

CABINET

Date: 4 July 2016

Subject: Financial Report 2016/17 – May 2016

Lead officer: Paul Dale

Lead member: Mark Allison

Recommendations:

- A. That Cabinet note the financial reporting data relating to revenue budgetary control, showing a forecast net overspend at year end of £4.4million, 1.2% of the gross budget.
- B. That Cabinet review the capital information within the report and the adjustments to the Capital Programme detailed in Appendix 5b and approve the following:

Scheme	2016/17 Budget	Adjustment	Revised 2016/17 Budget
	£	£	£
191-193 Western Road	115,000	(115,000)	0
Schools Capital Maintenance & Accessibility	805,900	165,000	970,900
Devolved Formula Capital	0	367,820	367,820
TFL Quietways Cyclepath	0	308,820	308,820
B707a-c/708/709a-c Wimbledon Way Wayfinding Disks	0	52,000	52,000
Total	920,900	778,640	1,699,540

- C. Cabinet is asked to approve the virement for £204k for Legal Services from Education to Social Care where this is the more appropriate service area to manage it from.

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 This is the first financial monitoring report for 2016/17 presented in line with the financial reporting timetable.

This financial monitoring report provides:-

- The income and expenditure at period 2 and a full year forecast projection.
- An update on the capital programme and detailed monitoring information;
- An update on Corporate Items in the budget 2016/17;
- Progress on the delivery of the 2016/17 revenue savings
- An update on the delivery of 2014/15 and 2015/16 revenue savings

2. THE FINANCIAL REPORTING PROCESS

2.1 The budget monitoring process will focus on budget pressures and potential overspending. The scale of the overspend in the last two financial years needs to be addressed early in the current financial year to ensure measures are in place to address overspends. The forecast for adult social care and children's social care are significant overspends which need to be monitored and addressed.

2.2 Chief Officers, together with Service Financial Advisers and budget managers are responsible for keeping budgets under close scrutiny and ensuring that expenditure within budgets which are overspending is being actively and vigorously controlled and where budgets are under spent, these underspends are retained until year end. Any final overall overspend on the General Fund will result in a call on balances as has been the case for the last two financial years.

2.3 2016/17 FORECAST OUTTURN BASED UPON LATEST AVAILABLE DATA

Executive summary – At period 2 to 31st May 2016 the year end forecast is a net £4.4m overspend compared to the current budget.

Summary Position as at 31st May 2016

	Current Budget 2016/17 £000s	Full Year Forecast (May) £000s	Forecast Variance at year end (May) £000s	Outturn variance 2015/16 £000s
Department				
3A. Corporate Services	11,565	11,880	315	(373)
3B. Children, Schools and Families	50,186	52,132	1,946	(7)
3C. Community and Housing	56,246	59,966	3,720	940
3D. Public Health	43	43	0	(7)
3E. Environment & Regeneration	21,938	22,007	69	3,632
Overheads	0	0	0	272
NET SERVICE EXPENDITURE	139,978	146,028	6,050	4,457
3E Corporate Items				
Impact of Capital on revenue budget	13,643	13,643	0	49
Central budgets	(6,936)	(8,483)	(1,547)	(2,846)
Levies	928	928	0	0
TOTAL CORPORATE PROVISIONS	7,634	6,087	(1,547)	(2,797)
TOTAL GENERAL FUND	147,612	152,115	4,503	1,660
FUNDING				
Revenue Support Grant	(23,156)	(23,156)	0	0
Business Rates	(34,230)	(34,230)	0	0
Other Grants	(9,811)	(9,887)	(76)	(954)
Council Tax and Collection Fund	(80,399)	(80,399)	0	(6)
FUNDING	(147,597)	(147,673)	(76)	(960)
NET	16	4,443	4,427	699

3. DEPARTMENTAL SUMMARY OF CURRENT POSITION

Corporate Services

	<u>2016/17 Current Budget</u>	<u>Full year Forecast May</u>	<u>Forecast variance at year end May</u>	<u>2015/16 Outturn Variance</u>
	£000	£000	£000	£000
Business Improvement	3,264	3,264	0	-29
Infrastructure & Transactions	9,374	9,297	-76	-249
Resources	7,044	7,094	50	-243
Human Resources	2,229	2,229	0	-55
Corporate Governance	2,733	2,607	-125	-426
Customer Services	2,356	2,160	-195	-479
Corporate Items including temporary accommodation and redundancy costs	1,302	1,963	660	1,109
Total (controllable)	28,301	28,614	315	-372

Overview

The Corporate Services department are forecasting an overspend of £315k at year end.

Customer Services - £195k under

Customer services are forecasting a £195k underspend. £100k of this is due to a net underspend in the Bailiff Service. The Merton Bailiff Service is forecasting overachieving income by £237k but this is offset by an forecast £208k underachievement of income in the Shared Bailiff Service. An additional £50k is as a result of overachievement of translation services income. Of this two thirds of the overachievement relates to external customers and one third internal customers.

Corporate Governance - £125k under

Corporate Governance are forecasting a £125k underspend. This is largely due to a £52K underspend in Internal Audit due to the Audit Partnership restructure. £38k relates to Benefits investigation where a 17/18 saving has been captured early.

Corporate Items - £660k over

In 15/16 there was a £743k shortfall in subsidy for temporary accommodation as the cost of temporary accommodation was significantly higher than the subsidy available which is capped. The cost of temporary accommodation is currently disclosed in Housing Services within C&H whereas the benefit paid is within corporate items in Corporate Services together with Housing Benefits subsidy grant. The accounting for this is currently being reviewed with the consideration that in this financial year the benefit paid and grant recovered, and therefore the shortfall, will appear in C&H budgets so the true cost of temporary accommodation is captured and reported in the correct division.

As a similar shortfall is likely this financial year the cost of temporary accommodation is currently offsetting a potential Corporate Services underspend.

The year to date spend on redundancy at period 2 is high compared to the budget. This will be monitored and any expected variance against budget will be reported.

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

Environment & Regeneration

Environment & Regeneration	2016/17 Current Budget	Full year Forecast (May)	Forecast Variance at year end (May)	2015/16 Variance At year end
	£000	£000	£000	£000
Public Protection	(11,125)	(11,149)	(24)	3,709
Sustainable Communities	12,260	12,253	(7)	(600)
Waste Services	15,004	15,104	100	187
Other	(851)	(851)	0	336
Total (Controllable)	15,288	15,357	69	3,632

Overview

The department is currently forecasting an overspend of £69k at year end. The main areas of variance are Property management, Greenspaces, and Waste Services.

Pressures

Public Protection

Parking & CCTV Services

Following the unsuccessful legal challenge in 2015/16 to the award of the contract for the provision and maintenance of ANPR cameras, work is now nearing completion with implementing the ANPR infrastructure across the borough. The expected contract start date is early July, and it is expected that improved compliance and traffic flow at the locations concerned will be seen within a couple of months of implementation.

Sustainable Communities

Property Management

The section is currently forecasting an underspend of £155k. This is as a result of exceeding their commercial rental income expectations by £182k due to a combination of rent reviews and a continuing high occupancy rate.

Greenspaces

The section finished 2015/16 with an overall overspend of £223k, mainly seen within customer & client receipts (£278k), and employees (£80k). At this stage, this pressure is likely to continue into 2016/17, but it is envisaged not to repeat at the same levels.

Therefore, at this early stage of the year, an overspend of £100k within customer & client receipts, and £50k within employees is being forecast. It is also envisaged that this pressure will be partially offset by expected underspends from elsewhere within the division.

Street Scene & Waste

Waste Services

The section overspent by £187k in 2015/16 mainly within employees, and costs associated with the management of the HRRC site. The HRRC site is now under new management and is expected to remain on budget. However, at this stage, the employee spend pressure is expected to continue and so a £100k overspend is currently being forecast.

Actions continue to be taken in order to reduce this forecast overspend wherever possible, including an action plan to reduce the level of sick leave absence, and not covering absences with agency staff where this does not impact on service delivery.

It is envisaged that these overspends will be partially mitigated by expected underspends from elsewhere within the division.

Management Action

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

Children Schools and Families

Children, Schools and Families	2016/17 Current Budget £000	Full year Forecast (May) £000	Forecast Variance at year end (May) £000	2015/16 Variance at year end £000
Commissioning, Strategy and Performance	7,813	9,108	1,295	677
Education	16,199	16,598	399	34
Social Care and Youth Inclusion	11,462	12,210	748	309
Public Health contribution	0	0	0	(328)
PFI	7,799	7,303	(496)	(368)
Redundancy costs	2,077	2,077	0	(331)
Total (controllable)	45,350	47,296	1,946	(7)

Overview

At the end of May Children Schools and Families had a forecast overspend of £1.946m on local authority funded services. This increased from last year as the majority of the underspend used to offset cost pressures last year were either non-sustainable management action or one-off windfalls which are not guaranteed or expected in the current financial years. This figure includes some cost for agency staff which it is anticipated will be funded from the Corporate Contingency at the end of each quarter.

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	May £000	2015/16 £000
Fostering and residential placements (ART)	5,041	521	377
Supported lodgings/housing	584	494	546
Un-accompanied asylum seeking children (UASC)	60	492	308
Procurement & School organisation	550	(208)	(276)
Other small over and underspends	1,578	(4)	(278)
Subtotal Commissioning, Strategy and Performance	7,813	1,295	677
SEN Transport	4,022	507	380
Staffing underspends across Early Years services	2,838	(250)	(315)
Children with disabilities team (CWD) staffing	541	140	(31)
Other small over and underspends	8,798	2	(31)
Subtotal Education	16,199	399	34
No Recourse to Public Funds (NRPF)	20	470	470
Social Work staffing	3,075	225	151
Other small over and underspends	8,367	53	(59)
Subtotal Children's Social Care and Youth Inclusion	11,462	748	309

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 estimated overspend of £521k. This includes on-going pressures on in-house fostering of £322k, residential placements of £358k and independent agency fostering of £33k which is offset by underspends in secure accommodation costs of £97k and mother and baby placements of £95k. An increased forecast overspend is being investigated at the moment and will be reported on later in the year.

The budget for semi-independent and supported lodgings/housing placements is estimated to overspend by £494k. This budget is used to finance an increased number of 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.

We have been reviewing last year's outturn for placements and the internal monitoring and forecasting arrangements to ensure that they are as accurate as possible. This work is on-going.

The UASC payments are expected to overspend by £492k this year due to both an increase in cases and an increase in the number of claimants turning 18.

Procurement and school organisation budgets are expected to underspend by £208k as a result of lower spend forecast on re-venueisation budgets. This budget relates to construction projects that cannot be classified as capital. The majority of this is required for temporary classrooms due to rising pupil demand when it is not viable to provide permanent buildings.

There are various other small over and underspends forecast across the division netting to a £4k underspend. These combine with the items described above to arrive at the total reported divisional overspend of £1.295m.

Education Division

SEN and FE transport cost are expected to overspend by £507k, £107k more than the actual overspend last year. This forecast is calculated using a revised case-by-case costs model and is reviewed monthly. 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.

As part of management action, where possible, recruitment to vacancies in Early Years will be delayed in preparation for 2017/18 savings with the aim to reduce the overall in-year departmental overspend. This is estimated to result in an overall underspend of £250k.

The CWD team staffing costs is expected to overspend by £140k. 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. As we are still in the first quarter, no adjustments have been made towards the overspend for these costs (an estimated £120k for the year). On top of the additional staff, the team also has to cover vacancies with higher cost agency staff.

There are various other small over and underspends forecast across the division netting to a £2k overspend. These combine with the item described above to arrive at the total reported divisional overspend of £399k.

