

## Cabinet

**Date: 12 October 2016**

**Subject: Financial Report 2016/17 – August 2016**

Lead officer: Paul Dale

Lead member: Mark Allison

Reason for urgency: The chair has approved the submission of this report as a matter of urgency as it provides the latest available monitoring information for 2016/17. This requires consideration as it has implications for current and future years' budget monitoring and management.

### Recommendations:

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- A. That LSG/Cabinet note the financial reporting data relating to revenue budgetary control, showing a forecast net overspend at year end of £4.966million, 0.9% of the gross budget.
- B. That LSG/Cabinet approve the proposed adjustments to the Capital Programme detailed in appendix 5b. That Cabinet notes the adjustments made to the Capital Programme in Appendix 5b and approves the following:

Scheme	2016/17 Budget	Adjustment	Revised 2016/17 Budget
	£	£	£
Bus Stop Compliance*	0	134,000	134,000

\* Fully funded by Transport for London

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## 1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

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

This financial monitoring report provides:-

- The income and expenditure at period 5 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
- Progress on the delivery of 2014/15 and 2015/16 revenue savings

## 2. THE FINANCIAL REPORTING PROCESS

- 2.1 The budget monitoring process will continue to focus on adult social care and children's social care as these areas are forecasting significant overspends. Urgent mitigating action is required to address the scale of the forecast overspend.

2.2 Chief Officers, together with budget managers and Service Financial Advisers 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, however this action is not sustainable longer term.

### 2.3 2016/17 FORECAST OUTTURN BASED UPON LATEST AVAILABLE DATA

**Executive summary** – At period 5 to 31<sup>st</sup> August 2016 the year end forecast is a net £4.966m overspend compared to the current budget.

#### Summary Position as at 31st August 2016

	Current Budget 2016/17	Full Year Forecast (August)	Forecast Variance at year end (August)	Forecast Variance at year end (July)	Outturn variance 2015/16
	£000s	£000s	£000s	£000s	£000s
<b>Department</b>					
3A. Corporate Services	11,679	11,542	(137)	(161)	(373)
3B. Children, Schools and Families	50,777	52,629	1,852	1,648	(7)
3C. Community and Housing	56,764	64,171	7,407	7,233	940
3D. Public Health	43	44	0	(59)	(7)
3E. Environment & Regeneration	22,482	22,720	238	97	3,632
Overheads	0	0	0	0	272
<b>NET SERVICE EXPENDITURE</b>	<b>141,746</b>	<b>151,106</b>	<b>9,360</b>	<b>8,758</b>	<b>4,457</b>
<b>3E. Corporate Items</b>					
Impact of Capital on revenue budget	13,643	13,649	6	6	49
Central budgets	(8,704)	(11,897)	(3,194)	(2,202)	(2,846)
Levies	928	928	0	0	0
<b>TOTAL CORPORATE PROVISIONS</b>	<b>5,867</b>	<b>2,679</b>	<b>(3,188)</b>	<b>(2,196)</b>	<b>(2,797)</b>
<b>TOTAL GENERAL FUND</b>	<b>147,613</b>	<b>153,786</b>	<b>6,173</b>	<b>6,562</b>	<b>1,660</b>
<b>FUNDING</b>					
Revenue Support Grant	(23,156)	(23,156)	0	0	0
Business Rates	(34,230)	(34,230)	0	0	0
Other Grants	(9,811)	(10,353)	(542)	(542)	(954)
Council Tax and Collection Fund	(80,399)	(80,399)	0	0	(6)
<b>FUNDING</b>	<b>(147,597)</b>	<b>(148,139)</b>	<b>(542)</b>	<b>(542)</b>	<b>(960)</b>
Appropriation from reserves		(665)	(665)	(665)	0
<b>NET</b>	<b>17</b>	<b>4,982</b>	<b>4,966</b>	<b>5,356</b>	<b>699</b>

