

Cabinet

Date: 18 January 2016

Subject: Financial Report 2015/16 – November 2015

Lead officer: Paul Dale

Lead member: Mark Allison

Recommendations:

- A. That CMT/Cabinet note the financial reporting data relating to revenue budgetary control, showing a forecast net overspend at year end of £3.0million, 0.56% of the gross budget.
 - B. That Cabinet note the adjustments to the Capital Programme detailed in appendix 5b and approve the £750,200 Primary School Expansion Overspend Provision in 2015/16. Approval from this provision will be authorised by the Directors of Children, Schools and Families and Corporate Services. Any unspent balance once the final accounts are settled will be clawed back
-

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 This is the financial monitoring report for the eighth month period 30th November 2015. This financial monitoring report provides:-
 - The income and expenditure at Period 8 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 November 2015 the year end forecast is net £3.0m overspend, 0.56% of the gross budget.

	Current Budget 2015/16 £000s	Full Year Forecast (Nov) £000s	Forecast Variance at year end (Nov) £000s	Forecast Variance at year end- previous month (Oct) £000s	Outturn variance 2014/15 £000s
<u>Department</u>					
3A. Corporate Services	15,142	15,489	346	356	(691)
3B. Children, Schools and Families	52,737	53,872	1,135	1,036	2,663
3C. Community and Housing	61,898	62,898	1,000	1,044	2,774
3D. Public Health	1,154	1,222	68	168	(0)
3E. Environment & Regeneration	24,174	27,039	2,865	2,994	1,703
Overheads	0	0	0	0	0
NET SERVICE EXPENDITURE	155,105	160,520	5,414	5,599	6,448
<u>3E. Corporate Items</u>					
Impact of Capital on revenue budget	14,117	14,092	(25)	(25)	205
Central budgets	(15,132)	(17,490)	(2,358)	(2,358)	(2,817)
Levies	926	926	0	0	0
TOTAL CORPORATE PROVISIONS	(90)	(2,473)	(2,383)	(2,383)	(2,612)
TOTAL GENERAL FUND	155,016	158,047	3,031	3,216	3,836
<u>FUNDING</u>					
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 decreased by £0.185m since last month. The delay to the award for tackling traffic congestion of net £3.2m 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 £12.1m, 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.

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

	Current Budget 2015/16	Full Year Forecast (Nov)	Forecast Variance at year end (Nov)	Forecast Variance at year end (Oct)
Expenditure	£000	£000	£000	£000
Employees	97,801	98,890	1,089	1,212
Premises Related Expenditure	8,783	8,448	(335)	(381)
Transport Related Expenditure	14,681	14,567	(114)	59
Supplies and Services	175,672	174,169	(1,503)	(1,160)
Third Party Payments	89,534	94,387	4,853	3,942
Transfer Payments	104,045	101,385	(2,661)	(2,819)
Support Services	31,902	31,901	(1)	(1)
Depreciation and Impairment Losses	16,505	16,505	(0)	(0)
Corporate Provisions	(90)	(2,473)	(2,383)	(2,383)
GROSS EXPENDITURE	538,834	537,779	(1,055)	(1,532)
Income				
Government Grants	(267,319)	(264,160)	3,159	3,355
Other Grants, Reimbursements and Contribs	(22,451)	(24,745)	(2,294)	(2,185)
Customer and Client Receipts	(61,387)	(58,328)	3,059	3,160
Interest	(44)	(20)	24	24
Recharges	(32,547)	(32,547)	1	1
Balances	(70)	68	138	393
GROSS INCOME	(383,819)	(379,732)	4,087	4,747
NET EXPENDITURE	155,016	158,047	3,031	3,216

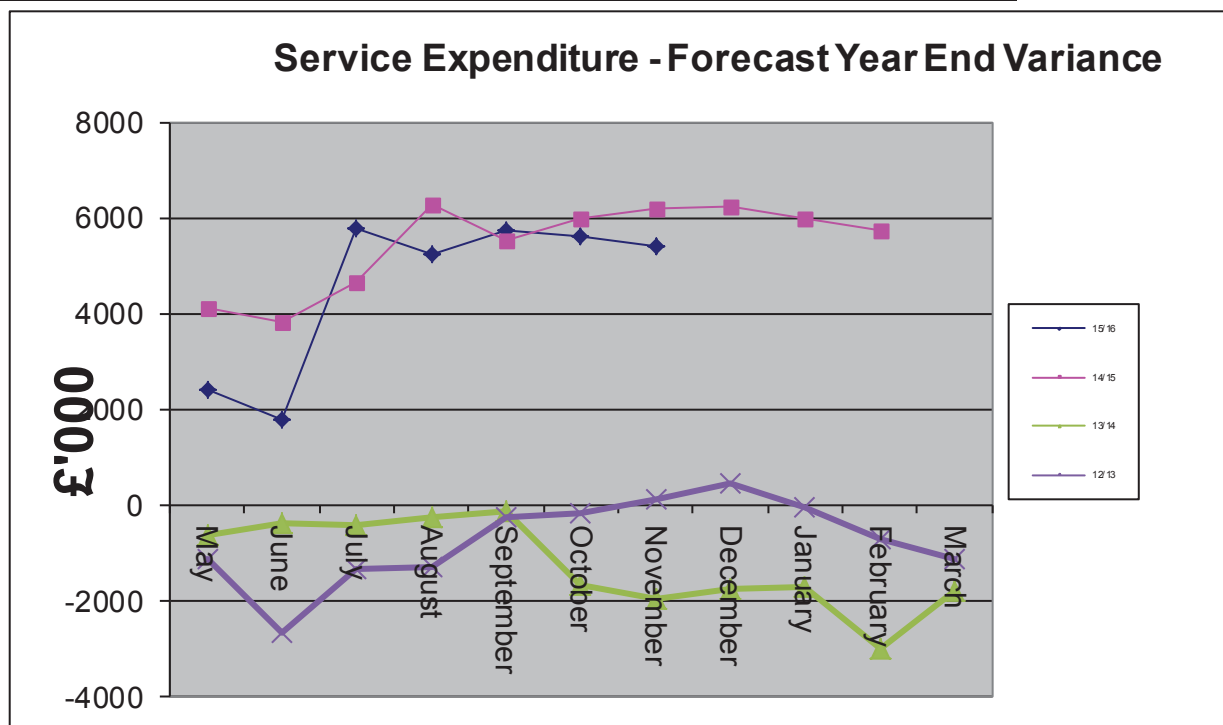
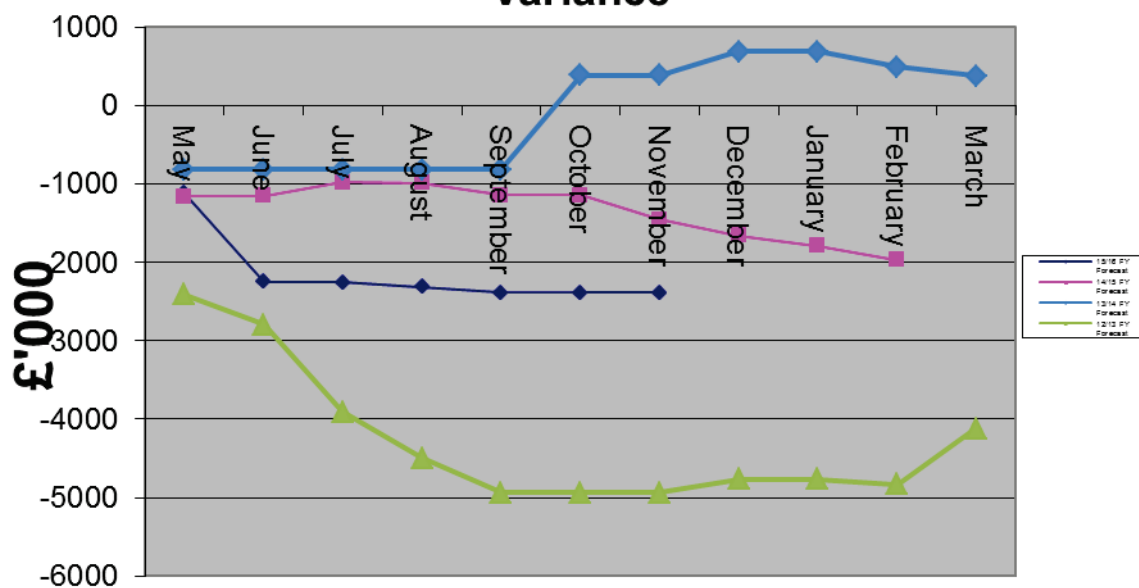


Chart 2 shows the forecast year end variance for corporate provisions with a comparison against 2014/15, 2013/14 and 2012/13.

Corporate Provisions - Year End Forecast Variance



3. DEPARTMENTAL SUMMARY OF CURRENT POSITION

Corporate Services

	2015/16 Current Budget	Full year Forecast Nov	Forecast variance at year end Nov	Forecast variance at year end Oct	2014/15 Outturn Variance
	£000	£000	£000	£000	£000
Business Improvement	5,120	4,893	-227	-156	-259
Infrastructure & Transactions	9,722	9,490	-232	-245	-347
Resources	7,562	7,285	-277	-268	-255
Human Resources	2,367	2,283	-84	-84	-26
Corporate Governance	3,055	2,760	-295	-295	-433
Customer Services	2,632	2,335	-297	-370	-273

Corporate Items including redundancy costs, pension strain and Housing Benefits provision	1,296	3,054	1,758	1,777	1,320
Total (controllable)	31,753	32,099	346	356	-273

Overview

At period 8 (30th November 2015) the Corporate Services department are forecasting an overspend of £346k at year end, a reduction of £10k from last month.

Business Improvement – underspend £227k

The reasons for the forecast underspend remain the same, an overachievement of street naming income of approx. £125k and vacant posts in the new systems and development team structure due to a delay in successful recruitment.

The support and maintenance budget is overspending and is being offset by the underspends on vacant posts. This will be a budget pressure next year.

Infrastructure and Transactions – underspend £232k

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.

Resources – underspend £277k

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

Corporate Governance – forecast underspend £295k

The underspend remains the same. 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 SLLP budgets are being closely monitored as there is a potential shortfall on income which could result in the hard charging model showing a deficit at year end. The model is designed to break even but variables such as demand for the service and underachievement of income can result in a deficit. This would be reported to the SLLP Board and split across the four boroughs.

Customer Services – forecast underspend £297k

The main movement from last month is a £70k adverse change on staff costs from more accurate forecasting in benefits administration.
There is a forecast underspend of approx. £130k due to vacant posts within the division.