Children's Social Care and Youth Inclusion Division

The NRPF budgets are forecast to overspend by £470k for the current financial year. This forecast is based on the assumption that case levels will stay the same as last year. If we receive more applications, the level of overspend would increase.

The Central Social Work, MASH and VCT team's staffing costs is expected to overspend by £225k. 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. As we are still in the first quarter, no adjustments have been made towards the overspend for these costs. 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.

There are various other small over and underspends forecast across the division netting to a £53k overspend. These combine with the item described above to arrive at the total reported divisional overspend of £749k.

Dedicated Schools Grant

DSG funded services is forecast to underspend by £423k. 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 £252k in Independent Residential School provision.

There are various other smaller over and underspends forecast across the DSG netting to a £171k underspend which, combined with the items above, equates to the net underspend of £423k.

Management Action

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. Excluding the cost of these duties would leave a net departmental overspend of £490k. The table below highlights the estimated overspends relating to these duties:

Description	Budget £000	May overspend forecast £000
Supported lodgings/housing	584	494
Un-accompanied asylum seeking children (UASC)	60	492
No Recourse to Public Funds (NRPF)	20	470
Total	664	1,456

Staffing

Agency cost continues to be a cost pressure for the department as permanent social worker recruitment continues to be challenging. The continued recruitment drive including recruitment of NQSWs and retention payments 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. Between Jan and March 2016 we had 13 new starters and our vacancy rate has reduced from a peak of 38% to 22 %. The forecast does not include funding from contingency to enable safe caseloads to be maintained; this is offset at the end of each quarter.

Placements

Our edge of care panel continues to ensure that entry to care threshold 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 continues to ensure 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 have continued to develop a number of alternatives to transport and to develop a more cost effective continuum of offer to meet our SEN Transport statutory duties. We now have 26 takers of personal budgets providing an on-going cost reduction of in excess of £100k. In addition 37 YP have been through independence training and 116 now travel with assistance from a Freedom Pass. We are monitoring tight eligibility thresholds and have refused 18 requests for transport in 2015/16.

Work continues through the corporate group to re-procure better value taxi arrangements and to pilot initiatives to provide more cost effective answers to our statutory duties with a growing population.

General

The department continues to scrutinise all budgets to see how we can offset the above costs pressures and others created by growing demographics and new burdens. Where possible we will use grant and income flexibly and will also implement agreed savings for 2017/18 in year if possible to bring our anticipated spend in line with available budgets.

Legal Virement

The management of the social work legal costs are centralised under education services in the budget book. Cabinet is asked to approve the virement for £204k from Education to Social care where this where this is the more appropriate service area to manage it from.

Community and Housing

In period 2 May 2016/17 Community & Housing has experienced an increase in pressures against placement budgets in the first two months of the year.

At year end, the underlying over spend in the Adult Services budget was £3.2m, which has carried forward into the new financial year. In 2015/16 this was partially offset by underspends in other Adult Services budgets, and underspends in other parts of Community and Housing. Current monitoring suggests that offsetting underspends will be at half as much in 2016/17, as underspending budgets in 2015/16 were subject to savings in 16/17.

Part of this overspend was an under-achievement of income of £1m. No monitoring information is yet available on income, so a prudent assumption has been made that there will be a similar under-achievement of income this year.

£1.8m of the departmental savings target that relates to placements budgets has not yet been achieved, as by its nature this is achieved in year rather than in advance. Although the aim remains to achieve all of it, until further progress has been made, only half of this target is banked.

Based on the commitments in the system and these assumptions there would be an overall overspend of £4.0m in Adult Services, and £3.7m overall for Community and Housing. Further work is being done to find other mitigating actions.

Community and Housing	2016/17 Current Budget £000	Full Year Forecast (May) £000	Forecast Variance (May) £000	2015/16 Variance year end £000
Access and Assessment	37,284	41,638	4,354	3,259
Commissioning	4,116	4,066	(50)	(50)
Direct Provision	5,672	5,747	75	(197)
Directorate	802	404	(398)	(17)
Care Act Implementation Expenditure	0	0	0	(1,230)
Contribution from Public Health	0	0	0	(328)
Adult Social Care	47,874	51,855	3,981	1,437
Libraries and Heritage	2,202	2,102	(100)	(176)
Merton Adult Education	(247)	(351)	(104)	218
Housing General Fund	1,718	1,661	(57)	(538)
Total	51,547	55,267	3,720	940

Access and Assessment - £4.4m over-spend

Access and Assessment	Variance (May'16) £000	Variance (Mar'16) £000
Gross Placements overspend	3,375	3,146
Other A&A Over-spends/(underspend)	340	(526)
Sub-total Net over-spend	3,715	2,620
Under/Over achievement of income	639	639
Total A&A Forecast over-spend	4,354	3,259

Forecast assumes income levels to be similar to 2015/16 as data for 2016/17 was not available during the budget monitoring process. An additional pressure of £1.2m has emerged in placements budgets in the year to date.

Adult Social Care

Placement Activity

The table below details the current number of clients and care packages numbers as at May 2016.

Activity Data	Care Packages (No's) May'16		Care Packages (No's) Mar'16	Clients (No's) May'16		Clients (No's) Mar'16
<u>Service Area</u>						
Mental Health	140	↔	140	121	↓	125
Physical & Sensory	339	↑	333	242	↓	251
Learning Disabilities	403	↓	404	321	↓	330
Older People	1,666	↑	1,623	1,178	↑	1,159
Substance Misuse	15	↔	15	15	↔	15
No Recourse to Public Funds	17	↑	16	11	↑	10
Internal	139	↓	142	71	↓	132
TOTAL	2,719	↑	2,673	1,959	↓	2,022

The current projected overspend against placement budgets requires further investigation as the growth in projected spend does not reflect the modest growth in activity. Investigation to date shows that the commitments in the system are broadly accurate, but there are new commitments late in 2015/16 which now have a full year effect.

Challenges of Adult Social Care in 2016.17:-

Access and Assessment

Community and Housing will continue to face similar budget pressures in 2016/17 as they did in financial year 2015/16, the main pressures are:-

Complexity of care needs: There is a long term trend in complexity of care needs, whereby the amount of care required per client has increased.

Price pressures: Nationally the market in social care has shown that providers are successfully demanding increases in fees. This means that to secure supply and sustain a viable market Merton had to negotiate new higher fees in 2015/16 and is facing similar challenges in 2016/17. No general uplifts have yet been agreed, but day to day placements are increasingly at higher rates, particularly in residential and nursing care. There are significant cost pressures in the home care market due to the London Living Wage and a high demand for labour. Our contracted providers have been struggling to supply the level of carers, which has forced the council to spot purchase care, often at a higher price. Discussions are currently taking place about the potential to increase framework prices to encourage more on-contract activity and to stabilise the market.

A major re-commissioning exercise will be undertaken this year that will seek to create a more sustainable supply of care, without the need to go off contract, and enables providers to prioritise good quality and consistent care. The estimated cost to secure this arrangement is approximately £460k.

Savings

Adult Social Care has a challenging savings target of £5m in 2016/17, of which £3m has been achieved to date. £2m remains to be achieved, of which £1.8m relates to placement budgets.

Deprivation of Liberty Assessment (Cheshire West judgement)

In 2015/16 the Government provided £80k towards cost of this increased responsibility but to date no announcements of funding for 2016/17. The actual spend on DOLS in 2015/16 was £537k net. Number of cases dealt with during 2015/16 was 651. The estimated number of assessments for 2016/17 is 780.

Commissioning under-spend £50k

In the Commissioning Service current underspend is forecasted on the Supporting People contract, dementia hub and salaries.

Direct Provision over- spend £75k

Staffing costs have increased in this area due to Single Status settlements. This service is also reviewing work patterns and will make changes to shift patterns to keep unit costs as low as possible. A manager post was deleted and upgraded the remaining role so that one registered manager is responsible for both Meadowsweet and Riverside Drive. The aim is to use employees across both sites where possible, therefore reducing the need for additional bank staff.

Libraries- £100k under-spend

Under spend is due to staff vacancies and reduced expenditure due to building works at the Donald Hope Library.

Merton Adult Education - £104k under-spend

Merton Adult Education (MAE) is expected to move to a commissioning model from September 2016. Current underspend is due to forecasted underspend of £93k on staffing and £11k on other minor budgets.

Housing - £57k under-spend

Housing is forecasting a net under spend of £57k. This is made up of £40k underspend on supply and services and over achievement of income.

Public Health

Public Health is forecasting a break-even budget as at May 2016.

Public Health	2016/17 Current Budget £000	Full year forecast (May) £000	Forecast Variance (May) £000	2015/16 Variance £000
PH - Directorate	588	580	(8)	(116)
PH- Contraception	748	748	0	(41)
PH - STI Testing and Treatment (GUM)	2,136	2,136	0	(27)
PH - SH Advice, Prevent and Promotion	137	106	(31)	(9)
PH - NHS Health check	465	450	(15)	(78)
PH - Falls Prevention	177	176	(1)	0
PH - Obesity	415	415	0	(200)
PH – Non Recurrent Project	10	10	0	0
PH – Live well (including smoking cessation)	0	0	0	(16)
PH - Substance Misuse (drugs and alcohol)	1,846	1,839	(7)	(32)
PH - School Nursing (including National Child Measurement programme)	657	656	(1)	(16)
PH - Surveillance and Control of Infectious Diseases	0	0	0	(10)
PH- Determinants	338	336	(2)	(83)
PH - Community Services Contract Estates**	386	0	(386)	(1)
PH - New Investments	20	20	0	2
PH - Health Visiting Service**	2,952	3,402	450	(15)
Total Public Health	10,875	10,875	0	(642)
PH - Main Grant	(8,046)	(8,046)	0	642
PH – Health Visiting Gant	(2,952)	(2,952)	0	0
Total Net Public Health	(123)	(123)	0	0

**Budget on Community Services Estates is part of the Health Visiting Service.

Corporate Items

The details comparing actual expenditure up to 31 May 2016 against budget are contained in Appendix 2. The main areas of variance as at 31 May 2016 are:-

Corporate Items	Current Budget 2016/17 £000s	Full Year Forecast (May) £000s	Forecast Variance at year end (May) £000s	Forecast Variance at year end (Apr.) £000s	2015/16 Year end Variance £000s
Cost of borrowing	13,643	13,643	0	0	49
Use for Capital Programme	0	0	0	0	0
Impact of Capital on revenue budget	13,643	13,643	0	0	49
Investment Income	(739)	(786)	(47)	0	(613)
Pension Fund	5,232	5,232	0	0	(616)
Pay and Price Inflation	1,683	1,683	0	0	(654)
Contingencies and provisions	4,714	3,214	(1,500)	0	(2,716)
Income Items	(948)	(948)	0	0	(667)
Appropriations/Transfers	759	759	0	0	1,727
Central Items	10,701	9,154	(1,547)	0	(3,539)
Levies	928	928	0	0	0
Depreciation and Impairment	(17,638)	(17,638)	0	0	0
TOTAL CORPORATE PROVISIONS	7,634	6,087	(1,547)	0	(3,491)

Now that the Pay Award has been agreed there will be a virement made to departments from the corporate budget for this purpose. There is a deficit of £48k which will be met from the provision for excess inflation. The virement will be input in Period 3 (June 2016).

SALARY : PAY AWARD INFLATION		
	Budget £	Requested £
CS	243,610	201,120
CSF	242,730	210,740
E&R	233,460	335,490
C&H	163,590	184,660
TOTAL	883,390	932,010

There is a small forecast underspend in investment income (£47k) which arises because the underspend on capital expenditure in 2015/16 (subject to audit) has resulted in forecast increased balances under investment in 2016/17.