**Subjective analysis as at 31st August 2016**

	Current Budget 2016/17	Full Year Forecast at (Aug)	Forecast Variance at year end (Aug)	Forecast Variance at year end (July)
<b>Expenditure</b>	£000	£000	£000	£000
Employees	93,219	94,587	1,368	1,397
Premises Related Expenditure	8,290	8,040	-250	-315
Transport Related Expenditure	14,535	15,273	738	761
Supplies and Services	167,958	167,062	-896	-2,014
Third Party Payments	88,965	99,168	10,204	8,945
Transfer Payments	104,224	93,128	-11,096	-7,904
Support Services	32,153	32,154	0	1
Depreciation and Impairment Losses	17,638	17,637	-0	-0
<b>GROSS EXPENDITURE</b>	<b>526,981</b>	<b>527,049</b>	<b>68</b>	<b>870</b>
<b>Income</b>				
Government Grants	-266,780	-256,643	10,137	8,175
Other Grants, Reimbursements and Contribs	-22,252	-23,813	-1,560	-1,630
Customer and Client Receipts	-63,377	-62,579	799	1,178
Interest	-46	-23	23	23
Recharges	-32,518	-32,519	-0	-0
Balances	-261	-367	-106	143
<b>GROSS INCOME</b>	<b>-385,235</b>	<b>-375,943</b>	<b>9,292</b>	<b>7,888</b>
<b>NET EXPENDITURE</b>	<b>141,746</b>	<b>151,106</b>	<b>9,360</b>	<b>8,758</b>

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

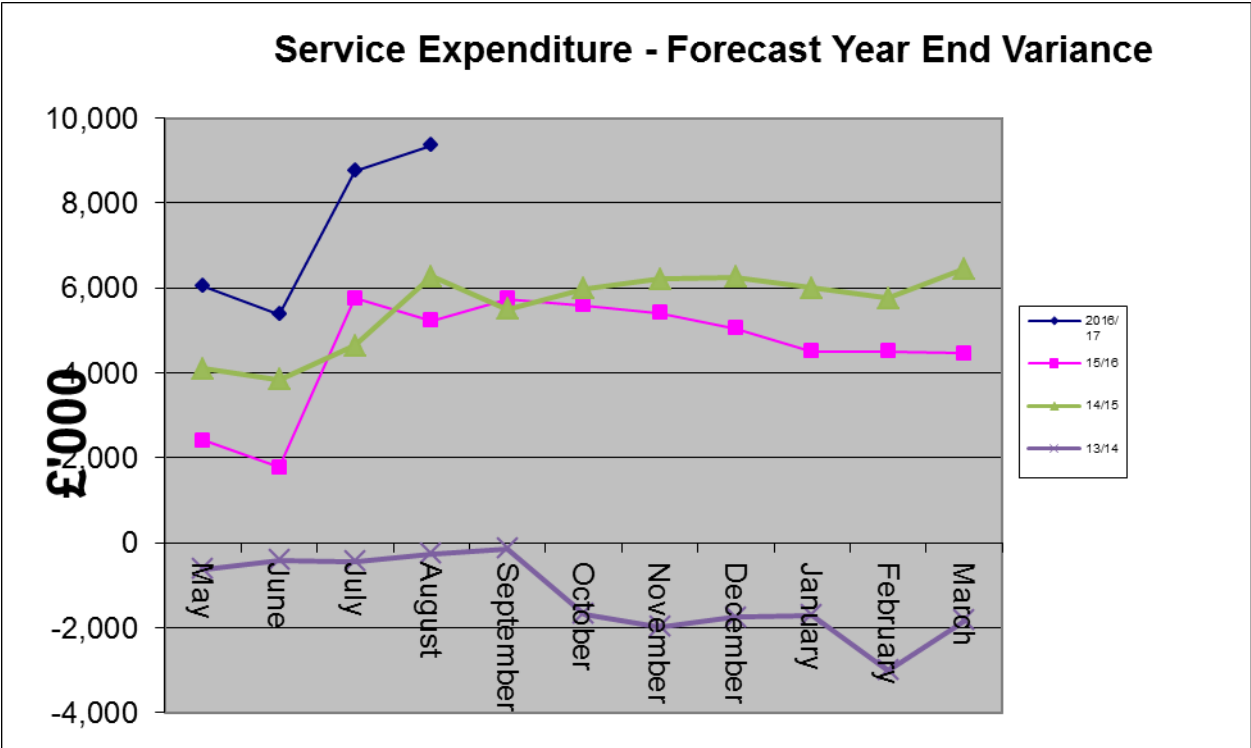
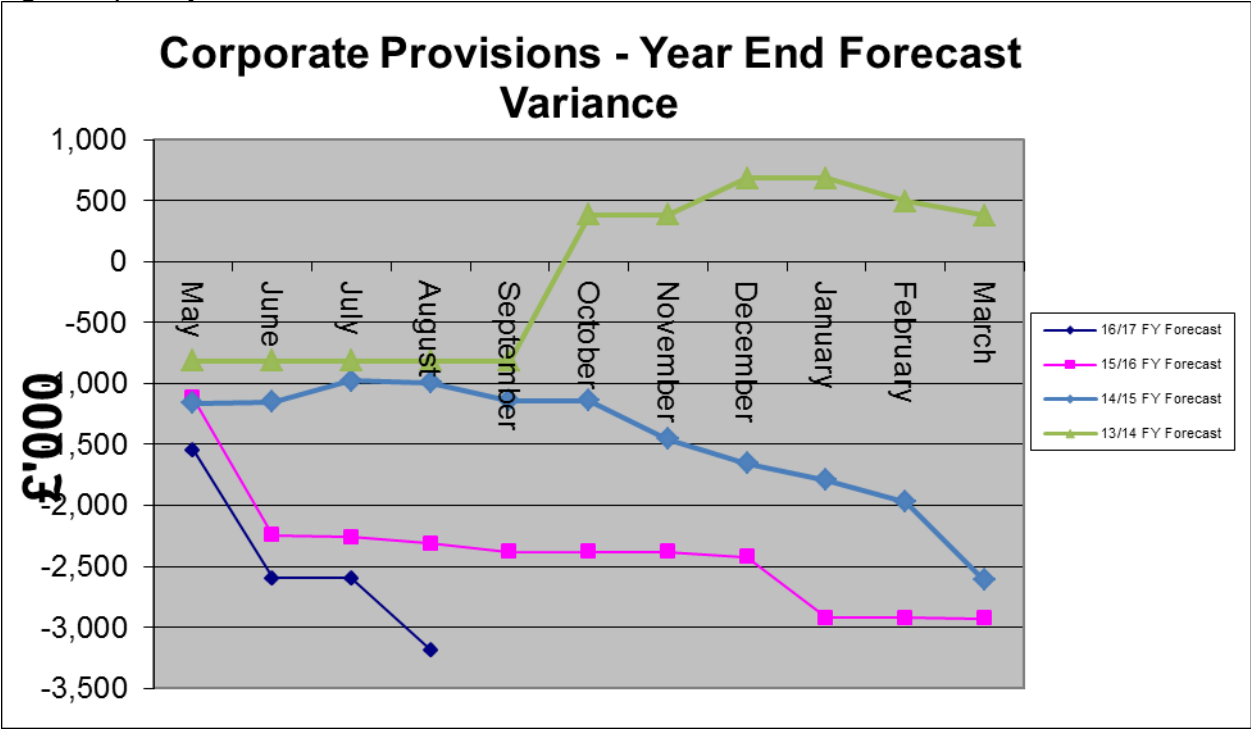