The Merton bailiffs' service is forecasting an overachievement of fee income of £170k but this is partly offset by a shortfall on the shared bailiffs' income target of £130k.

Translation services and Registrars office are forecasting £30k overachievement of income and there are forecast underspends on the establishment and parking cash collection contracts of £50k.

Corporate items - forecast overspend £1,758k

Based on year to date payments, there is a forecast overspend of £1.1m for one-off redundancy payments and pension strain.

There is also a £800k shortfall in subsidy for temporary accommodation as the cost of temporary accommodation is 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.

Budget managers and Finance staff will work closely to monitor and focus on pressures to ensure any mitigating action to reduce this overspend is taken.

Environment & Regeneration

Environment & Regeneration	2015/16 Current Budget £000	Full year Forecast (Nov) £000	Forecast Variance at year end (Nov) £000	Forecast Variance at year end (Oct) £000	2014/15 Outturn Variance £000
Public Protection	(9,398)	(6,369)	3,029	3,067	(53)
Sustainable Communities	12,846	12,665	(181)	(147)	203
Waste Services	15,434	15,134	(300)	(233)	1,440
Other	(876)	(559)	317	307	(291)
Total (Controllable)	18,006	20,871	2,865	2,994	1,299

Description	2015/16 Current Budget £000	Forecast Variance at year end (Nov) £000	Forecast Variance at year end (Oct) £000	2014/15 Variance at year end £000
Employee underspend within Parking Services	3,177	(123)	(117)	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)	(410)	(330)	110
General Supplies & Services overspend in Parking Services	503	158	104	(8)
Employee overspend within Regulatory Services	2,068	149	142	99
Employee overspend within Safer Merton	360	(97)	(81)	(91)
Underspend on third party payments within Safer Merton	251	(109)	(109)	(78)
Other	(271)	(49)	(52)	(78)
Total for Public Protection	(9,398)	3,029	3,067	(53)
General Supplies & Services underspend within Building & Development Control (B&DC)	243	(51)	(40)	(64)
Employee overspend within B&DC	1,710	69	43	200
Shortfall in B&DC income	(1,893)	198	110	(46)
General 3 rd party payments underspend within Future Merton	3,089	(70)	(105)	(106)
Premises related underspend within Property Management	283	(76)	(69)	32
Overachievement of rental income within Property Management	(4,059)	(199)	(197)	(181)
Employee related overspend within Greenspaces	2,370	57	63	142
Underachievement of Customer & Client Receipts within Greenspaces	1,979	277	298	79
General Supplies & Services underspend within Greenspaces	564	(74)	(63)	(10)
General Supplies & Services underspend within Leisure & Culture	365	(40)	(9)	(11)
Employee underspend within Senior Mgmt & Support	886	(144)	(144)	(51)
Other	7,309	(128)	(34)	219
Total for Sustainable Communities	12,846	(181)	(147)	203
Employee overspend within Waste Services	7,552	197	194	316
Transport related underspend within Waste Services	1,919	(333)	(322)	(155)
General Supplies & Services underspend within Waste Services	925	(53)	(88)	(169)
Overachievement of Customer & Client Receipts within Waste Services	(2,357)	(86)	(62)	527
Overspend within Transport Services	(876)	317	307	(291)
Other	7,395	(25)	(41)	12
Total for Street Scene & Waste	14,558	17	74	1,149
Total Excluding Overheads	18,006	2,865	2,994	1,299

Overview

The department is currently forecasting an overspend of £2,865k at year end. The main area of variance is Parking Services, but there are variances within several sections of the department. Were it not for the delay in traffic congestion works the department would be projecting an underspend.

Pressures

Public Protection

Parking & CCTV Services

The section is currently forecasting an overspend of £3,081k 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 now June 2016, whereas the budgeted expectation was for a November 2015 start. 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 (£149k) due to increased compliance, and the continued funding of CPZ related expenditure (£260k). This is being offset by over-recoveries in most areas of on-street/ permit / bay suspension revenue (£733k), and off-street parking income (£110k). 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 £123k employee related underspend, which will partly mitigate these budget pressures.

Regulatory Services Partnership

An overspend of £135k is forecast 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.

Safer Merton

The section is forecasting an underspend on employees (£97k) and third party payments (£109k), mainly as a result of the recent reorganisation within the section.

Sustainable Communities

Building & Development Control

The section is currently forecasting an employee overspend of £69k, and an underachievement of income of £198k. This is partially offset by an underspend of £51k in supplies and services.

Property Management

The section is currently forecasting an underspend of £265k. This is as a result of exceeding their commercial rental income expectations by £199k due to a current high occupancy rate (c98%). There is also an NNDR related underspend of £70k whereby the authority is not currently liable for the fee.

Future Merton

The underspend on third party payments mainly relates to an underspend on the annual payment to TfL for controlling the traffic light signals within the borough (£27k), and other miscellaneous actions taken in order to contribute towards the department's mitigating actions.

Greenspaces

The section is currently forecasting an overspend of £215k, which is mainly as a result of an underachievement of internment income (£95k), sports income (£83k), and income relating to rents (£54k). These pressures are being partially off-set by an expected supplies and services underspend of £74k.

This forecast also includes a loss of £57k (£82k 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 £144k 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 £300k, which is mainly due to an underspend on transport (£333k), supplies and services (£53k), and customer and client receipts (£86k). 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 (£173k). 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.

In agreement with the Environment Director, the bulk leafing programme has been reintroduced to ensure the level of service performance is maintained. The additional cost of this service has been capped at £10k and will be covered by additional agency staff.

Waste services continue to work with SLWP to manage operational costs associated to the HRRC. In addition to this the waste transfer station is under 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 £314k 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.

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 required the department to 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 (Nov) £000	Forecast Variance at year end (Nov) £000	Forecast Variance at year end (Oct) £000	2014/15 Variance at year end £000
Commissioning, Strategy and Performance	8,630	9,756	1,126	883	1,287
Education	17,270	17,467	197	262	953
Social Care and Youth Inclusion	12,016	12,375	359	376	580
Public Health contribution	0	(328)	(328)	(328)	(415)
PFI	7,999	7,780	(219)	(157)	6
Redundancy costs	2,091	2,091	0	0	39
Total (controllable)	48,006	49,141	1,135	1,036	2,450

Overview

At the end of November Children Schools and Families had a forecast overspend of £1.135m on local authority funded services. Although the department received growth for placements and transport, this was not sufficient to cover to total shortfall caused by the increased birth rate and additional burdens from central government. The overspend has also been netted down by one off Public Health money of £328k making the underlying overspend £1.463m, (£1.364 last month) an increase of £99k.

Local Authority Funded Services

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

Description	Budget £000	Nov £000	Oct £000	2014/15 £000
Fostering and residential placements (ART)	5,192	714	600	1,052
Supported lodgings/housing	629	578	494	427
Un-accompanied asylum seeking children (UASC)	60	280	279	193
Procurement & School organisation	547	(263)	(263)	(128)
Other small over and underspends	2,202	(183)	(227)	(257)
Subtotal Commissioning, Strategy and Performance	8,630	1,126	883	1,287
SEN Transport	3,878	344	375	1,168
Children with disabilities team (CWD) staffing	554	66	67	24
Staffing underspends across Early Years services	2,134	(120)	(118)	(192)
Other small over and underspends	10,704	(93)	(62)	(47)
Subtotal Education	17,270	197	262	953
No Recourse to Public Funds (NRPF)	20	460	459	441
Independent review and service quality	530	151	164	210
Social Work staffing	3,394	59	153	315
Serious case review	77	(77)	(77)	(76)
Youth Offending Team	616	(59)	(60)	0
CAMHS	303	(56)	(57)	(207)
Adoption & 14+ teams	1,498	(135)	(147)	0
Other small over and underspends	5,578	16	(59)	(103)
Subtotal Children's Social Care and Youth Inclusion	12,016	359	376	580
Public Health contribution	0	(328)	(328)	(415)

Subtotal PFI	7,999	(219)	(157)	6
Subtotal Redundancy cost	2,091	0	0	39
Grand total Children, Schools and Families	48,006	1,135	1,036	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 £714k. This includes on-going pressures on in-house fostering of £350k, residential placements of £381k and mother and baby placements of £31k which is offset by underspends in independent agency fostering of £22k and secure accommodation costs of £26k.

The budget for semi-independent and supported lodgings/housing placements is estimated to overspend by £578k. 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 £280k 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 £263k as a result of lower spend forecast on revenue 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 £183k underspend. These combine with the items described above to arrive at the total reported divisional overspend of £1,126k.

Education Division

SEN and FE transport cost are expected to overspend by £344k, £31k less than the forecast last month. This forecast is calculated on current year weekly costs modelled using previous year trend information. The overspend relates to cost on external home to school transport as additional budget was received to balance the internal transport cost. The overspend is due to an increase in complexity of caseload and cost of taxis. We are reviewing 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 £66k. 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.

As part of management action, where possible, recruitment to vacancies in Early Years have been delayed in preparation for 2016/17 savings and to reduce the overall in-year departmental overspend. This is estimated to result in an overall underspend of £120k.

There are various other small over and underspends forecast across the division netting to a £93k underspend. These combine with the item described above to arrive at the total reported divisional overspend of £197k.

Government provided grant funding for two years to implement the changes introduced as part of the introduction of the Children and Families Act. This includes the conversion of SEN statements to EHC Plans which is planned to be phased in over four years. In order to fund the continued engagement of EHC Plan coordinators in 2016/17, planned SEN reform grant spend will be reviewed with the aim to reduce cost as where possible to enable an underspend to be carried forward in the form of an earmarked grant reserve.

Children's Social Care and Youth Inclusion Division

The NRPF budgets are forecast to overspend by £460k 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 £151k. This is due to the use of agency staff to cover permanent IRO vacancies as well as one post 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 £59k. 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 £59k. 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. This planned underspend was reduced due to an in-year reduction in grant.

The Children and Adolescent Mental Health Service (CAMHS) is expecting to underspend by £56k due to vacancies.

The adoption and 14+ teams are expected to underspent by £135k 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 £16k overspend. These combine with the item described above to arrive at the total reported divisional overspend of £359k.

Merton applied for extra Transforming Families grant to fast track working with a hundred families. This money is expected to be received in the current financial year and will require to be carried forward as part of earmarked grant reserves to 2016/17 to fund the cost of supporting these families.

Dedicated Schools Grant

DSG funded services is forecast to underspend by £60k. 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 £81k 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 £21k overspend which, combined with the item above, equates to the net underspend of £60k.