There are currently no specific demands identified for the corporate contingency and it is therefore shown as a forecast underspend of £1.5m.

There is a forecast additional income on central government funding of £76k arising from the return to local authorities of some top-sliced New Homes Bonus relating to 2014/15. This has been paid as Section 31 grant.

4. CAPITAL PROGRAMME 2016-20

4.1 The Table below shows the movement in the 2016/20 corporate capital programme since it's approval at 6 June Cabinet:

Depts	Current Budget 16/17*	Variance	Revised Budget 16/17	Current Budget 17/18	Variance	Revised Budget 17/18	Revised Budget 18/19	Variance	Revised Budget 18/19	Revised Budget 19/20	Variance	Revised Budget 19/20
C&H	2,345	(115)	2,230	1,055	0	1,055	629	0	629	280	0	280
CS	11,630	(1,167)	10,463	5,196	1,035	6,231	2,977	75	3,052	2,795	(190)	2,605
CSF	14,139	(2,427)	11,712	19,829	(397)	19,432	12,990	(1,575)	11,415	4,955	4,979	9,934
E&R	17,834	(294)	17,540	12,664	814	13,478	15,474	(165)	15,309	4,277	0	4,277
TOTAL	45,948	(4,003)	41,945	38,743	1,452	40,195	32,070	(1,666)	30,404	12,307	4,789	17,096

*£6.7 million slippage from 2015/16 added in to the original budget of £39.3 in June.

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

Merton Summary Capital Report - May 2016 Monitoring

Scheme Description	Total Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance
Community and Housing	2,229,650	(68,872)	30,050	(98,922)	2,229,650	0
Corporate Services	10,463,300	(25,152)	78,438	(103,590)	7,091,000	(3,372,300)
Children Schools and Families	11,711,920	(337,306)	61,306	(398,612)	11,711,936	16
Environment and Regeneration	17,539,780	310,078	688,958	(378,880)	17,507,780	(32,000)
Total Capital	41,944,650	(121,252)	858,752	(980,004)	38,540,366	(3,404,284)

* Negative spending is caused by accruals – it is envisaged that these will be offset by spend in subsequent months

- Community and Housing – Currently officers are projecting full spend on all capital schemes within the department, however, based on the anticipated expenditure pattern for Disabled Facilities Grants it is not envisaged that this budget will not fully spend at year end. One scheme 191-193 Western Road is being removed from the programme because the housing association was unsuccessful in securing the site for development therefore was unable to progress the scheme in accordance with Cabinet approval
- Corporate Services – The projected underspend is caused by two major corporate schemes which are the Acquisition Fund £1,533k, Bidding Fund £1,839k. All other schemes are projecting a full spend at year end in 2016/17. Officers have re-profiled budgets across the approved programme, Map Info has been merged with the Planning and Public Protection Scheme. Finally, the Protective Marking Scheme has been reviewed and capital spend reduced, other costs which cannot be capitalised will be charged to revenue.

c) Environment and Regeneration – One small projected underspend are currently forecast for the £1 coinage change for parking meters (£32k) all other schemes are projected to fully spend. Morden Leisure Centre and Wimbledon Park De-silting have been re-profiled within the approved programme. The following four Section 106 changes have been made to Section 106 schemes:

- i. A new Section 106 scheme has been added for Wimbledon Way Wayfinding Disks (£52k);
- ii. Section 106 funding of £10k has been added to the Living Wandle scheme to provide Merton's contribution to the scheme
- iii. The Section 106 scheme for Shared Space (£20k) has been removed, this will be reallocated to another scheme at a later date.
- iv. The Section 106 scheme for Improving Shop Fronts has been expanded by £3.5k, this funding must be spent by the end of June 2016.

In addition, £308,820 has been added for a Transport for London Scheme for Quietways Cyclepath. This scheme was originally in the 2015/16 but rather than been rolled forward and having to be spend by August 2016 it has been formally approved as a 2016/17 scheme to be spent by the end of the 2016/17 financial year.

d) Children, Schools and Families – Two new schemes have been added to the programme for Devolved Formula Capital to Schools (£368k) this will be funded by Government Grant and B698 St Catherine's Fields Fencing (£47k) which will be funded from a Section 106 contribution. In addition, £165k has been added to the Schools Capital maintenance Budget for contributions from 17 schools. Officers are currently projecting full spend on all budgets within the department. Officers have re-profiled the spending profile for St Marks Secondary, the New Secondary School, Harris Morden and Further SEN over the financial years 2017 to 2020.

4.3 Appendix 5b details the adjustments being made to the Capital Programme this month the Table below summarises the items requiring Cabinet Approval:

Scheme	2016/17 Budget	Adjustment	Revised 2016/17 Budget
	£	£	£
191-193 Western Road	115,000	(115,000)	0
Schools Capital Maintenance & Accessibility	805,900	165,000	970,900
Devolved Formula Capital	0	367,820	367,820
TFL Quietways Cyclepath	0	308,820	308,820
B707a-c/708/709a-c Wimbledon Way Wayfinding Disks	0	52,000	52,000
Total	920,900	778,640	1,699,540

4.4 Appendix 5c details the impact of all the May 2016 adjustments to the Capital Programme will have on the funding of the programme in 2016/17 and 2017/18. The proposed changes in the Capital Programme since its approval at Council in March 2016 will reduce the revenue impact of the programme. The monetary impact of this change will be reported as part of the June Financial Monitoring Report.

4.5 The table below compares capital expenditure (£000s) to May 2016 to that achieved over the last few years:

Depts.	Spend To May 2012	Spend To May 2013	Spend To May 2014	Spend To May 2015	Spend To May 2016	Variance 2012 to 2015	Variance 2013 to 2015	Variance 2014 to 2015	Variance 2015 to 2016
C&H	74	(5)	(132)	(13)	(69)	(143)	(64)	63	(56)
CS	395	(1)	(198)	24	(25)	(420)	(24)	173	(50)
CSF	2,449	582	935	512	(337)	(2,786)	(920)	(1,273)	(849)
E&R	1,332	481	310	(42)	310	(1,022)	(171)	0	352
Total Capital	4,250	1,057	915	481	(121)	(4,371)	(1,178)	(1,037)	(603)

Outturn £000s	40,487	31,564	36,869	29,327	
Budget £000s					41,945
Projected Spend May 2016 £000s					38,540
Percentage Spend to Budget					(0.29%)
% Spend to Outturn/Projection	10.50%	3.35%	2.48%	1.64%	(0.31%)
Monthly Spend to Achieve Projected Outturn £					3,866

4.7 May is 2 months of the way into the financial year, departments have spent much less of their budget than compared to previous financial years. To achieve a projected spend of £38.54m officers will need to spend just over £3.866k each month, this is unrealistic and the programme for 2016/17 to 2018/19 needs to be reviewed and realistically profiled. Officers have been asked to further review their programmes and profile of spend which should result in lower spend over the initial few years and potentially lower spend overall.

5. DELIVERY OF SAVINGS FOR 2016/17

5.1

Department	Target Savings 2016/17	Projected Savings 2016/17	Period 2 Forecast Shortfall	Period 2 Forecast Shortfall
	£000's	£000's	£000's	%
Corporate Services	2,316	2,011	(305)	(13.2)%
Children Schools and Families	2,191	2,191	0	0.0%
Community and Housing	5,379	3,232	(2,147)	(39.9)%
Environment and Regeneration	4,771	4,598	(173)	(3.6)%
Total	14,657	12,032	(2,625)	(17.9)%

Appendix 6 details the progress on savings for 2016/17 by department.

Progress on savings 2015/16

Department	Target Savings 2015/16	2015/16 shortfall	2016/17 projected shortfall
	£000's	£000's	£000's
Corporate Services	1,170	0	0
Children Schools and Families	781	0	0
Community and Housing	2,154	(14)	(14)
Environment and Regeneration	4,192	(3,493)	(28)
Total	8,297	(3,507)	(42)

Appendix 7 details progress on savings for 2015/16. Details of savings achieved and the expected full year affect of these savings in 2016/17 are provided.

Progress on savings 2014/15

Department	Target Savings 2014/15	2014/15 shortfall	2015/16 shortfall	2016/17 projected shortfall
	£000's	£000's	£000's	%
Corporate Services	1,650	0	0	0
Children Schools and Families	860	0	0	0
Community and Housing	2,465	(1,585)	(1,585)	(1,080)
Environment and Regeneration	3,338	(129)	(125)	(25)
Total	8,313	(1,714)	(1,710)	(1,105)

Appendix 8 details progress on savings for 2014/15. Details of savings achieved and the expected full year affect of these savings in 2016/17 are provided.

6. CONSULTATION UNDERTAKEN OR PROPOSED

6.1 All relevant bodies have been consulted.

7. TIMETABLE

7.1 In accordance with current financial reporting timetables.

8. FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

8.1 All relevant implications have been addressed in the report.

9. LEGAL AND STATUTORY IMPLICATIONS

9.1 All relevant implications have been addressed in the report.

10. HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

10.1 Not applicable

11. CRIME AND DISORDER IMPLICATIONS

11.1 Not applicable

12. RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

12.1 The emphasis placed on the delivery of revenue savings within the financial monitoring report will be enhanced during 2015/16, the risk of part non-delivery of savings is already contained on the key strategic risk register and will be kept under review.

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

Appendix 1-	Detailed position table
Appendix 2 –	Detailed Corporate Items table
Appendix 3 –	Pay and Price Inflation as at May 2016
Appendix 4 –	Treasury Management: Outlook
Appendix 5a –	Current Capital Programme 2016/17
Appendix 5b –	Adjustments to the Current Capital Programme 2016/17
Appendix 5c –	Funding Current Capital Programme 2016/17 & 2017/18
Appendix 6 –	Progress on savings 2016/17
Appendix 7 -	Progress on savings 2015/16
Appendix 8 -	Progress on savings 2014/15

14. BACKGROUND PAPERS

14.1 Budgetary Control files held in the Corporate Services department.

15. REPORT AUTHOR

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**Summary Position as at 31st May
2016**