Chart 2 shows the forecast year end variance for corporate provisions with a comparison against prior years.



### 3. DEPARTMENTAL SUMMARY OF CURRENT POSITION

#### Corporate Services

	2016/17 Current Budget £000	Full year Forecast (August) £000	Forecast Variance at year end (August) £000	Forecast Variance at year end (July) £000	2015/16 Variance at year end £000
Business Improvement	3,280	3,185	-94	-59	-29
Infrastructure & Transactions	9,423	9,379	-44	-15	-249
Resources	6,802	6,804	2	-11	-243
Human Resources	2,231	2,128	-102	-110	-55
Corporate Governance	2,663	2,447	-216	-229	-426
Customer Services	2,584	2,559	-26	-149	-479
Corporate Items (including redundancy costs)	981	1,324	343	412	1,109
<b>Total (Controllable)</b>	<b>27,964</b>	<b>27,827</b>	<b>-137</b>	<b>-161</b>	<b>-372</b>

#### Overview

The Corporate Services (CS) department are forecasting an underspend of £137k at year end. This compares to a period 4 forecast underspend of £161k.

#### Business Improvement - £94k under

The underspend is due to an overachievement of street naming income and an underspend relating to non-salary expenditure.

#### Resources - £2k over

Resources are now forecasting an overspend of £2k. There is an overspend of £80k relating to the delayed implementation of the FIS/E5 finance system. This has been largely absorbed by underspends elsewhere in Resources.

#### Human Resources – £102k under

An underspend of £102k is due to unfilled posts within the new HR structure.

#### Corporate Governance - £216k under

Corporate Governance are forecasting a £216k underspend. This is partly due to a £52K underspend in Internal Audit, a consequence of an Audit Partnership restructure. £38k relates to Benefits investigation where a 17/18 saving has been captured early.

Merton legal are also forecasting an overachievement of income relating to S106 and Merton Property charges of £82k

#### Customer Services - £26k under

Customer Services' underspend has reduced by £123k from period 4. This is largely due to a reduction in the anticipated recovery of court cost income.