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.

Our ART Fostering Recruitment and Assessment team is continuing to recruit new foster carers who will offer locally based placements. This is already resulting in a reduction in more expensive agency foster placements.

Our ART Placement service is working with providers to establish more local provision and offer better value placements to the Council. There is now an established agreed cost framework for semi-independent providers and this has resulted in more appropriately priced placements for Care Leavers and older LAC.

Transport

We are modelling the potential impact of personal budgets from transport for 2015/16 to assist in delivering cost reduction solutions to individual children's transport needs. 20 personal budgets were approved this financial year providing an on-going cost reduction of £96k.

We are monitoring tight eligibility thresholds and defending appeals and we have extended our independence travel training which has delivered savings of £83k 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. This leaves a net departmental underspend of £183k, although £328k of this relates to Public Health contribution. The table below highlights the estimated overspends relating to these duties:

Description	Budget £000	Nov overspend forecast £000	Oct overspend forecast £000
Supported lodgings/housing	629	578	494
Un-accompanied asylum seeking children (UASC)	60	280	279
No Recourse to Public Funds (NRPF)	20	460	459
Total	709	1,318	1,232

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 and are included in the overall £1.135m departmental overspend forecast.

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.

Community and Housing

Overview

At the end of November 2015 Community and Housing is forecast to overspend by £1,001m as shown in the summary table 1 below, a decrease of £44k on previous month. 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 are:

- the new requirements imposed through the Care Act;
- 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;
- 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;
- 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	2015/16 Full Year Forecast (Nov) £000	2015/16 Forecast Variance (Nov) £000	2015/16 Forecast Variance (Oct) £000	2014/15 Variance at year end £000
Access & Assessment	41,133	43,111	1,980	1,764	2,352
Commissioning	4,674	4,586	(88)	(78)	(221)
Direct Provision	5,924	6,332	408	364	1,188
Directorate	997	934	(63)	(68)	(223)
Care Act Implementation Expd	1,265	465	(800)	(600)	0
Directorate – Care Act Imp Income	(1,265)	(1,265)	0	0	0
**Contribution from Public Health	0	(328)	(328)	(328)	(500)
Adult Social Care	52,728	53,835	1,109	1,054	2,596
Libraries and Heritage	2,436	2,381	(55)	(38)	4

Merton Adult Education	(178)	47	225	254	254
Housing General Fund	1,903	1,625	(278)	(226)	(106)
Total (controllable)	56,889	57,888	1,001	1,044	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 £1.382m.

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 8 placements forecast.

Access and Assessment – £1.980k over-spend

Access and Assessment	Forecast Variance (Nov) £000	Forecast Variance (Oct) £000
Gross Placements overspend	3,250	2,820
Other A&A under-spends	(941)	(950)
Sub-total Net over-spend	2,309	1,870
Over achievement of Client Contribution	(329)	(106)
Total Access & Assessment	1,980	1,764

Description	2015/16 Budget £000	Forecast Variance (Nov £000	Forecast Variance (Oct £000	2014/15 Variance at year end £000
Access & Assessment				
Gross Placements	38,178	3,250	2,820	3,689
Placements - Other	368	(39)	(39)	0
Transport**	180	47	38	0
Client & CCG Contribution Income	(11,875)	(329)	(106)	(612)
Concessionary Fares & Taxi-card	9,203	(160)	(160)	(45)
Care-first	136	(126)	(126)	(117)
Other Access & Assessment	9,370	(663)	(663)	(563)
Better Care Fund – NHS Social Care Transfer Income	(4,427)	0	0	0
Sub-total Access & Assessment	41,133	1,980	1,764	2,352
Commissioning				
Brokerage, Contracts, Performance & Planning & Commissioning	1,118	(153)	(140)	(237)
Voluntary Organisations - grants	756	82	79	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	12	12	(141)
Better Care Fund – NHS Social Care	(100)	0	0	0
Sub-total Commissioning	4,674	(88)	(78)	(221)
Direct Provision				
Transport **	619	9	6	604
Day Centres	1,828	(55)	(52)	(58)
Supported Living	873	537	532	109
Residential (Excluding transport)	806	180	139	222
Mascot	368	7	9	5
Other Direct Provision	262	(7)	(2)	10
Miles - Reablement	1,568	(238)	(243)	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	408	369	1,188
Directorate				
Staffing Costs	934	(63)	(68)	(223)
Adult Social Care Redesign – Projects	244	0	0	0
Better Care Fund – NHS Social Care Transfer Income	(181)	0	0	0
Care Act Implementation	1,265	(800)	(600)	0
Care Act Implementation-Grant	(865)	0	0	0
Better Care Fund – NHS Social Care Transfer	(400)	0	0	0
Subtotal Directorate	997	(863)	(668)	(223)
Contribution from Public Health (Ageing-Well grants)	0	(328)	(328)	(500)
Sub-total Adult Social Care	52,728	1,109	1,054	2,595

Description	2015/16 Budget £000	Forecast Variance (Nov) £000	Forecast Variance (Oct) £000	2014/15 Variance at year end £000
Libraries	2,436	(55)	(38)	4
Merton Adult Education	(178)	225	254	254
<u>Housing</u>				
Temporary Accommodation	1,396	829	831	624
Temporary Accommodation – Housing Benefits	(1,140)	(860)	(860)	(540)
Temporary Accommodation – Client Contribution	(140)	(102)	(90)	
Homelessness Prevention	320	3	10	(127)
Housing Advice and Options	500	(11)	(12)	(7)
Housing Needs	283	(52)	(24)	(43)
Housing Strategy	139	(9)	(10)	(18)
Housing Supply & Development	266	(32)	(31)	(3)
Housing Environmental Health	228	(43)	(40)	(59)
Merton Action single Homeless	51	(1)	0	0
Reserves Funding Adjustment	0	0	0	67
Sub-total Housing	1,903	(278)	(226)	(106)
Total Community & Housing	56,889	1,001	1,044	2,748

Budget Pressures

Access and Assessment (£1.980m Forecast Overspend)

Access and Assessment is forecast to overspend by £1.980m in 2015-16. This is the net effect of forecast overspending on the third party placements budget of £3,250m less forecast under spending on other budgets of £1.270m.

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. Further risk is being done to assess impact.

£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.

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, including :

- 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.
- £95k 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 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 November 2015 trends suggest there will be more than 670-700 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 (£88k Forecast Underspend):

There are staff various vacancies across the commissioning team resulting in an overall underspend of £88k.

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

Direct Provision (£408k 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 (£671k 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 excludes projected income that is recouped from the Access and Assessment placement budgets to cover the SLA. This is to be reviewed by finance and the budget will be realigned in 2016/17.

Directorate – (£863k Forecast underspend)

The consultancy cost for the ASC staffing restructure has been included in the Directorate forecast spend.

Libraries (£55k 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 – (£225k forecast over-spend)

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.

The structure commenced has commenced from October 2015 for the remainder of the year.

Housing (£278k 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.

The forecast contribution from clients for temporary accommodation has increased by £12k to £242k. This is based on the increased amount received this period.

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.

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

- Regular budget monitoring with finance staff and ensuring that forecasts are timely and accurate
- Resources panels twice a week
- Clear programme of reviews
- Continued success from brokerage team to place people in difficult circumstances and negotiate costs down
- 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 be introduced to show fluctuations in support costs and activity including 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 to forecast demand even more accurately and reduce void costs.

Placements Activity Data

The table below details the current number of clients, care packages, and placement commitment have increased by £430k from the previous month of which £54k is rechargeable to Merton Clinical Commissioning Group and £ 54k to Children Services.

Activity Data	Care Packages No's) Nov	Care Packages (No's) Oct	Clients (No's) Nov	Clients (No's) Oct	Total Yearly Commitment @ November £000
<u>Service Area</u>					
Mental Health	130	131	111	120	1,655
Physical and Sensory	333	332	234	225	4,682
Learning Disabilities	429	425	342	337	13,158
Older People	1,767	1,760	1,225	1,229	21,542
Substance Misuse	12	13	11	8	175
No recourse to public funds	13	18	9	9	215
TOTAL Gross placement expenditure	2,684	2,679	1,932	1,928	41,427

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 transition costs of £540k to date of the £675k predicted.

Details of the estimated costs are:-

1. At age 18 when the young person comes to ASC - Placements data includes £212k of estimated £250k predicted as at November 2015.
2. At age 19 when they leave school - £ 47k of the estimated £125k predicted are now in placements.
3. At age 21/22 (or possible older with the recent Children and Families Act) when they leave college - £281k of estimated spend of £300k are now on in placements.

Public Health

Public Health is forecast to over-spend by £68k, this is mainly due to the grant claw back of £664k.

	2015/16 Budget £000	Period 8 (Nov) Forecast £000	Forecast Variance (Nov) £000	Forecast Variance (Oct) £000	2014/15 Final Out- turn Variance £000
Public Health					
PH - Directorate	1,246	1,042	(203)	(180)	(305)
PH- Contraception	713	710	(3)	0	(26)
PH - STI Testing and Treatment (GUM)	2,060	2,194	134	134	110
PH - SH Advice, Prevent and Promotion	217	220	3	0	(97)
PH - NHS Health check	316	287	(29)	(7)	17
PH - Falls Prevention	66	66	0	0	(1)
PH – Non Recurrent Project	1,154	1,107	(47)	(47)	0
PH – Obesity	595	576	(19)	(15)	(28)
PH – Live well (including smoking Cessation)	345	331	(14)	(14)	(35)
PH – Substance Misuse (Drugs and Alcohol)	2,098	1,790	(308)	(290)	(422)
PH – School Nursing (including National Child Measurement programme)	849	833	(16)	0	(4)
PH Surveillance and Control of Infectious Diseases	10	0	(10)	(10)	(9)
PH – Determinants	160	109	(52)	(52)	0
PH – Community Services Contract Estates	285	285	0	0	0
PH – New Investments	104	88	(16)	(16)	(275)
PH – Health Visiting Service***	1,476	1,461	(15)	0	0
Total Public Health (controllable)	11,694	11,099	(595)	(497)	(1,075)
Public Health Main – Grant Income	(9,236)	(8,573)	663	573	0
Public Health Health Visiting – Grant Income ***	(1,476)	(1,476)	0	92	0
Total Public Health Net Expenditure	982	1,050	68	168	(1,075)

The main reason for the PH forecast overspend is due to £664k grant claw back. £573k on the PH Main grant and £92k on the 0-5 Health Visiting service. The fourth quarterly instalment of the grant to be paid in November will be reduced.