APPENDIX 1

	Original Budget 2016/17	Current Budget 2016/17	Year to Date Budget (May)	Year to Date Actual (May)	Full Year Forecast (May)	Forecast Variance at (May)	Outturn Variance 2015/16
	£000s	£000s	£000s	£000s	£000s	£000s	£000
Department	-	-	-	-	-	-	-
3A. Corporate Services	11,358	11,565	5,305	5,083	11,880	315	-373
3B. Children, Schools and Families	50,183	50,186	-16	3,042	52,132	1,946	-7
3C. Community and Housing	-	-	-	-	-	-	0
Adult Social Care	51,413	51,415	7,307	9,180	55,396	3,981	1,437
Libraries & Adult Education	2,796	2,821	728	669	2,617	-205	41
Housing General Fund	2,009	2,009	284	544	1,953	-56	-538
3D. Public Health	417	43	-935	-2,659	43	0	-7
3E. Environment & Regeneration	21,230	21,938	1,252	-899	22,007	69	3,632
Overheads	0	0	0	0	0	0	272
NET SERVICE EXPENDITURE	139,406	139,978	13,926	14,960	146,028	6,050	4,457
3E Corporate Items	-	-	-	-	-	-	-
Impact of Capital on revenue budget	13,643	13,643	1,116	842	13,643	0	49
Other Central items	-5,962	-6,936	1,576	-806	-8,483	-1,547	-2,846
Levies	928	928	187	187	928	0	0
TOTAL CORPORATE PROVISIONS	8,608	7,634	2,878	223	6,087	-1,547	-2,797
TOTAL GENERAL FUND	148,014	147,612	16,804	15,183	152,115	4,503	1,660
Funding	-	-	-	-	-	-	-
- Business Rates	(34,230)	(34,230)	(1,423)	(1,423)	(34,230)	0	0
- RSG	(23,156)	(23,156)	(4,161)	(4,161)	(23,156)	0	0
- Council Tax Freeze Grant 2014/15	0	0	0	0	0	0	(6)
- Section 31 Grant	(822)	(822)	41	41	(898)	(76)	83
- New Homes Bonus	(4,192)	(4,192)	(1,240)	(1,240)	(4,192)	0	(1,037)
- PFI Grant	(4,797)	(4,797)	(1,199)	(1,199)	(4,797)	0	0
Grants	(67,198)	(67,198)	(7,982)	(7,982)	(67,274)	(76)	(960)
Collection Fund - Council Tax Surplus(-)/Deficit	(3,200)	(3,200)	0	0	(3,200)	0	0
Collection Fund - Business Rates Surplus(-)/Deficit	1,721	1,721	0	0	1,721	0	(0)
Council Tax	-	-	-	-	-	-	0
- General	(78,620)	(78,620)	0	0	(78,620)	0	(0)
- WPC	(300)	(300)	0	0	(300)	0	(0)
Council Tax and Collection Fund	(80,399)	(80,399)	0	0	(80,399)	0	(0)
FUNDING	(147,597)	(147,597)	(7,982)	(7,982)	(147,673)	(76)	(961)
NET	418	16	8,822	7,201	4,443	4,427	699
Appropriation from reserves	-418						
NET	(0)	16	8,822	7,201	4,443	4,427	699

3E.Corporate Items	Council 2016/17 £000s	Original Budget 2016/17 £000s	Current Budget 2016/17 £000s	Year to Date Budget (May) £000s	Year to Date Actual (May) £000s	Full Year Forecast (May) £000s	Forecast Variance at year end (May) £000s	Forecast Variance at year end (Apr.) £000s
Impact of Capital on revenue budget	13,643	13,643	13,643	1,116	842	13,643	0	0
Investment Income	(739)	(739)	(739)	(123)	(102)	(786)	(47)	0
Pension Fund	5,232	5,232	5,232	872	41	5,232	0	0
Corporate Provision for Pay Award	883	883	883	0	0	883	0	0
Provision for inflation in excess of 1.5%	540	540	500	0	0	500	0	0
Utilities Inflation Provision	300	300	300	0	0	300	0	0
Pay and Price Inflation	1,723	1,723	1,683	0	0	1,683	0	0
Contingency	1,500	1,500	1,500	0	0	0	(1,500)	0
Single Status/Equal Pay	100	100	100	0	0	100	0	0
Bad Debt Provision	500	500	500	0	0	500	0	0
Loss of income arising from P3/P4	400	400	400	0	0	400	0	0
Loss of HB Admin grant	200	200	200		0	200	0	0
MAE 1st year redundancies	600	600	600		0	600	0	0
Revenuisation and miscellaneous	1,414	1,414	1,414	0	0	1,414	0	0
Contingencies and provisions	4,714	4,714	4,714	0	0	3,214	(1,500)	0
Income items	(948)	(948)	(948)	68	(2)	(948)	0	0
Appropriations: CS Reserves	(1,371)	(1,371)	(1,571)	(1,571)	0	(1,571)	0	0
Appropriations: E&R Reserves	(520)	(520)	(1,226)	(1,226)	(715)	(1,226)	0	0
Appropriations: CSF Reserves	44	44	44	44	0	44	0	0
Appropriations: C&H Reserves	1,146	1,146	1,146	1,146	(28)	1,146	0	0
Appropriations:Public Health Reserves	0	0	(28)	(28)	0	(28)	0	0
Appropriations:Corporate Reserves	2,394	2,394	2,394	2,394	0	2,394	0	0
Appropriations/Transfers	1,693	1,693	759	759	(743)	759	0	0
Depreciation and Impairment	(17,638)	(17,638)	(17,638)	0	0	(17,638)	0	0
Central Items	7,681	7,681	6,707	2,692	36	5,160	(1,547)	0
Levies	928	928	928	187	187	928	0	0
TOTAL CORPORATE PROVISIONS	8,608	8,608	7,634	2,878	223	6,087	(1,547)	0

Pay and Price Inflation as at May 2016

In 2016/17, the budget includes 1% for increases in pay and 0.5% for increases in general prices, with an additional amount of £0.540m which is held to assist services that may experience price increases greatly in excess of the 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 local government pay award for 2016/17 was recently agreed and will cover the two years from April 2016. For the lowest paid (those on spinal points 6-17) this means a pay rise of between 6.6% and 1.01% in the first year, and between 3.4% and 1.3% in the second. Those on spinal points 18-49 will receive 1% in year one and the same again the following year. The offer also includes a joint review of the NJC pay spine and term-time working for school support staff.

Prices:

The Consumer Prices Index (CPI) rose by 0.3% in the year to May 2016, unchanged from April. This continues the position seen since the beginning of the year of a rate which is a little above zero. With the exception of March, when the rate was influenced by the timing of Easter, headline inflation has been 0.3% for all months of 2016.

Rises in transport costs, restaurant and hotel bills and the price of telecommunication services were the main upward contributors to change in the rate. These upward pressures were offset by falls in the price of clothing, food and games, toys and hobbies.

CPIH, a measure of UK consumer price inflation that includes owner occupiers' housing costs, grew by 0.7% in the year to May 2016, up from 0.6% in April.

The RPI 12-month rate for May 2016 stood at 1.4%, up from 1.3% in April 2016.

Outlook for inflation:

At its meeting ending on 11 May 2016, the MPC voted unanimously to maintain Bank Rate at 0.5%. The Committee also voted unanimously to maintain the stock of purchased assets financed by the issuance of central bank reserves at £375 billion.

The Bank of England's Monetary Policy Committee (MPC) sets monetary policy to meet the 2% inflation target and in a way that helps to sustain growth and employment. In the May 2016 Inflation Report, the MPC noted that "CPI inflation rose to 0.5% in March, although it probably fell back to 0.3% in April. The low rate of inflation mainly reflects the effects of past falls in energy and food prices, but it also reflects the effects of the past appreciation of sterling on other imported goods and services prices, and subdued domestic cost growth. Inflation is projected to rise gently over the summer months as the effects of those external factors continue to fade, with

the recent pickup in oil prices supporting that rise. Further ahead, domestic cost pressures are expected to pick up gradually. Inflation expectations are judged to remain broadly consistent with the MPC's 2% target."

In terms of prospects for inflation over the medium to longer term, the MPC in the May 2016 Inflation Report conclude that "CPI inflation has risen a little further, to 0.5%, but remains well below the 2% target. That shortfall primarily reflects a continuing, albeit temporary, effect from past falls in energy prices, along with a drag from the prices of food and other imported goods and services; domestic cost pressures also remain subdued. Four-quarter GDP growth has slowed from above-average rates in 2014, and is likely to have fallen back further in 2016 Q2 as uncertainty around the forthcoming referendum on UK membership of the European Union weighs on companies' and households' spending. Consistent with the MPC's usual convention that government policy is followed, the projections in this Report are conditioned on an assumed continuation of EU membership, so that weakness in activity starts to unwind in the second half of the year. The MPC's best collective judgement, conditioned on the path for Bank Rate currently implied by market interest rates, is that growth is likely to recover next year, such that spare capacity is eroded and, as the drag from external factors fades, rising domestic cost growth returns inflation to the 2% target by the middle of 2018."

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 (May 2016)			
	Lowest %	Highest %	Average %
2016 (Quarter 4)			
CPI	0.3	1.7	1.1
RPI	1.6	3.0	2.2
LFS Unemployment Rate	4.7	5.2	5.0
2017 (Quarter 4)			
CPI	1.3	2.9	1.9
RPI	1.8	3.5	2.9
LFS Unemployment Rate	4.5	5.4	4.9

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 2016 to 2020 are summarised in the following table:-

Source: HM Treasury - Forecasts for the UK Economy (May 2016)					
	2016	2017	2018	2019	2020
	%	%	%	%	%
CPI	0.7	1.6	1.9	2.0	2.0
RPI	1.8	2.6	3.1	3.1	3.3
LFS Unemployment Rate	5.0	4.9	4.8	4.8	4.7

Treasury Management: Outlook

The Bank Base Rate has been kept at its low of 0.5% since March 2009. At its meeting ending on 11 May 2016, the MPC voted unanimously to maintain Bank Rate at 0.5%. The Committee also voted unanimously to maintain the stock of purchased assets financed by the issuance of central bank reserves at £375 billion.

In the May 2016 Inflation Report the MPC note that “globally, sentiment in financial markets has improved. There has been a broad-based recovery in risky asset prices, a resumption of capital flows to emerging market economies, and a sharp rise in the price of oil. Near-term prospects for China and other emerging market economies have improved a little, although medium-term downside risks remain. In the advanced economies, growth has picked up in the euro area in Q1 but slowed in the United States. A modest pace of growth in the United Kingdom’s main trading partners is likely over the forecast period, broadly similar to that in the February Inflation Report projections. In the United Kingdom, activity growth slowed in Q1 and a further deceleration is expected in Q2. There are increasing signs that uncertainty associated with the EU referendum has begun to weigh on activity. This is making the relationship between macroeconomic and financial indicators and underlying economic momentum harder to interpret at present. In the Committee’s latest projections, activity growth recovers later in the year, but to rates that are a little below their historical average. Growth over the forecast horizon is expected to be slightly weaker than in the February projection. The May projection is conditioned on a path for Bank Rate implied by market rates and on continued UK membership of the European Union, including an assumption for the exchange rate consistent with that. As the dampening influence of past falls in energy and food prices unwinds over the next year, inflation should rise mechanically. Under the same forecast conditioning assumptions described above, spare capacity is projected to be eliminated by early next year, increasing domestic cost pressures and supporting a return of inflation to the 2% target by mid-2018. Thereafter, as in the February Inflation Report, inflation is forecast to rise slightly above the target, conditioned on the path for Bank Rate implied by market rates.”

In terms of actions that the MPC consider might be needed over the medium term, it concludes that “consistent with the projections and conditioning assumptions set out in the May Inflation Report, the MPC judges that it is more likely than not that Bank Rate will need to be higher by the end of the forecast period than at present to ensure inflation returns to the target in a sustainable manner. 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 economic circumstances. With macroeconomic and financial indicators likely to be less informative than usual in light of the referendum, the Committee is currently reacting more cautiously to data releases than would normally be the case.... Given the outlook described in the May Inflation Report projections, returning inflation to the 2% target requires achieving a balance between the drag on inflation from external factors and the support from gradual increases in domestic cost growth. Fully offsetting the drag from external factors over

the short run would, in the MPC's judgement, involve too rapid an acceleration in domestic costs, one that would risk being excessive and lead to undesirable volatility in output and employment. Given these considerations, the MPC intends to set monetary policy to ensure that growth is sufficient to return inflation to the target in around two years and keep it there in the absence of further shocks."

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

	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.4 2018	End Q.1 2019	End Q.2 2019
May '16		0.5	0.4	0.4	0.4	0.5	0.5	0.5	0.6	0.6	0.6	0.7	0.7	0.8
Feb. '16	0.5	0.5	0.5	0.5	0.5	0.6	0.7	0.8	0.8	0.9	1.0	1.0	1.1	
Nov '15	0.5	0.5	0.6	0.6	0.7	0.8	0.9	1.0	1.1	1.1	1.2	1.3		
Aug.'15	0.6	0.7	0.9	1.0	1.2	1.3	1.4	1.5	1.6	1.7	1.7			
May '15	0.6	0.7	0.8	0.9	1.0	1.1	1.2	1.3	1.3	1.4				
Feb.'15	0.6	0.6	0.7	0.8	0.9	1.0	1.0	1.1	1.1					
Nov '14	1.0	1.1	1.2	1.4	1.5	1.5	1.7	1.7						
Aug.'14	1.5	1.7	1.9	2.0	2.1	2.2	2.3							

Source: Bank of England Inflation Reports

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.