There is a £24k overachievement of translation services income. Of this, two thirds of the overachievement relates to external customers and one third internal customers.

**Corporate Items - £343k over**

Redundancy costs are forecasted to be £300k over budget.

Estimates from Westminster Council regarding the shared coroner court service are £72k more than budget. The cost of the overall service has increased. We have been given the schedule detailing 2016/17 costs to Merton and some narrative to explain increase. However, the narrative is not entirely clear and we are in correspondence with them for further clarification. It is hoped we will be able to update further in time for period 6 reporting.

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 £000	Full year Forecast (Aug) £000	Forecast Variance at year end (Aug) £000	Forecast Variance at year end (July) £000	2015/16 Variance at year end £000
Public Protection	(10,962)	(11,281)	(319)	(305)	3,709
Sustainable Communities	12,359	12,329	(30)	(9)	(600)
Waste Services	15,283	15,682	399	255	187
Other	(866)	(678)	188	156	336
<b>Total (Controllable)</b>	<b>15,814</b>	<b>16,052</b>	<b>238</b>	<b>97</b>	<b>3,632</b>

Description	2016/17 Current Budget £000	Forecast Variance at year end (Aug) £000	Forecast Variance at year end (July) £000	2015/16 Variance at year end £000
Overachievement of Customer & Client Receipts within Parking Services	(17,194)	(263)	(263)	3,281
Other small over and underspends	6,232	(56)	(42)	428
<b>Total for Public Protection</b>	<b>(10,962)</b>	<b>(319)</b>	<b>(305)</b>	<b>3,709</b>
Overachievement of rental income within Property Management	(4,065)	(248)	(245)	(430)
Employee overspend within Greenspaces	2,271	97	97	80
Underachievement of Customer & Client Receipts within Greenspaces	(2,053)	190	190	278
Underachievement of Customer & Client Receipts within Future Merton	(1,895)	74	94	6
Underspend within Senior Management & Support	972	(93)	(95)	(149)
Other small over and underspends	17,129	(50)	(50)	(385)
<b>Total for Sustainable Communities</b>	<b>12,359</b>	<b>(30)</b>	<b>(9)</b>	<b>(600)</b>
Employee overspend within Waste Services	7,594	203	199	213
Overspend on 3 <sup>rd</sup> party payments within Waste Services	6,756	320	201	346
Overspend on Transport related costs within Waste Services	1,938	137	53	(146)
Overspend within Transport Services	866	188	156	336
Other small over and underspends	(2,737)	(261)	(198)	(226)
<b>Total for Street Scene &amp; Waste</b>	<b>14,417</b>	<b>587</b>	<b>411</b>	<b>523</b>
<b>Total Excluding Overheads</b>	<b>15,814</b>	<b>238</b>	<b>97</b>	<b>3,632</b>

## **Overview**

The department is currently forecasting an overspend of £238k at year end. The main areas of variance are Parking Services, Property Management, Greenspaces, Future Merton, Waste Services, and Transport Services.

## **Pressures**

### **Public Protection**

#### **Parking & CCTV Services – forecasting a total £159k underspend**

The section is forecasting to overachieve on its customer and client receipts by £263k, mainly as a result of an over-recovery in most areas of on-street/ permit / bay suspension revenue (£246k), and off-street parking income (£221k). However, this is being partially offset by the continued funding of CPZ related expenditure (£200k). In addition, this outturn position currently includes allowance for a c£60k loss of income as a result of providing free parking during the Christmas period. However, consideration should be given to removing this concession as a result of the Authority's financial position.

The installation of the ANPR cameras across the borough is now almost complete, and the contract has now commenced. The section is awaiting the first set of clear data from the system, which should be received by the end of September, before adjusting the forecast accordingly. It was expected that this data would have been available by the end of July. However, because of initial technical difficulties with data received from some of the cameras, the ANPR data received for July and August will not be truly representative.

### **Sustainable Communities**

#### **Property Management – forecasting a total £175k underspend**

The main reason for the forecast underspend is as a result of exceeding their commercial rental income expectations by £248k mainly due to conducting the back log of rent reviews in line with the tenancy agreements.

#### **Greenspaces – forecasting a total £165k overspend**

The forecast employee overspend of £97k is as a result of overtime payments (Parks), and staffing of the firework displays (before taking into account income received from the event).

The section is also forecasting an underachievement of income of £190k, which is a result of an underachievement of sports income (£100k), and the 'Live at Wimbledon Park' event (£70k). Unfortunately, due to lower than expected ticket sales, the event has been cancelled with a total of c£25k of costs incurred (net of refunds), and although this event was expected to break-even this year, there was a budgeted expectation for it to achieve a surplus of £70k. Work continues to identify how we can generate further income from events in parks.