The DPH reviewed the remaining uncommitted budget lines and reduced spend on all uncommitted budgets in order to deliver the savings as a result of the grant reduction. There is currently a shortfall of £77k .

0-5 Health Visiting Service

The commissioning responsibility for Healthy Child 0-5 Services transferred from NHS England on 1st October. The service is provided under the Sutton and Merton Community Services Contract (SMCS) between NHS England Commissioning Board and the Royal Marsden Hospital NHS Foundation Trust.

The original grant allocation for Healthy Child 0-5 services in 2015/16 for 6 months is **£1,476,000**, covering both health visiting and Family Nurse Partnership services.

The contract value based on the original grant allocation has been agreed with the Provider.

However the grant has now been reduced by £92k resulting in the forecast overspend.

(E) Corporate Items

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

Corporate Items	Current Budget 2015/16 £000s	Full Year Forecast (Nov.) £000s	Forecast Variance at year end (Nov.) £000s	Forecast Variance at year end (Oct) £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)	(282)	(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	(7,985)	(7,985)	0	0	(399)
Central Items	1,373	(985)	(2,358)	(2,358)	(2,817)
Levies	926	926	0	0	0
Depreciation and Impairment	(16,506)	(16,506)	0	0	0
TOTAL CORPORATE PROVISIONS	(90)	(2,473)	(2,383)	(2,383)	(2,612)

There have been no significant variations this month.

Pension Fund

£150k has been invested in the London CIV (Collective Investment Vehicle) run by London Councils, which represents purchase of shares in the company. This has been discussed at the Pension Fund Advisory Panel. The purpose of the acquisition of a shareholding is for Merton to be able to utilise the CIV as part of the planned re-procurement of the Pension fund management arrangements.

4. CAPITAL PROGRAMME 2015-19

4.1 Capital Expenditure

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

Depts.	Spend To November 2012	Spend To November 2013	Spend To November 2014	Spend To November 2015	Variance 2012 to 2015	Variance 2013 to 2015	Variance 2014 to 2015
C&H	503	860	415	529	26	(331)	114
CS	1,244	2,418	679	690	(554)	(1,728)	10
CSF	19,698	6,210	11,314	9,975	(9,724)	3,764	(1,340)
E&R	5,666	5,974	2,995	4,393	(1,272)	(1,581)	1,398
Total Capital	27,110	15,462	15,405	15,587	(11,523)	125	182

Outturn £000s	40,487	31,564	36,869	
Budget £000s				39,989
Projected Spend November 15 £000s				36,696
Percentage Spend to Budget				38.98%
Percentage Spend to Outturn/Projection	66.96%	48.99%	41.78%	42.48%
Monthly Spend to Achieve Projected Outturn £				5,277

4.1.2 November is eight months into the financial years, departments have only spent 38.9% of their budget or 42.5% of their forecast outturn. The Authority is marginally ahead of the spend achieved in 2014/15 but remains behind that achieved in 2012/13 and 2013/14. To achieve a projected spend of 36.7m officers will need to spend just under £5.3 million per month for the rest of the financial year. The table below shows that in November 2015 departments have managed to spend just under £2.1 million.

Department	Spend To October 2015 £000s	Spend To November 2015 £000s	Increase £000s
C&H	397	529	132
CS	547	690	143
CSF	9,097	9,975	878
E&R	3,470	4,393	923
Total Capital	13,511	15,587	2,076

- 4.2 The Table below shows the movement in the 2015/19 corporate capital programme since the October 2015 financial monitoring report:

Depts	Original Budget 15/16	Adjustments	Revised Budget 15/16	Original Budget 16/17	Adjustments	Revised Budget 16/17	Original Budget 17/18	Variance	Revised Budget 17/18	Original Budget 18/19	Variance	Revised Budget 18/19
C&H	1,727	(20)	1,707	2,368	20	2,388	815	0	815	340	0	340
CS	8,825	(107)	8,718	4,998	107	5,105	2,881	0	2,881	2,757	0	2,757
CSF	15,413	(90)	15,322	29,223	1,041	30,264	20,979	0	20,979	20,104	0	20,104
E&R	14,762	(519)	14,243	24,435	(3,611)	20,824	15,327	3,928	19,255	6,379	247	6,626
TOTAL	40,726	(736)	39,989	61,023	(2,444)	58,579	40,001	3,928	43,929	29,579	247	29,826

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

Merton Summary Capital Report - November 2015 Monitoring

Scheme Description	Total Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance
Community and Housing	1,706,240	529,029	1,136,081	(607,052)	1,705,624	(616)
Corporate Services	8,718,310	689,807	4,147,070	(3,457,263)	5,603,499	(3,114,811)
Children Schools and Families	15,321,850	9,974,547	11,613,570	(1,639,023)	15,371,599	49,749
Environment and Regeneration	14,242,710	4,393,468	7,069,029	(2,675,561)	14,015,490	(227,220)
Total Capital	39,989,110	15,586,851	23,965,750	(8,378,899)	36,696,212	(3,292,898)

- a) Community and Housing - Spend to date compared to the profiled budget highlights a £0.6 million underspend. It is expected that this underspend will disappear by the year end. The year-end spend assumes that the Gables, Libraries Self Service and C&H IT schemes fully spend to budget.
- b) Corporate Services – Spend to date compared to the profiled budget highlights a £3.5 million underspend. It is expected that this underspend will reduce to £3.1 million by the year end if the land purchase is actioned. The majority of the projected year-end variance is caused by five major corporate schemes
- the Acquisition Fund £1,047k - this budget is held corporately and currently has a £450,000 commitment against it for the purchase of a freehold interest of a property on which we have restrictive covenants,
 - Bidding Fund £1,357k- this is a centrally held fund to provide match funding to secure external funding there is currently no commitments against this budget
 - Transformation Budget £88k – this budget is held corporately and vired as transformation projects are identified.
 - Disaster Recovery £181k the remainder of budget was being held as contingency until the first testing is undertaken later this financial year.
 - Customer Contact Programme and Document Management System projects which are being progressed under one contract are currently showing slippage of £421k. 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

e-payments project – The Authority currently operates version 14 of Civica Icon from 1 April 2016 under the new contract it will operate a slightly enhanced version 14 of Civica Icon which will include Callsafe. The additional functionality required under the new contract, which constitutes the bulk of the cost of the new contract, will not be available and paid for until the new financial year.

- c) Children, Schools and Families – Spend to date compared to the profiled budget highlights a £1.6 million underspend. It is expected that this underspend will result in a £0.75 million overspend by the year end. The primary school expansion schemes at Hillcross, Pelham and Merton Abbey were three of six schemes contracted to Balfour Beatty to a collective contract value of £25 million. All six schemes have now completed and three have been settled. The final account for Hillcross, Pelham and Merton Abbey has yet to be agreed and they have been subject to additional unforeseen items that cannot be contained within the budget. These negotiations continue, the maximum impact of this overspend is reflected in the outturn projection.

Primary School Expansion Overspend Provision – an overspend provision of £750,200 is recommended in this report to fund the worst case overspend on the three primary schemes. Approval from this provision will be authorised by the Directors of Children, Schools and Families and Corporate Services. Any unspent balance once the final accounts are settled will be clawed back. Adding this sum to the Capital Programme will result in additional annual revenue costs of £51k per annum.

- d) Environment and Regeneration – Spend to date compared to the profiled budget highlights a £2.7 million underspend. It is expected that this underspend will reduce to £0.227 million by the year end – this projection assumes that the majority of the budget will be spent including Regeneration Partnerships (spend of £3.2 million required for which £843k of commitments exist), TfL (spend of £1.9 million required for which £519k of commitments exist) and Transport and Plant (spend of £0.81 million required for which a £53k commitment exists). There are two major causes of the variance from budget at year end is the first is the Heritage Lottery fund scheme for Canons Parks (of £124k) which is currently being consulted on. This budget will be re-profiled as the results of this consultation are progressed. The second is Street Scene Enhancements work is underway to develop two schemes with this budget, however, this budget will not be spent by year end.

Morden Leisure Centre - the project management structure for this scheme is now in place, payment profiles for the scheme have been reviewed and are summarised below:

Morden Leisure Centre	Starting £	Reprofile £	Revised £
2015/16	975,680	(456,590)	519,090
2016/17	9,000,000	(3,719,030)	5,280,970
2017/18	1,000,000	3,928,220	4,928,220
2018/19	0	247,400	247,400

Considerable work has been undertaken to re-profile this scheme so that the budget now reflects the expected payment profile for the scheme.

- 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 on the next page 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		(2,079)	1,707
Corporate Services	7,428	2,408	(171)	0	315	(1,262)	8,718
Children Schools and Families	17,105	1,014	(27)	200	750	(3,720)	15,322
Environment and Regeneration	15,240	2,345	(2,720)	249	296	(1,167)	14,243
Total	41,933	7,203	(2,729)	449	1,361	(8,228)	39,989

5. DELIVERY OF SAVINGS

Department	Target Savings 2015/16	Projected Savings 2015/16	Period 8 Forecast Shortfall	Period 8 Forecast Shortfall	Period 7 Forecast Shortfall	Period 7 Forecast Shortfall
	£000's	£000's	£000's	%	£000's	%
Corporate Services	1,170	1,099	(71)	(6.1)%	(71)	(6.1)%
Children Schools and Families	781	781	0	0.0%	0	0.0%
Community and Housing	2,154	2,015	(139)	(6.5)%	(266)	(12.3)%
Environment and Regeneration	4,192	764	(3,428)	(81.8)%	(3,428)	(81.8)%
Total	8,297	4,659	(3,638)	(43.8)%	(3,765)	(45.4)%

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)	(1,188)
Environment and Regeneration	784	280	(504)	(115)
Total	4,728	1,597	(3,131)	(1,303)

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 being addressed in the current year and for Community and Housing in 2016/17 as well.