Appendix 5a

Community & Housing Summary Capital Report - May 2016 Monitoring

Scheme Description	Total Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance
Adult Social Care						
The Gables Mitcham	0	(26,765)	0	(26,765)	0	0
Adult Social Care IT Projects	131,510	558	558	0	131,510	0
Libraries						
Library Self Service	94,970	(67,786)	0	(67,786)	94,970	0
Colliers Wood Library Re-Fit	200,000	0	0	0	200,000	0
Housing						
8 Wilton Road	0	(4,371)	0	(4,371)	0	0
Western Road	760,000	0	0	0	760,000	0
Disabled Facilities	1,043,170	29,492	29,492	0	1,043,170	0
Community and Housing Total	2,229,650	(68,872)	30,050	(98,922)	2,229,650	0

Corporate Services Summary Capital Report - May 2016 Monitoring

Scheme Description	Total Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance
Business Improvement	2,151,020	0	0	0	2,151,020	0
Corporate Items	3,372,300	0	0	0	0	(3,372,300)
Facilities Management	2,822,020	590	0	590	2,822,020	0
IT Total	1,819,860	74,147	78,438	(4,291)	1,819,860	0
Resources	298,100	(99,889)	0	(99,889)	298,100	0
Corporate Services Total	10,463,300	(25,152)	78,438	(103,590)	7,091,000	(3,372,300)

Children, Schools & Families Summary Capital Report - May 2016 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
Joseph Hood Permanent Expansn	3,720	0	0	0	3,720	0
St Mary's expansion	0	(43,972)	0	(43,972)	0	0
Hillcross School Expansion	3,090	(70,948)	0	(70,948)	3,090	0
Merton Abbey Temp Accomodation	0	(23,684)	0	(23,684)	0	0
Pelham School Expansion	10,660	(8,117)	0	(8,117)	10,660	0
Dundonald expansion	2,694,410	234,215	0	234,215	2,694,410	0
Poplar Permanent Expansion	1,000	(49,144)	0	(49,144)	1,000	0
Singlegate expansion	1,014,020	276,265	0	276,265	1,014,020	0
Primary School Exp. Overspen Provision	300,330	(449,866)	0	(449,866)	300,330	0
Wimbledon Park expansion	0	(27,000)	0	(27,000)	0	0
Primary Expansion	4,027,230	(173,334)	0	(173,334)	4,027,230	0

Appendix 5a

Children, Schools & Families Summary Capital Report - May 2016 Monitoring Continued ...

Scheme Description	Total Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance
Secondary School expansion	30,000	0	0	0	30,000	0
St Marks 4fe	163,060	0	0	0	163,060	0
New School 6fe	2,063,250	31,728	0	31,728	2,063,250	0
Harris Merton 2fe	2,225,110	6,773	0	6,773	2,225,110	0
Harris Morden 2fe	543,560	0	0	0	543,560	0
Secondary Expansion	5,024,980	38,501	0	38,501	5,024,980	0
Cricket Green Site	1,560	(1,200)	0	(1,200)	1,560	0
Primary school autism unit	70,730	(41,073)	0	(41,073)	70,730	0
B698 St Catherines Fields Fencing	47,000	0	0	0	47,000	0
Perseid	201,930	(192,635)	0	(192,635)	201,930	0
Secondary School Autism Unit	600,000	0	0	0	600,000	0
Futher SEN Units	295,320	0	0	0	295,320	0
SEN Expansion	1,216,540	(234,908)	0	(234,908)	1,216,540	0
Devolved Formula Capital	367,820	61,306	61,306	0	367,836	16
Free School Meals	0	(24,126)	0	(24,126)	0	0
Schs Cap Maint & Accessibility	970,900	(4,745)	0	(4,745)	970,900	0
Schools Equipment Loans	104,450	0	0	0	104,450	0
Other	1,443,170	32,435	61,306	(28,871)	1,443,186	16
Children Schools and Families	11,711,920	(337,306)	61,306	(398,612)	11,711,936	16

Environment & Regeneration Summary Capital Report - May 2016 Monitoring

Scheme Description	Total Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance
Footways Planned Works	1,000,000	22,508	50,000	(27,492)	1,000,000	0
Greenspaces	826,350	41,514	45,396	(3,882)	826,350	0
Highways General Planned Works	435,860	0	11,500	(11,500)	435,860	0
Highways Planned Road Works	1,500,000	1,176	100,000	(98,824)	1,500,000	0
Leisure Centres	5,146,440	20,047	156,327	(136,280)	5,146,440	0
Other E&R	189,220	0	13,334	(13,334)	189,220	0
On and Off Street Parking	524,340	540	66,500	(65,960)	524,340	0
Plans and Projects	0	0	0	0	0	0
Regeneration Partnerships	3,263,720	62,445	16,912	45,533	3,263,720	0
Street Lighting	662,000	71,061	20,000	51,061	662,000	0
Street Scene	105,950	2,900	0	2,900	105,950	0
Transport for London	2,302,620	6,825	20,000	(13,175)	2,302,620	0
Traffic and Parking Management	866,180	18,673	108,750	(90,077)	834,180	(32,000)
Transport and Plant	541,600	62,389	72,657	(10,268)	541,600	0
Safer Merton - CCTV & ASB	0	0	0	0	0	0
Environmental Health	0	0	0	0	0	0
Waste Operations	175,500	0	7,582	(7,582)	175,500	0
Environment and Regeneration	17,539,780	310,078	688,958	(378,880)	17,507,780	(32,000)

Virement, Re-profiling and New Funding - May 2016

Appendix 5b

	2016/17 Budget	Virements	Adjusted & New Funding	Reprofiling	Revised 2016/17 Budget	2017/18 Budget	Reprofiling	Revised 2017/18 Budget	Narrative
	£	£	£	£	£	£		£	
Corporate Services									
Invest to Save	720,060			(600,000)	120,060	0	600,000	600,000	
Planning & Public Protection Sys	500,000	50,000		(510,000)	40,000	0	510,000	510,000	Map Info Contracted with this scheme
Map Info	50,000	(50,000)							Moved into overall scheme above
Aligned Assets	0				0	75,000	(75,000)	0	Reprofiling Budget in line with likely contract/project
Data Labelling	137,400		(56,900)		80,500	0	0	0	Residual Capital Scheme
Community & Housing									
191-193 Western Road (1)	115,000		(115,000)		0	0		0	Housing Association was unsuccessful in securing the site for development therefore was unable to proceed as per Cabinet approval
Children, Schools and Families									
Schs Cap Maint & Accessibility (1)(2)	805,900		165,000		970,900	650,000	0	650,000	Contributions from individual schools
B698 St Catherines Fields Fencing	0		47,000	0	47,000	0	0	0	Section 106 Scheme
St Marks	163,060				163,060	2,948,740	(2,000,000)	948,740	Reprofiled in accordance with likely spend
New School (3)	5,070,000			(3,006,750)	2,063,250	7,000,000	3,303,000	10,303,000	Reprofiled in accordance with likely spend
Harris Morden	543,560				543,560	2,000,000	(700,000)	1,300,000	Reprofiled in accordance with likely spend
Further SEN	295,320				295,320	3,434,360	(1,000,000)	2,434,360	Reprofiled in accordance with likely spend
Devolved Formula Capital (1)	0		367,820		367,820	0		0	Annual Central Government Grant - finalised figure received after budget despatched to Cabinet in Feb 2016.
Environment & Regeneration									
Shared Space	20,000		(20,000)		0	0	0	0	Scheme will no longer be progressed
Living Wandle Ravensbury Park	63,200		10,000		73,200				S106 Money to provide Merton contribution to the scheme
TfL Quietways Cyclepath (1)	0		308,820		308,820	0		0	TfL Funded Scheme for 2016-17
Morden Leisure Centre	5,292,340			(648,480)	4,643,860	4,928,220	563,940	5,492,160	Scheme re-profiled
Wimbledon Park Lake De-silting	0				0	0	250,000	250,000	
B591b Shop Front Improvement	42,510		3,440		45,950	0	0	0	Additional Section 106 Money - Whole scheme is time limited and must be spent by the End of June 2016
B707a-c/708/709a-c Wimbledon Way Wayfinding Disks (1)	0		52,000		52,000	0	0	0	Section 106 Scheme
Total	13,818,350	0	762,180	(4,765,230)	9,815,300	21,036,320	1,451,940	22,488,260	

1) Requires Cabinet Approval

2) Schools Contribution

3) Grant Funding of £5.850 million offsetting 2016/17 and 2017/18 Expenditure

Virement, Re-profiling and New Funding - May 2016

Appendix 5b

	2018/19 Budget	Reprofiling	Revised 2018/19 Budget	2019/20 Budget	Reprofiling	Revised 2019/20 Budget	Narrative
	£	£	£	£	£	£	
<u>Corporate Services</u>							
Aligned Assets	0	75,000	75,000	0		0	Reprofiling Budget in line with likely contract/project
Electronic Asset Management	0		0	190,000	(190,000)	0	Reprofiled from approved to indicative programme
<u>Children, Schools and Families</u>							
St Marks	2,681,000		2,681,000	0	2,000,000	2,000,000	Reprofiled in accordance with likely spend
New School	4,478,950	(2,275,350)	2,203,600	0	1,979,100	1,979,100	Reprofiled in accordance with likely spend
Harris Morden	0	700,000	700,000	0		0	Reprofiled in accordance with likely spend
Further SEN	3,000,000		3,000,000	0	1,000,000	1,000,000	Reprofiled in accordance with likely spend
<u>Environment & Regeneration</u>							
Morden Leisure Centre	247,400	84,540	331,940	0		0	
Wimbledon Park Lake De-silting	1,500,000	(250,000)	1,250,000	0		0	
Total	11,907,350	(1,665,810)	10,241,540	190,000	4,789,100	4,979,100	

Capital Programme Funding Summary 2016/17

	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
Approved Capital Programme 2016/17	33,191	12,757	45,948
<u>Corporate Services</u>			
Invest to Save	(600)	0	(600)
Planning & Public Protection Sys	(510)	0	(510)
Data Labelling	(57)	0	(57)
<u>Community and Housing</u>			
191-193 Western Road (S106)	(115)	0	(115)
<u>Children, Schools and Families</u>			
Schools Cap Maintenance & Accessibility	0	165	165
B698 St Catherine's Fields Fencing	47	0	47
New School *	(4,007)	1,000	(3,007)
Devolved Formula Capital	0	368	368
<u>Environment & Regeneration</u>			
Shared Space	(20)	0	(20)
Living Wandle	10		10
TFL Quietways Cyclepath	0	309	309
Morden Leisure Centre	(648)	0	(648)
B591b Shop Front Improvement	3	0	3
B707a-c/708/709a-c Wimbledon Way Wayfinding Disks	52	0	52
Cabinet - July 2016	27,347	14,599	41,945

