- 252	19	- 252	- 252	-
B/F ST Borrowing (SoA Note 9 Financial Instruments)	- 8,000	- 1,170	- 11,910	-	- 11,910	- 11,910	-
B/Fwd Total	71,470	78,648	73,938	96,904	73,938	73,938	-
Change in cash and investments (1+2)	- 7,178	4,710	- 22,966	24,327	1,361	- 3,373	4,734
C/F Cash Deposits Balance (SoA Note 14 Financial Instruments)	80,000	86,100	96,885	77,558	77,558	86,249	- 8,691
C/F Bank Balance (SoA Note 14 Cash and Cash Equivalents)	- 182	- 252	19	19	19	2,972	- 2,953
C/F ST Borrowing (SoA Note 9 Financial Instruments)	- 1,170	- 11,910	-	- 5,000	- 5,000	- 11,910	6,910
B/Fwd Total	78,648	73,938	96,904	72,577	72,577	77,311	4,734

Customer & Client Receipts - £000's			2015/16						
Department	Division/Service	Total Budget	Year to Date Actual (P6)	Year to Date Budget (P6)	Year to Date Over (under) Spend	Latest Forecast	Forecast Variance	Internal Receipts Forecast	External Receipts Forecast
Childrens Schools & Families	Schools Buy Back	-1,132	-9	-425	416	-1,222	-90		-1,222
	Early Years & Childrens Centres	-1,279	-624	-642	18	-1,269	11		-1,269
	Other	-170	-121	-80	-40	-229	-59		-229
	CSF Total	-2,581	-754	-1,148	394	-2,720	-139	0	-2,720
Corporate Services	Business Improvement	-84	-90	-2	-88	-185	-102	-85	-100
	Corporate Governance	-530	-1,087	-255	-832	-2,835	-2,306	0	-2,835
	Customer Services	-2,160	-959	-1,070	112	-2,008	152	-120	-1,888
	CS Resources	-710	-302	-237	-65	-730	-20	-1	-729
	Human Resources	-569	-208	-203	-6	-528	41	-155	-373
	Infrastructure & Transactions	-2,429	-1,284	-1,122	-162	-2,770	-341	-1,650	-1,120
	Corporate Items	0	-1,240	0	-1,240	-153	-153	0	-153
	CS Total	-6,481	-5,170	-2,889	-2,281	-9,210	-2,729	-2,012	-7,199
Environment & Regeneration	Street Scene & Waste	-11,277	-5,036	-5,745	709	-11,621	-344	-8,898	-2,723
	Public Protection	-15,830	-6,194	-6,454	260	-12,407	3,423	-91	-12,316
	Sustainable Communities	-10,128	-5,889	-5,154	-735	-9,934	194	-542	-9,392
	E&R Total	-37,235	-17,119	-17,353	234	-33,962	3,273	-9,531	-24,431
Community & Housing	Adult Social Care - Client Contribution & Other Cont	-10,327	-3,765	-4,293	528	-10,173	154	0	-10,173
	MAE & Libraries	-1,119	-423	-635	212	-845	274	-25	-820
	Housing	-147	-83	-73	-10	-153	-6	0	-153
	C&H Total	-11,593	-4,271	-5,001	730	-11,171	422	-25	-11,146
Grand Total		-57,891	-27,313	-26,390	-923	-57,065	826	-11,568	-45,496

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