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 November 2015
Appendix 4 –	Treasury Management: Outlook
Appendix 5a –	Current Capital Programme 2015/16
Appendix 5b –	Current Capital Programme 2015/16 – Adjustments November 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

14. BACKGROUND PAPERS

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

15. REPORT AUTHOR

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

**Summary Position as at 30th
November 2015**

APPENDIX 1

	Original Budget 2015/16	Current Budget 2015/16	Year to Date Budget (Nov)	Year to Date Actual (Nov)	Full Year Forecast (Nov)	Forecast Variance at year end (Nov)	Forecast Variance at year end- previous month (Oct)	Outturn Variance 2014/15
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000
Department	-							
3A. Corporate Services	14,025	15,142	32,138	24,101	15,489	346	356	(691)
3B. Children, Schools and Families	50,894	52,737	126,365	123,204	53,872	1,135	1,036	2,663
3C. Community and Housing	-							0
Adult Social Care	56,080	56,455	37,493	35,062	57,564	1,109	1,056	2,593
Libraries & Adult Education	3,169	3,289	2,474	2,212	3,459	170	215	281
Housing General Fund	2,151	2,154	1,489	258	1,876	(279)	(226)	(100)
3D. Public Health	320	1,154	(221)	(2,854)	1,222	68	168	(0)
3E. Environment & Regeneration	23,986	24,174	5,193	4,795	27,039	2,865	2,994	1,703
Overheads	0	0	0	0	0	0	0	0
NET SERVICE EXPENDITURE	150,624	155,105	204,932	186,777	160,520	5,414	5,599	6,448
3E. Corporate Items	-							
Impact of Capital on revenue budget	14,117	14,117	3,906	3,539	14,092	(25)	(25)	205
Other Central items	-10,651	-15,132	-7,377	1,751	-17,490	-2,358	-2,358	(2,817)
Levies	926	926	649	649	926	0	0	0
TOTAL CORPORATE PROVISIONS	4,392	-90	-2,822	5,939	-2,473	-2,383	-2,383	-2,612
TOTAL GENERAL FUND	155,016	155,016	202,109	192,716	158,047	3,031	3,216	3,836
- Funding	-							
- Business Rates	(33,686)	(33,686)	(4,705)	(4,705)	(33,686)	0	0	0
- RSG	(30,425)	(30,425)	(21,204)	(21,204)	(30,425)	0	0	0
- Council Tax Freeze Grant 2014/15	(861)	(861)	(520)	(520)	(861)	0	0	6
- Section 31 Grant	(1,134)	(1,134)	(646)	(646)	(1,134)	0	0	(160)
- New Homes Bonus	(2,642)	(2,642)	(3,063)	(3,063)	(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)	(32,537)	(32,537)	(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								0
- 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)	(32,537)	(32,537)	(155,016)	0	0	(154)
NET	0	(0)	169,572	160,179	3,031	3,031	3,216	3,682

	Current Budget 2015/16	Year to Date Budget (Nov)	Year to Date Actual (Nov)	Full Year Forecast (Nov)	Forecast Variance at year end (Nov)	Forecast Variance at year end (Oct)
Expenditure	£000	£000	£000	£000	£000	£000
Employees	97,801	65,044	64,634	98,890	1,089	1,212
Premises Related Expenditure	8,783	6,222	4,933	8,448	(335)	(381)
Transport Related Expenditure	14,681	17,648	15,907	14,567	(114)	59
Supplies and Services	175,672	110,325	104,925	174,169	(1,503)	(1,160)
Third Party Payments	89,534	56,356	53,216	94,387	4,853	3,942
Transfer Payments	104,045	69,121	65,569	101,385	(2,661)	(2,819)
Support Services	31,902	0	1	31,901	(1)	(1)
Depreciation and Impairment Losses	16,505	9	0	16,505	(0)	(0)
Corporate Provisions	(90)	(2,822)	5,939	(2,473)	(2,383)	(2,383)
GROSS EXPENDITURE	538,834	321,903	315,123	537,779	(1,055)	(1,532)
Income						
Government Grants	(267,319)	(71,382)	(72,154)	(264,160)	3,159	3,355
Other Grants, Reimbursements and Contribs	(22,451)	(8,073)	(12,092)	(24,745)	(2,294)	(2,185)
Customer and Client Receipts	(61,387)	(37,401)	(38,170)	(58,328)	3,059	3,160
Interest	(44)	0	0	(20)	24	24
Recharges	(32,547)	(2,867)	0	(32,547)	1	1
Balances	(70)	(70)	8	68	138	393
GROSS INCOME	(383,819)	(119,794)	(122,408)	(379,732)	4,087	4,747
NET EXPENDITURE	155,016	202,110	192,716	158,047	3,031	3,216

APPENDIX 2

3E. Corporate Items	Council 2015/16 £000s	Original Budget 2015/16 £000s	Current Budget 2015/16 £000s	Year to Date Budget (Nov.) £000s	Year to Date Actual (Nov.) £000s	Full Year Forecast (Nov.) £000s	Forecast Variance at year end (Nov.) £000s	Forecast Variance at year end (Oct) £000s
Cost of Borrowing Use for Capital Programme	14,117	14,117	14,117	3,906	3,539	14,092	(25)	(25)
Impact of Capital on revenue budget	14,117	14,117	14,117	3,906	3,539	14,092	(25)	(25)
Investment Income	(559)	(559)	(559)	(233)	(665)	(841)	(282)	(282)
Pension Fund	5,042	5,042	5,042	840	4,702	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	13	100	0	0
Pay and Price Inflation	832	832	575	0	13	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	22	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)
Cost of disposals - 4%							0	0
T/F to Closing the Budget Gap Reserve							0	0
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	22	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)	(3,983)	(3,983)	(110)	(3,983)	0	0
Appropriations: E&R Reserves	(1,631)	(1,631)	(1,801)	(1,801)	(13)	(1,801)	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)	(7,985)	(7,985)	(2,324)	(7,985)	0	0
Depreciation and Impairment	(16,506)	(16,506)	(16,506)	0	0	(16,506)	0	0
Central Items	3,466	3,466	(1,015)	(3,471)	5,290	(3,398)	(2,383)	(2,383)
Levies	926	926	926	649	649	926	0	0
TOTAL CORPORATE PROVISIONS	4,392	4,392	(90)	(2,822)	5,939	(2,473)	(2,383)	(2,383)

Pay and Price Inflation as at November 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) rose by 0.1% in the year to November 2015, compared with a 0.1% fall in the year to October 2015. Movements in transport costs and alcohol and tobacco prices were the main contributors to the rise in the rate. Falling clothing prices partially offset the rise. CPIH grew by 0.4% in the year to November 2015, up from 0.2% in October 2015. RPI annual inflation stands at 1.1% in 2015, up from 0.7% in October 2015.

Outlook for inflation:

On 9 December 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 remained at -0.1% in October, a little more than 2 percentage points below the inflation target. Inflation is expected to have been slightly positive in November, and is projected to rise further as some of the large falls in energy and food prices at the turn of last year drop out of the annual comparison. Nevertheless, core inflation remains subdued, and CPI inflation is expected to stay below 1% until the second half of next year."

The MPC also noted that "the outlook for inflation reflects the balance between persistent drags from factors such as sterling and world export prices and prospective further increases in domestic cost growth. The MPC's objective is to return inflation to target sustainably; that is, without an overshoot once persistent disinflationary forces ultimately wane. Given these considerations, the MPC intends to set monetary policy to ensure that growth is sufficient to absorb remaining spare capacity in a manner that returns inflation to the target in around two years and keeps it there in the absence of further shocks."

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

Source: HM Treasury - Forecasts for the UK Economy (December 2015)			
2015 (Quarter 4)	Lowest %	Highest %	Average %
CPI	(0.1)	0.5	0.1
RPI	0.6	1.3	1.0
LFS Unemployment Rate	5.1	5.7	5.3
2016 (Quarter 4)	Lowest %	Highest %	Average %
CPI	0.6	2.7	1.5
RPI	0.6	3.9	2.5
LFS Unemployment Rate	4.6	5.7	5.1

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

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

Source: HM Treasury - Forecasts for the UK Economy (November 2015)					
	2015	2016	2017	2018	2019
	%	%	%	%	%
CPI	0.1	1.3	1.9	2.1	2.0
RPI	1.0	2.1	3.0	3.3	3.3
LFS Unemployment Rate	5.5	5.3	5.2	5.1	5.0

Treasury Management: Outlook

The Bank Base Rate has been kept at its low of 0.5% since March 2009. At its meeting ending on 9 December 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 November Inflation Report it was noted that “CPI inflation has remained close to zero. GDP growth has slowed over the past year to around its past average rate. A weaker global backdrop together with falls in the prices of risky assets are weighing on the outlook for UK growth, but they are counterbalanced by support from falls in market interest rates and commodity prices. Conditioned on a very gently rising path for Bank Rate, the MPC judges that four-quarter growth is likely to remain around current rates and the slack remaining in the economy is likely to be absorbed. Recent falls in oil and other commodity prices mean that inflation is likely to remain lower than previously expected until late 2017 but, on the conditioning path for Bank Rate, the MPC’s best collective judgement is that CPI inflation will return to the 2% target in around two years and rise above it thereafter.”

In the MPC minutes published on 10 December 2015 it was noted that “all members agree that, given the likely persistence of the headwinds weighing on the economy, when Bank Rate does begin to rise, it is expected to do so more gradually and to a lower level than in recent cycles. This guidance is an expectation, not a promise. The actual path Bank Rate will follow over the next few years will depend on the economic circumstances.”

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

	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	End Q.3 2018
November '15		0.5	0.5	0.5	0.6	0.6	0.7	0.8	0.9	1.0	1.1	1.1	1.2	1.3
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	0.6	0.7	0.8	0.9	1.0	1.1	1.2	1.3	1.3	1.4		
February 2015	0.5	0.5	0.6	0.6	0.7	0.8	0.9	1.0	1.0	1.1	1.1			
November '14	0.7	0.8	1.0	1.1	1.2	1.4	1.5	1.5	1.7					
August 2014	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 - November 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	125,980	576,280	(450,300)	576,280	0
Other	89,800	7,957	40,410	(32,453)	89,183	(617)
Libraries						
Library Self Service	330,000	0	155,000	(155,000)	330,000	0
Housing						
8 Wilton Road	60,160	47,362	60,161	(12,799)	60,161	1
Disabled Facilities	650,000	347,730	304,230	43,500	650,000	0
Community and Housing Total	1,706,240	529,029	1,136,081	(607,052)	1,705,624	(616)

Corporate Services Summary Capital Report - November 2015 Monitoring

Scheme Description	Total Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance
Business Improvement Total	2,630,570	196,273	1,716,492	(1,520,219)	2,209,940	(420,630)
Corporate Governance	880	0	880	(880)	0	(880)
Corporate Items	2,854,340	0	711,664	(711,664)	450,000	(2,404,340)
Facilities Management Total	1,783,280	360,394	1,254,494	(894,100)	1,764,435	(18,845)
IT Total	847,550	106,745	346,550	(239,805)	665,624	(181,926)
Resources	471,700	24,425	25,000	(575)	471,700	0
IT Transformation Unallocated	129,990	1,970	91,990	(90,020)	41,800	(88,190)
Corporate Services Total	8,718,310	689,807	4,147,070	(3,457,263)	5,603,499	(3,114,811)