* Adjusted for expected £1m grant in 2016/17

Capital Programme Funding Summary 2017/18

	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
Approved Capital Programme	27,418	11,325	38,743
<u>Corporate Services</u>			
Invest to Save	600	0	600
Planning & Public Protection Sys	510	0	510
Aligned Assets	(75)	0	(75)
<u>Children Schools and Families</u>			
St Marks	(2,000)		(2,000)
New School*	(1,547)	4,850	3,303
Harris Morden	(700)		(700)
Further SEN	(1,000)		(1,000)
<u>Environment & Regeneration</u>			
Morden Leisure Centre	564	0	564
Wimbledon Park De-Silting	250	0	250
Cabinet - July 2016	24,020	16,175	40,195

* Adjusted for expected £4.85m grant in 2017/18

DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2016/17- May 2016

Ref	Description of Saving	2016/17 Savings Required £000	2016/17 Savings Expected £000	Shortfall £000	16/17 RAG	Responsible Officer	Comments
	Adult Social Care						
CH02	Promoting Independence - Public Value Review - Efficiencies to be found in hospital discharge process and by enabling customers to regain and maintain independence	100	0	100	A	David Slark	Residential / nursing
CH29	Older People - Managing Crisis (including hospital discharge) admissions to residential care. This would include a number of activities designed to reduce admissions to residential care placements. We would be looking to families to continue to support people at home for longer. This would fit in with our overall approach to enable independence.	125	0	125	A	Kim Carey	May not be achievable.
CH04 Page 35	Substance Misuse Placements - Actively manage throughput in residential rehab placements - A reduction in the placements available for Substance misuse clients	6	0	6	A	Henrietta Brown	
CH05	Realise benefits of new prevention programme in terms of reduced demand for statutory services, or alternatively if these benefits have not occurred then to reduce investment in the prevention programme through reduced grants to Voluntary Organisations. -Reduced demand for statutory services or reduced level of preventative services. In the latter case people would lose some of the services which make their life fuller.	500	500	0	G	Richard Ellis	
CH04	Reduce Management costs and reduction in staffing costs Access & Assessment- Staffing restructure to deliver efficient processes, and building on planned shift of some customers to manage their own processes.	100	75	25	A	Kim Carey	Due to the delays in submitting the staff re-structure Business Case and subsequent staff consultation this saving will not be fully realised.

DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2016/17- May 2016

Ref	Description of Saving	2016/17 Savings Required £000	2016/17 Savings Expected £000	Shortfall £000	16/17 RAG	Responsible Officer	Comments
CH20	Access and Assessment Employees - Staff Savings 12 FTE to be deleted in 2016/17 12 FTE in 17/18, 12 FTE in 18/19 - These savings will come from across Access and Assessment, covering all service areas. - Reduction in the ability to carry out assessments and reviews, social work support, safeguarding activities, DOLs responsibilities and financial assessments. (CH20)	511	479	33	A	Kim Carey	Due to the delays in submitting the staff re-structure Business Case and subsequent staff consultation this saving may not be fully realised.
CH58	Access and Assessment Employees - Staff Savings	700	700	0	A	Kim Carey	
CH22	Commissioning Employees- Staff Savings- 4 FTE to be deleted- Reduced capacity to monitor quality within provider services, reduced capacity to monitor performance within services and a reduced capacity to proactively work to sustain and develop a local provider market.	156	151	5	A	Richard Ellis	Due to the delays in submitting the staff re-structure Business Case and subsequent staff consultation this saving will not be fully realised.
CH21	Direct Provision Employees - Staff Savings 11FTE to be deleted- Less activities available both at day centres and in the community. Clients would spend more time in larger congregated settings with less choice of activities. These savings would be made across the three LD and PD day centres.	274	274	0	A	Andy Ottaway-Searle	
CH59	Direct Provision Residential and supported living management -staff reductions- We would expect to keep front line support staff but reduce management. This would mean less resource to provide outreach and the emphasis would primarily on providing core services (Bring forward savings -CH37) 2 FTE's	100	100	0	A	Andy Ottaway-Searle	
CH23	Directorate- Staff Savings - 0.46 FTE to be deleted- None, post now funded by Public Health	21	21	0	G	Richard Ellis	Saving to be achieved.
CH64	Directorate- Staff Savings - (Budget contribution to Joint Public Health consultant post to be deleted)- None, post now funded by Public Health	30	30	0	G	Richard Ellis	Saving to be achieved.

DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2016/17- May 2016

Ref	Description of Saving	2016/17 Savings Required £000	2016/17 Savings Expected £000	Shortfall £000	16/17 RAG	Responsible Officer	Comments
CH24	Learning Disabilities- High Cost Packages - Review of High Cost Packages with a view to promoting independence This would be a holistic review of 17 identified high cost placements (i.e. those receiving packages of care over £1,500 per week and not health funded). We will use promoting Independence as the basis of these reviews. We are designing these figures based on a 6% reduction in support for the identified client group.	100	30	70	A	Kim Carey	
CH25	Learning Disabilities- Medium Cost Packages- Review of medium cost packages with a view of promoting independence -This would be a holistic review of identified medium cost placements of care of between £400 -£1,500 per week and not health funded). We will use the promoting independence model as the basis for these reviews. We are designing these figures based on a 10% reduction in support for the relevant clients within the identified group.	400	8	392	A	Kim Carey	
CH26	Learning Disabilities - Direct Payments- Review of all Direct Payments in Learning Disabilities with a view to promoting independence .We will review the Direct Payments received by clients to assess whether it is still set at the appropriate level for their needs and whether the full payment is being utilised. We will use the promoting independence model as the basis of these reviews. We anticipate this being a reduction of 7% for the individual support packages within this client group. There are currently 98 packages in this group.	50	0	50	A	Kim Carey	
CH27	Mental Health- Care Packages - Review of support packages within all areas ofMental Health services. - We anticipaate this being a reduction of 5% across all support packages and will include a review of Direct Payments within this area. Options include less use of residential placements and quicker reviews as part of a recovery model.	76	0	76	A	Henrietta Brown	

DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2016/17- May 2016

Ref	Description of Saving	2016/17 Savings Required £000	2016/17 Savings Expected £000	Shortfall £000	16/17 RAG	Responsible Officer	Comments
CH28	Older People- Home Care Review of Home Care within support packages. There are currently 596 Older People within Merton receiving home care within their support packages. This represents an average reduction of 9% in home care support packages.	387	137	250	A	Kim Carey	
CH30	Older People - Review of Direct Payments support packages -Review of Direct Payments in Older People using the enablement model. We will review the Direct Payments received by clients to assess whether the full payment is being utilised. We will use the enablement model as the basis of these reviews. We anticipate this being an average reduction of 15% for individual support packages within this client group. There are currently 225 packages.	345	0	345	A	Kim Carey	
Page 38 PH31	Physical Disabilities- Review of all Direct Payments for clients with physical disabilities using promoting independence. -We will review the Direct Payments received by clients to assess whether it is still set at the appropriate level for their needs and whether the full payment is being utilised. We will use the promoting independence model as the basis of these reviews. We anticipate this being a reduction of 10% for the individual support packages within this client group. There are currently 150 packages in this group.	134	0	134	A	Kim Carey	
CH32	Physical Disabilities - Home Care -The saving would be delivered through a review of home care provision within support packages. There are currently 89 Physical Disabilities clients within Merton receiving home care within their support packages. The proposed savings represents an average reduction of 8% in home care for this group.	48	0	48	A	Kim Carey	
CH33	Physical Disabilities- High Cost Packages - Review of PD Residential and 1-1 packages .This saving would be delivered through a targeted review of a small number of PD customers in residential care. These reviews would look at renegotiating unit costs, transferring users to other types of accommodation in the community and reducing or removing 1-1 costs.	60	0	60	A	Kim Carey	

DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2016/17- May 2016

Ref	Description of Saving	2016/17 Savings Required £000	2016/17 Savings Expected £000	Shortfall £000	16/17 RAG	Responsible Officer	Comments
CH60	South Thames Crossroads : Decommission the crossroads service for carers. Replace with domiciliary care service/ Direct Payment offer and commissioned holistic carers support service from voluntary sector. (£164k deferred to 17/18 but replaced in 16/17- awaiting authorisation)	294	130	164	A	Richard Ellis	
CH61	Meals on Wheels (Sodexo) : Decommissioning service and embed support within community, neighbourhood and voluntary support infrastructure	153	153	0	G	Richard Ellis	Service to be decommissioned from 31st July 2016
CH62	Supported accommodation mental health : Decommission service as a result of Provider notice to cease service in Merton	106	106	0	G	Richard Ellis	The service has been decommissioned & saving achieved.
CH63	Day support Imagine Independence : Decommission service and recommission cost effective peer led day opportunities for people with mental health	84	84	0	G	Richard Ellis	The tender has been awarded and will commence 4th July (which will achieve the saving)
CH51	NHS Income :Negotiate extra NHS funding for extra costs of Hospital Discharges - Circa £150k on packages, £50k on staff.	200	0	200	R	Richard Ellis	Not achievable
	<u>Library & Heritage Service</u>						
CH44	Deletion of all administrative support (Deletion of 1 x FTE)	26	26	0	G	Anthony Hopkins	Reorganisation complete and individual has been slotted into a new post in the council.
CH45	Reduction in activities programme	2	2	0	G	Anthony Hopkins	Savings identified and budget profiled.
CH46	Withdrawal from annual CIPFA public library user survey (PLUS)	3	3	0	G	Anthony Hopkins	Savings identified and budget profiled. New consultation systems will be in place for autumn 16.
CH47	Reduction in volunteering contract	20	20	0	G	Anthony Hopkins	Contract renegotiated and new arrangements to start from 1 April 2016
CH48	Reduction in media fund	45	45	0	G	Anthony Hopkins	Budget reduction re-profiled to reflect new expenditure.
	<u>Merton Adult Education</u>						
CH15	MAE :Staffing cost reductions -Delivery utilising the use of Information Technology and other efficiencies	8	0	8	R	Yvonne Tomlin - Miller	Saving unlikely to be delivered due to changes in SFA funding
	<u>Housing Needs & Enabling</u>						
CH8	Reduction of Homelessness Prevention Grant:	56	0	56	A	Steve Langley	
CH9	Rationalisation of admin budget :	30	30	0	G	Steve Langley	
CH40	Housing Strategy officer - deletion of 1 FTE :	43	43	0	G	Steve Langley	Post vacant and will be deleted - saving will be achieved
CH41	Environmental health Technical officer deletion of 1 FTE:	33	33	0	G	Steve Langley	

DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2016/17- May 2016

Ref	Description of Saving	2016/17 Savings Required £000	2016/17 Savings Expected £000	Shortfall £000	16/17 RAG	Responsible Officer	Comments
CH42	Housing options adviser deletion of 1.5 FTE :	53	53	0	G	Steve Langley	Post vacant and will be deleted - saving will be achieved
	Total Community & Housing Department Savings for 2016/17	5,379	3,232	2,147			

DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES - PROGRESS ON SAVINGS 16-17

Ref	Description of Saving	2016/17 Savings Required £000	2016/17 Savings Expected £000	Shortfall	16/17 RAG	Responsible Officer	Comments	R / A Included in Forecast Over/Unders pend? Y/N
	<u>Commissioning, Strategy and Performance</u>							
CSF2012-04	Reduce expenditure on LAC and SEN placements	50	50	0	A	Paul Ballatt	Although we expect to achieve the savings target, increased cost due to higher and more complex caseload is causing the service area to overspend. Placements are reviewed on a monthly basis and detailed analysis to back up the cost reduction in placement costs through negotiations with providers are reported to DMT every quarter.	Y
CSF2014-02	Reduce the post 16 LAC/CL accommodation.	50	50	0	A	Paul Ballatt	Although we expect to achieve the savings target, increased cost due to higher and more complex caseload is causing the service area to overspend. Placements are reviewed on a monthly basis and detailed analysis to back up the cost reduction in placement costs through negotiations with providers are reported to DMT every quarter.	Y
CSF2014-03	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.	40	40	0	G	Paul Ballatt		
CSF2014-05	Reduction in commissioning of early intervention and prevention services from the VCS.	300	300	0	G	Paul Ballatt		
	<u>Children Social Care</u>							
CSF2012-07	Family and Adolescent Services Stream - Transforming Families (TF), Youth Offending Team (YOT) and in Education, Training and Employment (ETE). 2016/17 savings will be achieved by the closure of Insight and deletion of YJ management post.	100	100	0	R	Paul Angeli	Insight was not closed as we were not able to opt out of the lease early. This saving will be delivered in 2017/18 and the short for 2016/17 covered through reduced grant-funded services.	
CSF2015-01	Serious Case Reviews	77	77	0	G	Paul Angeli		

DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES - PROGRESS ON SAVINGS 16-17

Ref	Description of Saving	2016/17 Savings Required £000	2016/17 Savings Expected £000	Shortfall	16/17 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Unders pend? Y/N
	<u>Early Years</u>							
CSF2013-01	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	17	17	0	G	Jane McSherry		
CSF2014-09	We are working on the detailed proposals which will in essence reduce the service to paid-for childcare (parents and DSG) with a very limited targeted service for highly vulnerable families.	254	254	0	G	Jane McSherry		
	<u>Youth Service</u>							
CSF2014-06	Young people will be signposted to VCS youth provision. Work continues with RSLs and other possible funders to identify some residual funding.	480	480	0	G	Jane McSherry		
	<u>Public Health</u>							
CSF2014-07	Children's centres deliver the widest outcomes for under fives and getting a good start in life is key to narrowing inequalities in health outcomes.	400	400	0	G	Jane McSherry		
	<u>Schools</u>							
CSF2014-08	Increased income from schools and/or reduced LA service offer to schools.	400	400	0	G	Jane McSherry		
	<u>Cross cutting</u>							
CSF2015-02	Service management review across the CSF dept (2/3 FTE depending on grading of posts)	23	23	0	G	Paul Angeli		
	Total Children, Schools and Families Department Savings for 2015/16	2,191	2,191	0				

CSF2012-04 and CSF2014-02 is shown as amber because, although the savings are met, the overall budgets are overspending due to demographic pressures.

DEPARTMENT: CORPORATE SERVICES - PROGRESS ON SAVINGS 16-17

Ref	Description of Saving	2016/17 Savings Required £000	2016/17 Savings Expected £000	Shortfall	16/17 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
Customer Services								
CS13	Reduction in discretionary relief (replacement of CS12 and CS13 which had both been deferred until 2016/17)	81	81	0	G	David Keppler/Sean Cunniffe		N
CS36	Re tendering of Cash Collection Contract	10	10	0	G	David Keppler/Sean Cunniffe		N
CS39	Impact of Customer Service Review	30	0	30	A	David Keppler/Sean Cunniffe	Unlikely to be achieved due to delay in Customer Contact Implementation	N
CS61	Dividend income from CHAS 2013 Limited	58	58	0	G			N
CS62	Recharges to Public Health	70	70	0	G			N
CSD9	Ending of e-Capture Service	9	9	0	G	David Keppler/Sean Cunniffe		N
CSD10	Ending of Risk Based Verification	22	22	0	G	David Keppler/Sean Cunniffe		N
CSD11	Terminate the Experian trace and search system contract	10	10	0	G	David Keppler/Sean Cunniffe		N
CSD14	Reduction of 1 FTE Revenues Officer	30	30	0	G	David Keppler/Sean Cunniffe		N
CSD15	Increase in Court Costs (council tax) - Increase from £110.00 to £115.00	40	40	0	G	David Keppler/Sean Cunniffe		N
CSD16	Reduction in discretionary relief	231	231	0	G	David Keppler/Sean Cunniffe		N
CSD18	My Merton and staff reductions - Renegotiate supplier costs for My Merton	32	32	0	G	Sophie Poole		N
CSD19	My Merton and staff reductions - Delete 1 FTE - Communication Asisstant	25	25	0	G	Sophie Poole		N
Business Improvement								
CS5	Review and challenge of the procurement of Support & Maintenance & Licence contracts	21	21	0	G	Sophie Ellis		N
CS63	Reorganisation of systems development and support arrangements.	88	0	88	A	Sophie Ellis	Recruitment difficulties in new structure	Y
CSD37	IT Restructure	64	64	0	G	Sophie Ellis		N
CSD38	Reduction in support budget	5	5	0	G	Sophie Ellis		N
CSD39	Business Systems Team Restructure Phase 2	50	50	0	G	Sophie Ellis		N
CSD40	Secure additional income generated through gazetteer maintenance and street naming and numbering	30	30	0	G	Sophie Ellis		N
CSD41	Consolidation of systems support	20	20	0	G	Sophie Ellis		N
IT Service Delivery								
CS5	Review and challenge of the procurement of Support & Maintenance & Licence Contracts	29	29	0	G	Mark Humphries		N
CS7	Reduction of costs through re-procurement of Mobile Telephones Contract against a number of revenue budgets spread across the Council	20	20	0	G	Mark Humphries		N
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	20	20	0	G	Mark Humphries		N
CS10	Outsourcing - Service Desk	20	20	0	G	Mark Humphries		N
CS12	Information Governance Vacant Post	37	37	0	G	Mark Humphries		N
CS16	Surrender of remainder of ITSD Overtime budget	35	35	0	G	Mark Humphries		N
CS23	Outsourcing - Building Services & Security Service	50	50	0	G	Mark Humphries		N
CS28	M&E Term Contract (Amalgamation) of Intruder Alarms	20	20	0	G	Mark Humphries		N
CSD2	Energy Savings (Subject to agreed investment of £1.5m)	150	0	150	A	Mark Humphries	Full saving unlikely to be achieved due to delay in implementation. Alternative saving in current year to be identified	N

DEPARTMENT: CORPORATE SERVICES - PROGRESS ON SAVINGS 16-17

Ref	Description of Saving	2016/17 Savings Required £000	2016/17 Savings Expected £000	Shortfall	16/17 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
CSD3	Rationalise IT Service Delivery support & maintenance contracts.	86	86	0	G	Mark Humphries		N
CSD4	Rationalise Facilities Management Building Repairs & Maintenance budgets	15	15	0	G	Mark Humphries		N
CSD5	Increase income generation from external bookings at Chaucer centre	40	40	0	G	Mark Humphries		N
CSD6	Reduction in the number of vehicles operated by Infrastructure & Transactions division from three to two	5	5	0	G	Mark Humphries		N
CSD8	Restructure IT Service Delivery section and delete 1 FTE post.	40	40	0	G	Mark Humphries		N
	Resources							
CS46	Resources -Deletion of 3 Posts within the Division	25	25	0	G	Paul Dale		N
CS64	Reduction of treasury running costs through review, improvement and efficiency	20	20	0	G	Paul Dale		N
CS65	Consolidation of various budgets within Resources division	66	66	0	G	Paul Dale		N
CS67	Reduction in bank and giro charges	12	12	0	G	Paul Dale		N
CSD20	Increased income	16	16	0	G	Paul Dale		N
CSD21	Rephase existing Savings	42	42	0	G	Paul Dale		N
CSD23	Cut running costs budgets	30	30	0	G	Paul Dale		N
CSD24	Consultancy budget	100	100	0	G	Paul Dale		N
CSD25	Increased charge to Pension Fund	20	20	0	G	Paul Dale		N
CSD47	Delete 1 Policy post	50	50	0	G	Paul Dale		N
	Human Resources							
CS49	Introduction of new application tracking system	10	10	0	G	Kim Brown		N
CS50	Occupational Health & Employee Assistance programme	40	40	0	G	Kim Brown		N
CS74	Review of L&D spend	69	69	0	G	Kim Brown		N
CSD32	Review of HR business support (printing and stationery)	5	5	0	G	Kim Brown		N
CSD35	Learning and Development Budget	18	18	0	G	Kim Brown		N
	Corporate Governance							
CS73	Saving from 4 borough shared legal service	60	60	0	G	Paul Evans		N
CSD44	Stop web casting meetings, remove scrutiny support fund and reduce other supplies and services	35	35	0	G	Paul Evans		N
CSD45	Share audit and investigation service	60	60	0	G	Paul Evans		N
	Other							
CSD48	CHAS Dividend	145	145	0	G			N
	Total Corporate Services Department Savings for 2016/17	2,316	2,048	268				

DEPARTMENT: ENVIRONMENT & REGENERATION SAVINGS PROGRESS: 2016-17

Ref	Description of Saving	2016/17 Savings Required £000	2016/17 Savings Expected £000	Shortfall	16/17 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
SUSTAINABLE COMMUNITIES								
ER23	Staff savings from 6th month review following the merger of the traffic and highways and the FutureMerton team in to one team and further budget savings/adjustments within the controllable expenditure budgets	130	130	0	G	James McGinlay	Commencing July 2016 to complete by October 2016, with saving expected to be achieved.	N
ER23	Restructure of team to provide more focus on property management and resiliance within the team.	52	52	0	A	James McGinlay		N
EN27	Reduction in the Lining Budget	10	10	0	G	James McGinlay		N
EN30	Reduction in supplies and Services Costs	20	20	0	G	James McGinlay		N
EN31	Reduction in energy costs	30	30	0	G	James McGinlay		N
EN32	Renegotiation of J C Deceaux Contract	10	10	0	G	James McGinlay		N
EN35	Various Budgets - Increased Income through various charging increases where the service provided will still be purchased eg Increases % commercial uplift from 30% to 50% per hr; increases in charges in halls and at watersports centre, etc	14	14	0	G	James McGinlay		N
EN36	Various Budgets - Increased Income through sale of advice & guidance from senior professional officers and sale of specialist arts & leisure developed service packages to groups and organisations e.g private care homes, etc	10	10	0	G	James McGinlay		N
EN37	Merton Active Plus - Increased Income	5	5	0	G	James McGinlay		N
EN42	Consultancy Income. This is based on an average daily rate of £300 per day (15/16 equates to 7 days per year for each chargeable member of staff and 16 days in 16/17) based on the consultancy project mangement working practices adopted by FutureMerton team.	50	50	0	G	James McGinlay		N
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.	13	0	13	R	James McGinlay	This saving is not currently being achieved. However, it forms part on the ongoing Phase C procurement exercise, and it is envisaged that the final agreement will result in this saving being met in full from 2017/18.	Y
E&R1	Arts Development - further reduce Polka Theatre core grant	5	5	0	G	James McGinlay		N
E&R2	Water sports Centre - Additional income from new business - Marine College & educational activities.	10	10	0	G	James McGinlay		N
E&R6	Reduced costs incurred as a result of sub-leasing Stouthall until 2024.	39	39	0	G	James McGinlay		N
E&R24	Reduction in current levels of staffing in the Greenspaces grounds maintenance and horticulture and sports teams.	130	130	0	A	James McGinlay		N
E&R26	Introduction of P&D within certain parks responding to demand for the management of parking and controlling excess demand for spaces/commuter parking	60	60	0	A	James McGinlay		N
E&R27	Additional property rental income	44	0	44	R	James McGinlay	An alternative saving is being worked upon, and will be presented to Cabinet in due course.	N
E&R31	Senior management and support-Deletion of the 2 management support posts and absorption into existing resources.	70	70	0	G	Chris Lee		N
E&R32	Wifi Concessionary Contract-Income from wifi concessionary contract to be let from 2015/16	20	20	0	G	James McGinlay		N
E&R33	Various Budgets - Increase in income from commercialisation of services	250	250	0	A	James McGinlay/ Cormac Stokes		N
E&R35	Reduce street lighting contract costs	25	25	0	G	James McGinlay		N
E&R36	Reduction in reactive work budget	60	60	0	G	James McGinlay		N