Children, Schools & Families Summary Capital Report - November 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
Cranmer expansion	31,260	10,030	31,260	(21,230)	31,260	0
Joseph Hood Permanent Expansn	3,830	(2,965)	3,830	(6,795)	3,830	0
Holy Trinity Expansion	0	0	0	0	0	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
Gorringe Park expansion	0	0	0	0	0	0
Hillcross School Expansion	1,560,510	1,330,759	1,560,510	(229,751)	1,755,510	195,000
Merton Abbey Temp Accomodation	1,179,940	957,256	879,555	77,701	1,505,071	325,131
Pelham School Expansion	3,161,140	2,963,558	2,549,675	413,883	3,391,140	230,000
Dundonald expansion	2,400,000	1,401,462	2,112,745	(711,283)	2,400,000	0
Poplar Permanent Expansion	289,900	222,716	51,874	170,842	289,900	0
Liberty expansion	0	0	0	0	0	0
Singlegate expansion	1,100,000	338,645	1,065,676	(727,031)	1,100,000	0
Primary School Exp. Overspen Provision	750,200	0	0	0	0	(750,200)
Wimbledon Chase DCSF grant	0	0	0	0	0	0
Wimbledon Park expansion	70,530	(48,863)	70,530	(119,393)	70,350	(180)
Primary Expansion	10,707,940	7,212,037	8,486,285	(1,274,248)	10,707,689	(251)

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

Scheme Description	Total Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance
Devolved Formula Capital	568,830	241,168	380,896	(139,728)	568,830	0
Early Years	0	(59,158)	0	(59,158)	0	0
Free School Meals	193,080	164,105	165,580	(1,475)	193,080	0
Cricket Green Site	65,000	30,720	65,000	(34,280)	65,000	0
Primary school autism unit	1,145,240	893,286	1,012,565	(119,279)	1,145,240	0
Breaks-disabled children grant	0	(7,242)	0	(7,242)	0	0
Perseid	1,139,680	787,226	852,114	(64,888)	1,139,680	0
Secondary School Autism Unit	0	0	0	0	50,000	50,000
Schs Cap Maint & Accessibility	878,860	544,664	646,360	(101,696)	878,860	0
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	409,000	76,866	0	76,866	409,000	0
Schools Equipment Loans	104,450	0	0	0	104,450	0
Admissions IT System	105,000	91,875	0	91,875	105,000	0
	4,613,910	2,762,510	3,127,285	(364,775)	4,663,910	50,000
Children Schools and Families	15,321,850	9,974,547	11,613,570	(1,639,023)	15,371,599	49,749

Environment & Regeneration Summary Capital Report - November 2015 Monitoring

Scheme Description	Total Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance
Footways Planned Works	1,060,000	652,265	354,180	298,085	1,060,000	0
Greenspaces	1,055,840	542,799	584,101	(41,302)	933,972	(121,868)
Highways General Planned Works	484,230	108,644	271,336	(162,692)	465,194	(19,036)
Highways Planned Road Works	1,500,000	1,213,010	772,150	440,860	1,500,000	0
Leisure Centres	872,170	71,322	478,760	(407,438)	871,307	(863)
Other E&R	93,260	28,297	78,260	(49,963)	93,260	0
On and Off Street Parking	20,140	10,236	20,140	(9,904)	20,140	0
Regeneration Partnerships	3,685,630	444,421	1,815,755	(1,371,334)	3,685,630	0
Street Lighting	600,000	57,279	266,666	(209,387)	600,000	0
Street Scene	190,690	45,687	113,660	(67,973)	107,510	(83,180)
Transport for London	2,878,200	992,329	1,722,400	(730,071)	2,878,200	0
Traffic and Parking Management	316,560	46,601	77,640	(31,039)	314,587	(1,973)
Transport and Plant	816,090	2,946	119,623	(116,677)	816,090	0
Safer Merton - CCTV & ASB	300,000	15,620	100,000	(84,380)	300,000	0
Waste Operations	369,900	162,012	294,358	(132,346)	369,600	(300)
Environment and Regeneration	14,242,710	4,393,468	7,069,029	(2,675,561)	14,015,490	(227,220)

Virement, Re-profiling and New Funding - November

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	£	£	£	£	£	£		£		
ePayments Project (replacement of Civica Icon)	125,000			(106,800)	18,200	0	106,800	106,800		Reprofile to 16/17 - functionality will be available in Q2 of 16/17
Community & Housing										
Library Self Service	350,000			(20,000)	330,000	0	20,000	20,000		£20k to be slipped into 16/17 for final payment of print kiosk set up work
Children, Schools and Families					0			0		
Dundonald expansion	3,106,710			(706,710)	2,400,000	2,120,200	706,710	2,826,910		Reprofile to 16/17
Singlegate expansion	1,212,810			(112,810)	1,100,000	732,000	312,810	1,044,810		Reversal of £200k reduction in 16/7 actioned in October - Reprofile to 16/17
St Marks Secondary Expansion	130,000			(11,000)	119,000	2,850,000	11,000	2,861,000		Reprofile to 16/17
Primary School Expansion Overspend Provision (1)	0		750,200		750,200	0		0		Provision to settle the final accounts on Hillcross, Merton Abbey and Pelham unspent balance to be clawed back (1)
Secondary School expansion	60,000			(10,000)	50,000	5,150,000	10,000	5,160,000		10k to be reprofiled into 16/17, the remaining 50k to be vired to Secondary school autism unit
Environment & Regeneration										
Cycle access/parking - Fully TfL Funded	184,000		49,000		233,000	0		0		Funding Transferred from Revenue
Mitcham Town Centre - Fully TfL Funded	300,000		(70,000)		230,000	0		0		Funding Transferred to Revenue
Casualty Reduction & Schools-Fully TfL Funded	230,000		65,000		295,000	0		0		Funding Transferred from Revenue
B106 Wim broadwy CA	46,480			(46,480)	0	0	46,480	46,480		Work is underway to finalise a scheme within the conservation area, expenditure will occur in 2016/17
Shared Space	20,000			(20,000)	0	0	20,000	20,000		The scheme could not be started until works on a school expansion were complete, expenditure will occur in 2016/17
B610 Wim Town Centre trans imp	41,600			(41,600)	0	0	41,600	41,600		Work is underway to finalise a scheme as part of Wimbledon Masterplan, expenditure will occur in 2016/17
Alley Gating Scheme - Fly Tip	20,000		1,500		21,500	20,000	0	20,000		Additional contribution from Circle Housing Merton Priory of £1,500 for alley gating works recharged to them.
Morden Leisure Centre	975,680			(456,590)	519,090	9,000,000	(3,719,030)	5,280,970		Reprofiling of the Morden Leisure Centre project - Additional Narrative Requested
Total	6,802,280	0	795,700	(1,531,990)	6,065,990	19,872,200	(2,443,630)	17,428,570		

Virement, Re-profiling and New Funding - November

Appendix 5b

	Original 2017/18 Budget	Reprofiling	Revised 2017/18 Budget	Original 2018/19 Budget	Reprofiling	Revised 2018/19 Budget				Narrative
-	£	£	£							
Morden Leisure Centre	1,000,000	3,928,220	4,928,220	0	247,400	247,400				Reprofiling of the Morden Leisure Centre project
Total	1,000,000	3,928,220	4,928,220	0	247,400	247,400				

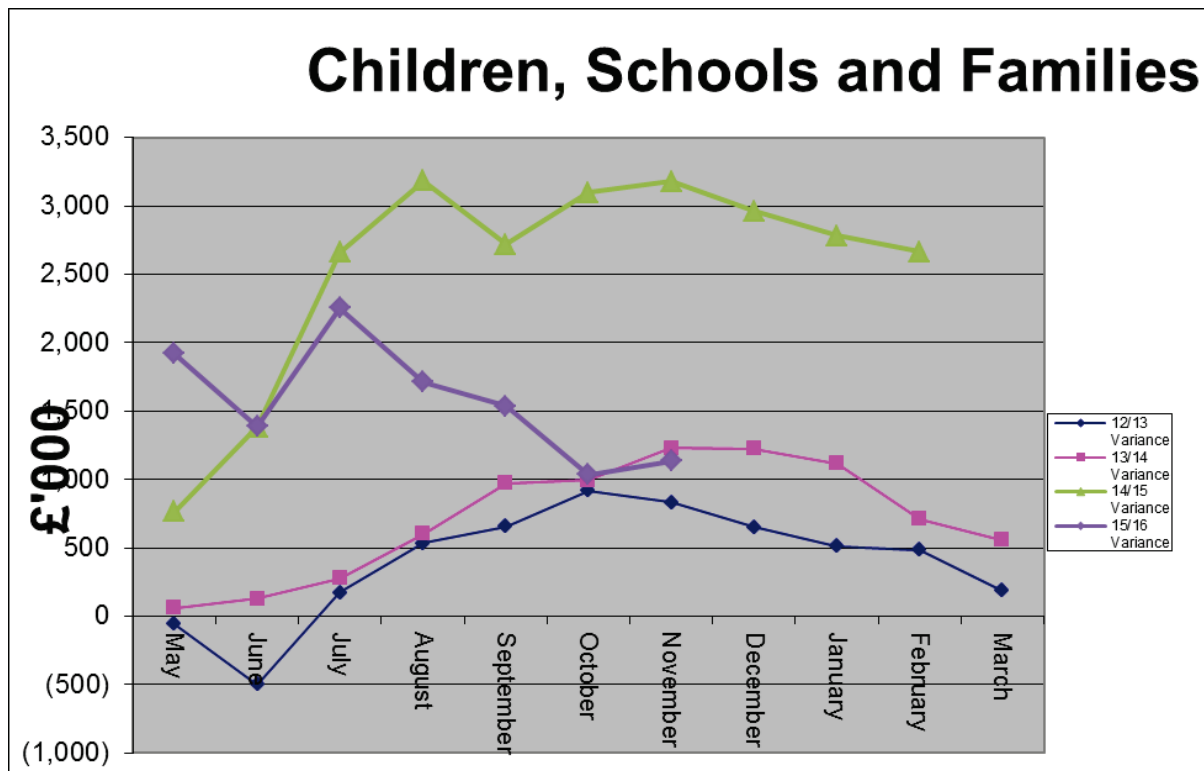
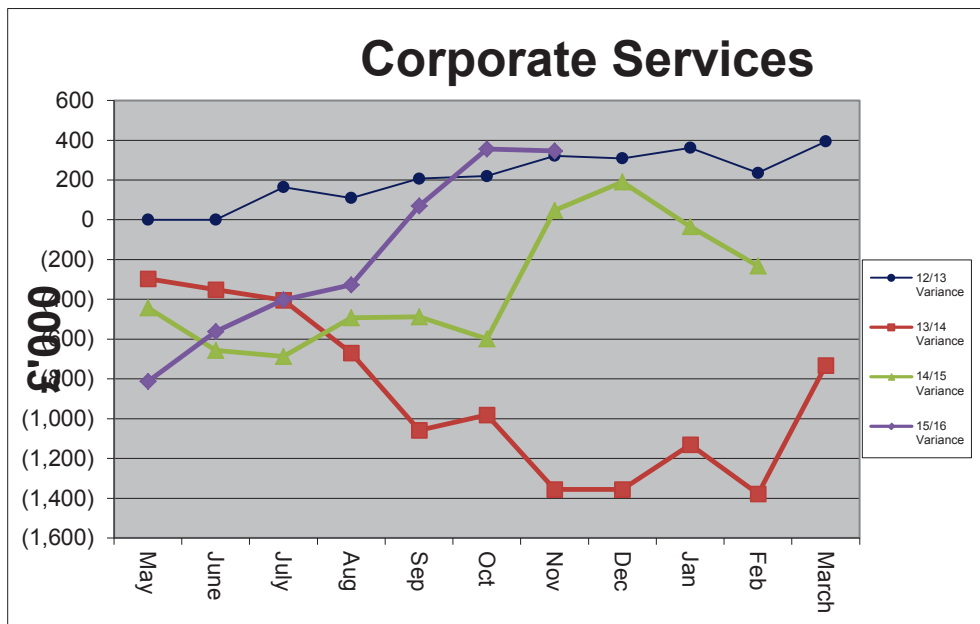
1) Requires Cabinet Approval