E&R38	Income from Section 278/Developers agreements where traffic works are required as part of development . Charging for work currently not charged for	50	50	0	A	James McGinlay		N
E&R39	Pre-application income. This is in addition to any previous pre-app savings proposal.	50	0	50	R	James McGinlay	An alternative saving is being worked upon, and will be presented to Cabinet in due course.	N
E&R40	Consultancy income. This is in addition to any previous savings proposal.	60	60	0	G	James McGinlay		N
E&R42	Align Vestry Hall income budget with current levels of income being achieved.	20	20	0	G	James McGinlay		N
PUBLIC PROTECTION								
EN02	Introduction of unattended automatic number plate recognition CCTV parking enforcement cameras at fixed locations.	226	226	0	G	John Hill		N
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	John Hill		N
E&R7	Due to additional requests from residents, the budget will be adjusted to reflect the demand for and ongoing expansion of Controlled Parking Zone coverage in the borough.	260	260	0	A	John Hill	The current estimates for new CPZ permit income is 170k. No estimates for PCN and P&D income have yet been made as we have not been advised on the hours of operation. When we have received the numbers of properties and the hours of operation we will be in a position to provide a more accurate forecast.	N
E&R8	In response to residents concerns about traffic congestion, enforcement of moving traffic contraventions, following the Implementation of ANPR.	1,700	1,700	0	G	John Hill		N
E&R9	Change in on-street bay suspension pricing structure.	500	250	250	R	John Hill	Due to elasticity of demand, shortfall of £250k expected (will be offset by E&R11)	Y
E&R10	Back office reorganisation	80	50	30	G	John Hill		N
E&R11	Enforcement of pavement parking	60	310	-250	G	John Hill	Expected to exceed target by at least £250k and will be used to offset shortfall on E&R9.	Y
E&R12	End lease of Wycliffe Road	14	14	0	G	John Hill		N
E&R13	Increase income from discretionary fees & charges	50	50	0	A	John Hill	Work underway, but potential for slippage and subsequent failure to achieve full year effect.	N
E&R15	Alter funding of post dedicated to investigating potential recovery of funds under the POCA, to be funded from costs recovered.	50	50	0	G	John Hill		N
STREET SCENE & WASTE								
EN14	Mobile technology including GPS and in cab monitors.Once implemented will reduce back office staff numbers as a result of reducing reliance on paper schedules and in addition the GPS vehicle tracking system will lead to improved service and fuel efficiency.	100	70	30	R	Cormac Stokes	This saving is linked to new CRM project and Environmental asset Management Business case. The system is due to start imminently, and is expected to generate a saving of c£70k. Therefore, an alternative saving for c£30k will be required.	Y
E&R17	To reduce the costs of the service and maintain current standards of cleaning within Merton it is proposed to alter how we deploy our resources by reducing residential solo sweepers and alter the use of mechanical sweepers by investing in electric sweepers	157	157	0	G	Cormac Stokes		N
E&R18	Cease the distribution of food caddy liners	70	70	0	G	Cormac Stokes		N
E&R19	Align income budget to levels of income being generated from the sale of Textiles.	50	50	0	G	Cormac Stokes		N
E&R20	To contribute to a cleaner borough, enforcement of litter dropping under EPA/ ASB legislation with FPN fines for contraventions.	20	20	0	G	Cormac Stokes		N
E&R21	HRRC Site operations procured to external provider. Contractual savings.	30	0	30	R	Cormac Stokes	Although procurement led to significant cost reduction, it was not sufficient enough to reduce below existing budget level. Therefore, an alternative saving will be presented to Cabinet in due course.	N
E&R22	Removal of borough wide dog bins including Parks	42	42	0	G	Cormac Stokes		N
Total Environment and Regeneration Savings 2016/17		4,771	4,574	197				

DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2015/16										APPENDIX 7	
Ref	Description of Saving	2015/16 Savings Required £000	2015/16 Savings Achieved £000	2015/16 Shortfall £000	2016/17 Expected Shortfall £000	RAG	16/17 RAG	Responsible Officer	Comments	Budget Manager Comments	
	<u>Adult Social Care</u>	Savings Achieved									
	<u>Libraries</u>	Savings Achieved									
	<u>Merton Adult Education</u>			0							
CH15	Increased income and some staff reductions	14	0	14	14	R	R	Yvonne Tomlin			
	<u>Housing</u>	Savings Achieved									

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	15/16 RAG	2016/17 Savings Expected £000	2016/17 Expected Shortfall £000	16/17 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
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All savings for 2015/16 achieved

DEPARTMENT: ENVIRONMENT & REGENERATION SAVINGS PROGRESS: 2015-16

Ref	Description of Saving	2015/16 Savings Required £000	2015/16 Savings Achieved £000	Shortfall	15/16 RAG	2016/17 Savings Expected £000	2016/17 Expected Shortfall £000	16/17 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Unders pend? Y/N
ER10	Merton & Richmond shared regulatory services.	230	89	141	R	230	0	G	John Hill	New structure commenced in October 2015, so only a part-year effect saving was achieved in 2015/16. The shortfall is not expected to repeat in 2016/17.	N
EN29	Re-Structure of Traffic and Highway Services	252	146	106	R	252	0	G	James McGinlay	Due to delay in implementation, the full effect of this saving was not realised in 2015/16.	N
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	11	28	R	11	28	R	James McGinlay	This saving forms part on the ongoing Phase C procurement exercise, and it is envisaged that the final agreement will result in this saving being met in full from 2017/18.	Y
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	4	0	G	John Hill	Implementation date expected to be September 2016.	N
EV12	Introduction of unattended automatic number plate recognition CCTV parking enforcement cameras at fixed locations.	3,214	0	3,214	R	3,214	0	G	John Hill	The implementation phase of the contract is under way with a start date of early July 2016.	N
Total Environment and Regeneration Savings 2015/16		3,739	246	3,493		3,711	28				

DEPARTMENT: CORPORATE SERVICES SAVINGS PROGRESS: 2015-16

Ref	Description of Saving	2015/16 Savings Required £000	2015/16 Savings Achieved £000	Shortfall	15/16 RAG	2016/17 Savings Expected £000	2016/17 Expected Shortfall £000	16/17 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
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All savings for 2015/16 achieved

DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2014/15

Ref	Description of Saving	2014/15 Savings Required £000	2014/15 Savings Achieved £000	2014/15 Shortfall £000	2015/16 Savings Achieved £000	2015/16 Shortfall £000	RAG	2016/17 Savings Expected £000	2016/17 Expected Shortfall £000	RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Undersp end? Y/N
Adult Social Care													
ASC13/ASC34	Brokerage Efficiencies	300	118	182	118	182	R	187	113	R	Julie McCauley	Negotiations are on-going with existing service providers, however savings are dependent on market pressures and the current market is that prices are increasing, making negotiating reductions more difficult.	Y
ASC8	Optimising the use of block and spot contracts-OP&LD	300	141	159	141	159	R	141	159	R	David Slark	Negotiations are on-going with existing service providers, however savings are dependent on market pressures and the current market is that prices are increasing, making negotiating reductions more difficult.	Y
ASC54	Reduction in Mental Health Placement	50	0	50	0	50	R	0	50	R	Henrietta Brown	There was an increase in customers with higher needs, which led to a greater expense of placements. In addition, there were not sufficient opportunities for people to move to a lower level of support, so savings were not achieved.	Y
CH12	Remove day care costs from residential customers	250	0	250	0	250	R	0	250	R	Andy Ottaway-Searle	Due to the small number of residential customers this target was not able to be achieved.	Y
CH14	All Saints Respite extension	36	0	36	0	36	R	0	36	R	Julie McCauley	Building work not started to accommodate suitable environment for customers with physical disabilities, therefore savings not achieved.	Y
CH15	Assistive Technology	70	0	70	0	70	R	70	0	A	Andy Ottaway-Searle	Assisted technology used with new customers but tracking cost avoidance is difficult to demonstrate as previously these customers have not incurred costs. Work needed to review existing customers to identify if any savings can be made.	Y
CH6	Voluntary Organisation- SLA reduction	150	0	150	0	150	R	150	0	A	Simon Williams	Work on-going with voluntary sector to review funding to meet savings targets.	Y

Ref	Description of Saving	2014/15 Savings Required £000	2014/15 Savings Achieved £000	2014/15 Shortfall £000		2015/16 Savings Achieved £000	2015/16 Shortfall £000	RAG		2016/17 Savings Expected £000	2016/17 Expected Shortfall £000	RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
ASC53	Meals on wheels contract	50	0	50		0	50	R		0	50	R	Simon Williams	Meals on Wheels contract will not be renewed, however the saving on the contract cost is a 16/17 saving.	Y
ASC6/ASC49/CH8	Transport	246	0	246		0	246	R		0	246	R	Andy Ottaway-Searle	Use of LBM transport has been reduced through using day centre staff driving and escorting on leased vans to save money. However as Transport costs are re-apportioned this saving has not been met.	Y
ASC50/CH7	Staffing savings in Direct Provision	216	0	216		0	216	A		216	0	A	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.	Y
Page 52	Merton Adult Education Increase income from commercial courses and café, reduction in staff. Admin & marketing cost.	176	0	176		0	176	R		0	176	R	Yvonne Tomlin	Saving not delivered due to changes in SFA funding. This service is to be commissioned by South Thames College, and two other providers from September 2016 and an underspend is forecast in 2016/17.	
	Total Community & Housing Dep't Savings for 2014/15	1,844	259	1,585		259	1,585			764	1,080				

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

Ref		2014/15 Savings Achieved £000	2014/15 Shortfall £000		2015/16 Savings Achieved £000	2015/16 Shortfall £000	RAG		2016/17 Savings Expected £000	2016/17 Expected Shortfall £000	RAG	Responsible Officer	Comments	R / A Included in Forecast Over/Underspend? Y/N
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All savings for 2014/15 achieved

DEPARTMENT: ENVIRONMENT & REGENERATION SAVINGS PROGRESS: 2014-15

Ref		2014/15 Savings Required £000	2014/15 Savings Achieved £000	2014/15 Shortfall £000		2015/16 Savings Achieved £000	2015/16 Shortfall £000	RAG		2016/17 Savings Expected £000	2016/17 Expected Shortfall £000	RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Unders pend? Y/N
EN45	Further commercialisation and development of sports and allied parks services	96	67	29		71	25	R		71	25	R	James McGinlay	This saving forms part on the ongoing Phase C procurement exercise, and it is envisaged that the final agreement will result in this saving being met in full from 2017/18.	Y
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		100	0	A	Cormac Stokes	Improved management of the sickness monitoring is in place. All LTA being seen by HofS. The technical establishment is expected to be signed off soon. Once done so, it will be reconciled to the use of temporary staff to confirm if this saving has been met.	N
Total Environment and Regeneration S		196	67	129		71	125			171	25				

DEPARTMENT: CORPORATE SERVICES SAVINGS PROGRESS: 2014-15

Ref		2014/15 Savings Required £000	2014/15 Savings Achieved £000	2014/15 Shortfall £000		2015/16 Savings Achieved £000	2015/16 Shortfall £000	RAG		2016/17 Savings Expected £000	2016/17 Expected Shortfall £000	RAG	Responsible Officer	Comments	R / A Included in Forecast Over/Underspend? Y/N	

All savings for 2014/15 achieved

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