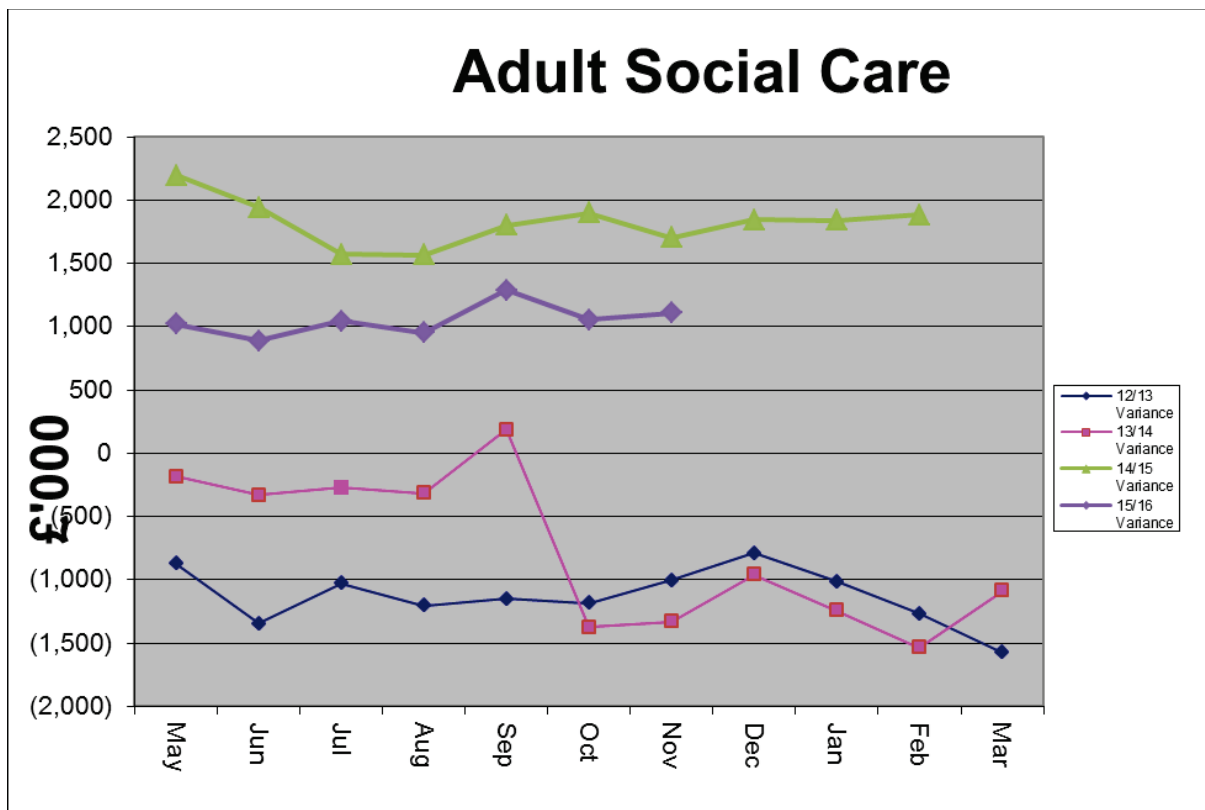
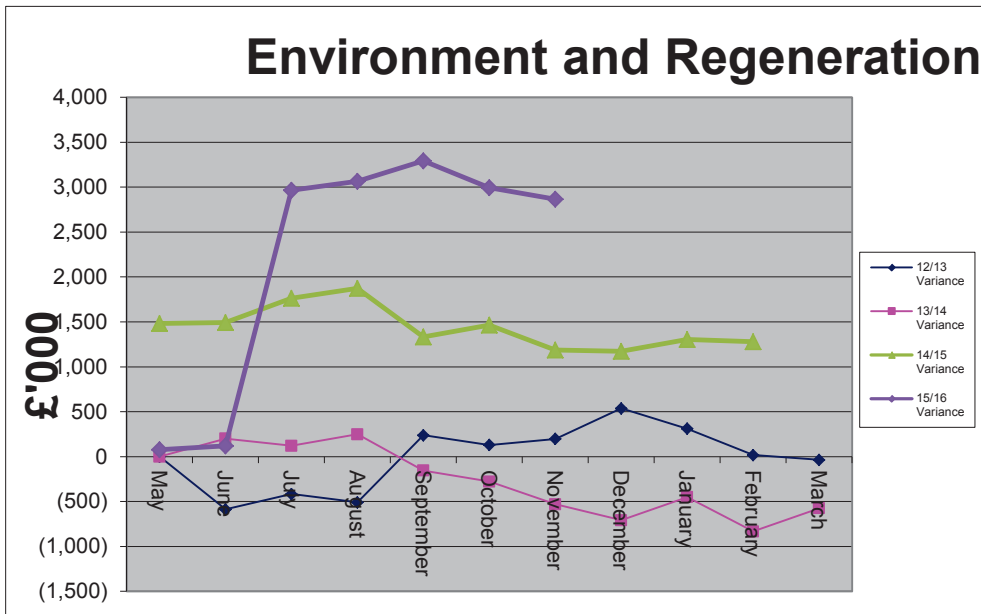
Capital Programme Funding Summary 2015/16			
	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
October Monitoring - December Cabinet	19,252	21,473	40,725
Corporate Services			
ePayments Project (replacement of Civica Icon)	(107)		(107)
Community and Housing			
Library Self Service	(20)		(20)
Children, Schools and Families			
Dundonald expansion	(707)		(707)
Singlegate expansion	(113)		(113)
Primary School Expansion Overspend Provision	750		750
St Marks Secondary Expansion	(11)		(11)
Secondary School expansion	(10)		(10)
Environment and Regeneration			
Cycle access/parking		49	49
Mitcham Town Centre		(70)	(70)
Casualty Reduction & Schools		65	65
S106 Wim broadwy CA		(46)	(46)
Shared Space	(20)		(20)
B610 Wim Town Centre trans imp		(42)	(42)
Alley Gating Scheme - Fly Tip		2	2
Morden Leisure Centre	(457)		(457)
November Monitoring - January Cabinet	19,015	21,430	39,989

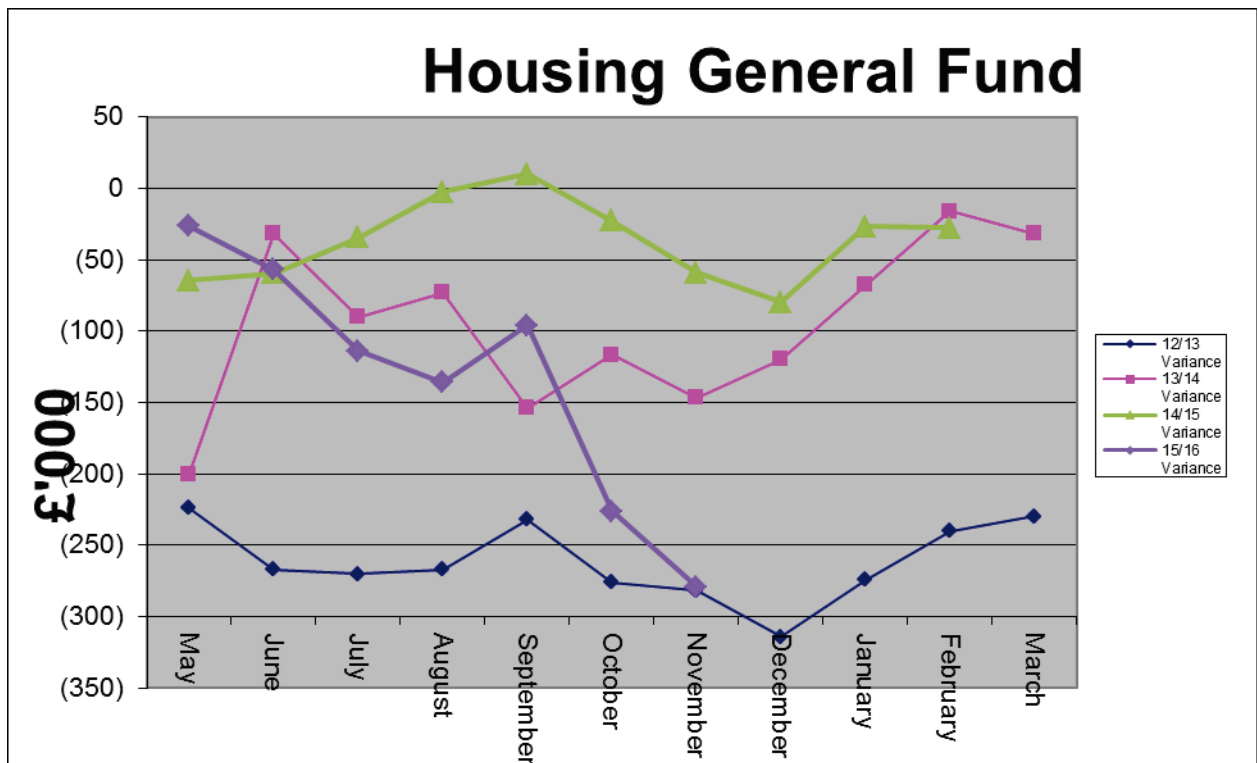
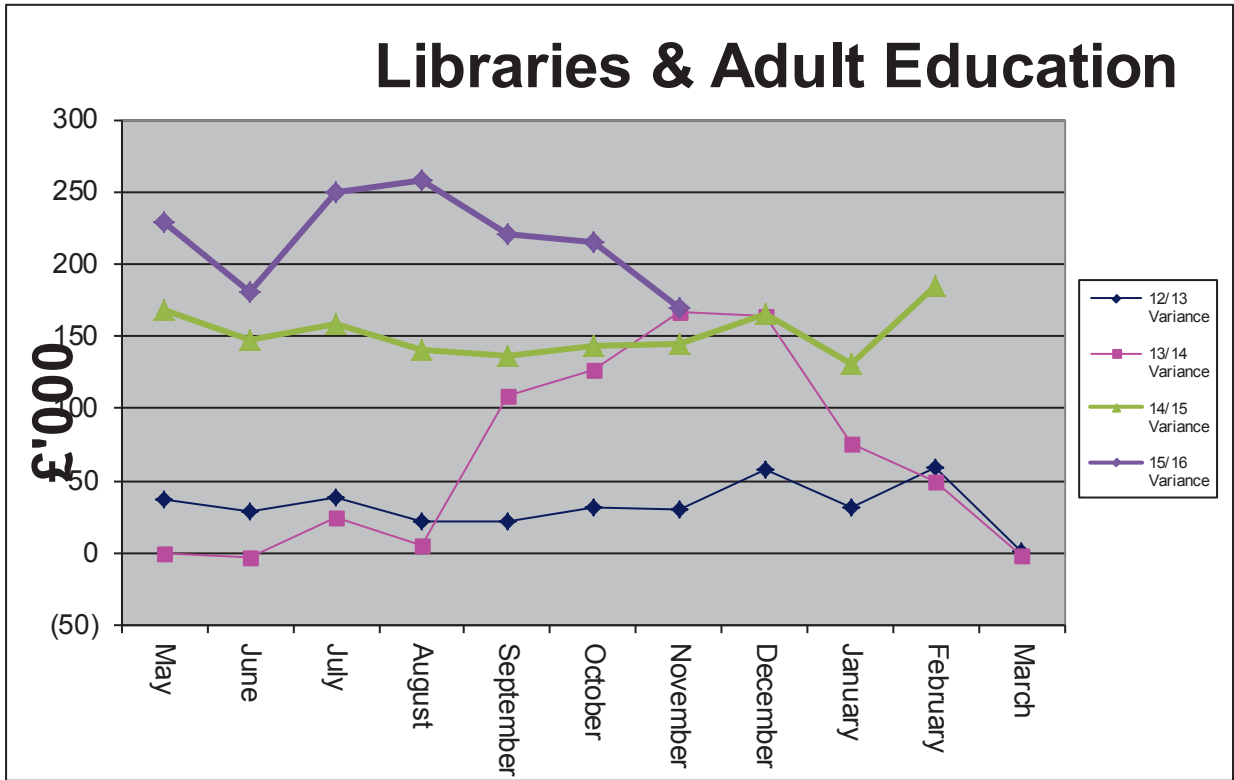
Capital Programme Funding Summary 2016/17			
	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
October Monitoring	45,298	15,725	61,023
Corporate Services			
ePayments Project (replacement of Civ	107		107
Community and Housing			0
Library Self Service	20		20
Children, Schools and Families			0
Dundonald expansion	707		707
Singlegate expansion	313		313
St Marks 4fe	11		11
Secondary School expansion	10		10
Environment and Regeneration			0
S106 Wim broadwy CA		46	46
Shared Space	20		20
B610 Wim Town Centre trans imp		42	42
Morden Leisure Centre	(3,719)		(3,719)
November Monitoring	42,766	15,813	58,579

APPENDIX 6

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







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
	<u>Adult Social Care</u>								
ASC7	Below Inflation Uplift to third party suppliers	350	191	159	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 £359k 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 £191k, but this could increase/reduce as and when new price increases are agreed and at some negotiations continue.	
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 expect to exceed annual target by £69k to help recoup 2014-15 savings shortfalls.	Over-achieving target - currently £56k saved so £100k looks feasible in the year. <u>Projected £69k over achievement used to recoup 2014/15 savings shortfall.</u>

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
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. <u>Use £268k of £274 over recovery on reviews ASC10/ASXC18/CH2 to substitute for this. Balance of £8k used to recover 14/15 shortfall.</u>
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>to be over-achieved in 2015-16 by £112k</u> and help compensate for the under achieved savings in 2014-15.	Over-achieving target. <u>Can use to recoup 14/15 savings shortfall</u>
ASC10A	Review of care packages with a view to an overall average reduction in line with promoting independence	100	250	(150)	G	G	Rahat Ahmed-Man		
In 2015-16 reviews will focus on mid-range packages of £400-									

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
*ASC18	* Review of care packages	75	105	(30)	G	G	Rahat Ahmed-Man	In 2014-15 reviews have focused on mid-range packages of £2,100-£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. Reviews between Apr - Nov 2015 have identified savings of £482k (so we have far exceeded this target). The £482k savings identified by reviews so far incl: £45K identified in 2014-15 but relating to 2015-16 + £42k identified in Apr-June + £39k identified in July + £34k identified in August + £231K identified in Sept and £65k identified in Oct and £26k in Nov. This is £276k above the target savings and will help to compensate for any savings shortfalls in 2014-15 and 2015-16. Further savings expected by year end total £3k making £485k in total.	Actual over recovery £250k at end period 7. Projected over-recovering in full year 15/16 = £279k. Use: (1) £271k to substitute for shortfalls at ASC9 in 2015-16 and (2) £8k to recoup 14/15 shortfalls.
CH2	Domiciliary care service	31	130	(99)	G	G	Rahat Ahmed-Man		
CH5	Procurement Opportunities (Placement budget)	32	25	7	A	G	Rahat Ahmed-Man	Annual savings of £25k so far achieved from changes to night cover arrangements and overhead reduction programmes at Crescent Road and Woodland Way LD Supported Livings Services i.e. £7k of saving still need to be identified.	Possible shortfall of up to £7k, but every chance the £7k can be achieved before the year end.
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. projected savings to be realised.	15/16 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 Vol. Sector.	15/16 Target to be achieved
*ASC18	*Supporting People	300	300	0	A	G	Rahat Ahmed-Man	£288k identified so far so there is only £12k to be achieved. Subsidy movements have continued to have an impact on the forecast spend but the movement is currently showing a much lower projected expenditure	15/16 Target to be achieved

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
CH4	Staffing reductions within the Commissioning Team	71	71	0	A	G	Rahat Ahmed-Man	This savings will be delivered. Budget monitoring shows this is being achieved.	15/16 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.	15/16 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	Staff reductions made to achieve the savings. This has led to a reduced 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 continue to seek volunteers to help at centres.	15/16 Target to be achieved
	<u>Libraries</u>								
CH6	Reduction in Media Fund	12	12	0	G	G	Anthony Hopkins		
CH6	Increase income - Libraries	10	10	0	G	G	Anthony Hopkins		
	<u>Merton Adult Education</u>			0					
CH15	Increased income and some staff reductions	14	0	14	R	R	Yvonne Tomlin		
	<u>Housing</u>			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	2,015	139					

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
CS1	<u>Business Improvement</u> 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 identified	Y
CSD36	Business Systems Team Restructure Phase 1	10	10	0	G	G	Sophie Ellis		
CS5	<u>IT Service Delivery</u> 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 but being offset by underspends elsewhere within the division in current year	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
CS30	<u>Corporate Governance</u> 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		
CS35	Services and suppliers savings within Corporate Governance	86	86	0	G	G	Paul Evans		
CS36	<u>Customer Services</u> Re tendering of Cash Collection Contract	10	10	0	G	G	Sean Cuniffe	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 Cuniffe	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		
CS42	<u>Resources</u> 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	
	Review of HR business support								
CSD31		19	19	0	G	G	Dean Shoesmith	Change already completed and the associated post deleted	
	HR transactional service income generation								
CSD33		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	5	34	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	764	3,428					

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/Und erspend? 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 £83k has been met from ITT and £96k from PB. The overall transport budget is expected to overspend due to complexaty of caseloads and increased prices.	N

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	69	113	Julie McCauley	Savings not or partially delivered in 14/15. Expect to partially pull this back in 15/16. At end of Oct Brokerage has saved £56k vrs a target of £31k & the expected savings for the year are £100k i.e. £69k above target.	Y
ASC8	Optimising the use of block and spot contracts-OP&LD	300	141	159	R	112	47	David Slark	Savings not or partially delivered in 14/15. Expect to part pull back in 15/16 as £112k over-achievement in 2015-16 on the Orchard Hill contract will offset this amount.	Y
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 could 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	Expect 2014-15 shortfall to be recouped in future years assuming proposal to not renew MOW contract is approved by Members.	Y
ASC44	Remodelling of reablement service	282	0	282	G	282	0	Sarah Wells	The MILES service has been remodelled and Reablement staff structure has been adjusted. At the end of September the Reablement budget is forecast to underspend by £238k . 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.	
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/Undersp end? 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	Y
Page 69	<u>Merton Adult Education</u> 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	1,341	1,188			

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/Unde
CS32	<u>Corporate Governance</u> Integrate the FOI and Complaints functions	40	0	40	40	0	G	Paul Evans	Alternate savings within division identified and implemented	Y
CS37	<u>I&T</u> Introduce a charge for the Archive Service Facility (approximately 0.39p per month - commercial rates x 3300 boxes) to produce income - E02243	15	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/Unders pend? Y/N
<u>GREENSPACES</u>											
EN45	Further commercialisation and development of sports and allied parks services	96	67	29		81	15	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.	Y
										However, until such time as the technical establishment has been signed off, it is not possible to confirm if this saving has been met.	
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		669	115				