These pressures are being partially off-set by expected underspends within Premises (£35k), Supplies & Services (£49k), and Grants & Contributions (£55k).

#### **Future Merton – forecasting a total £105k overspend**

An overspend of £105k is being forecast mainly due to an underachievement of customer & client receipts of £74k, which is mainly attributable to savings E&R39 and E&R40. Alternative savings are currently being worked upon and will be reported to Cabinet.



## Street Scene & Waste

### **Waste Services – forecasting a total £399k overspend**

The section is forecasting an employee related overspend of £203k as a result of covering for absences, sick leave, and in order to maintain the level of service performance. However, as the section's employee establishment is still to be finalised it is not yet possible to confirm how this impacts on their budgeted establishment.

The forecast overspend on 3<sup>rd</sup> party payments of £320k mainly relates to waste disposal costs. Landfill waste has increased by c840 tonnes (1.5%) compared to the same period last year, at a cost of £92 p/t. A major contributing factor to this increase is the reduction of food waste which has fallen by 3.5%. In addition to this, Garden waste has increased by 8% which is a positive contributor to the services recycling performance. However this additional waste is subject to a gate fee and haulage cost.

These pressures are being partially offset by expected underspends within Supplies & Services (£75k), Grants & Contributions (£94k), and Customer & Client Receipts (£54k).

### **Transport Services – forecasting a total £188k overspend**

The overspend is mainly as a result of additional agency and overtime requirements due to a number of staffing issues, which are being addressed in line with corporate policy. A recent recruitment process for drivers through the conventional market places yielded only 7 applications and no appointable applicants. Advice has been taken from one of the commercial bus companies who have had similar issues in the past, in preparation for another recruitment drive in the coming months.

## Children Schools and Families

<b>Children, Schools and Families</b>	<b>2016/17 Current Budget £000</b>	<b>Full year Forecast (Aug) £000</b>	<b>Forecast Variance at year end (Aug) £000</b>	<b>Forecast Variance at year end (Jul) £000</b>	<b>2015/16 Variance at year end £000</b>
Commissioning, Strategy and Performance	8,096	9,563	1,417	1,110	677
Education	16,289	16,690	401	328	34
Social Care and Youth Inclusion	11,679	12,351	722	706	309
Public Health contribution	0	0	0	0	(328)
PFI	7,799	7,311	(488)	(496)	(368)
Redundancy costs	2,077	1,877	(200)	0	(331)
<b>Total (controllable)</b>	<b>45,940</b>	<b>47,792</b>	<b>1,852</b>	<b>1,648</b>	<b>(7)</b>

## Overview

At the end of August Children Schools and Families had a forecast overspend of £1.852m on local authority funded services. Close scrutiny of overspending areas and management action to offset these overspends are on-going by the management team.

## Local Authority Funded Services

There are a number of volatile budgets requiring continuous and careful demand management which will be reflected through fluctuating monthly forecasts. Significant cost pressures and underspends identified to date are detailed below:

Description	Budget £000	Aug £000	Jul £000	2015/16 £000
Fostering and residential placements (ART)	5,056	271	(30)	377
Supported lodgings/housing	634	1,001	998	546
Un-accompanied asylum seeking children (UASC)	60	470	455	308
Procurement & School organisation	550	(214)	(208)	(276)
Other small over and underspends	1,796	(111)	(105)	(278)
<b>Subtotal Commissioning, Strategy and Performance</b>	<b>8,096</b>	<b>1,417</b>	<b>1,110</b>	<b>677</b>
SEN Transport	3,785	429	424	374
Staffing underspends across Early Years services	2,873	(250)	(250)	(315)
Children with disabilities team (CWD) staffing	541	85	84	8
Other small over and underspends	9,088	137	70	(33)
<b>Subtotal Education</b>	<b>16,289</b>	<b>401</b>	<b>328</b>	<b>34</b>
No Recourse to Public Funds (NRPF)	20	436	430	470
Social Work staffing	3,075	492	472	151
Other small over and underspends	8,585	(206)	(196)	(59)
<b>Subtotal Children's Social Care and Youth Inclusion</b>	<b>11,679</b>	<b>722</b>	<b>706</b>	<b>309</b>

### 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 cost pressures as detailed below. Placements are checked on a monthly basis and assumptions reviewed quarterly to ensure that they are as accurate as possible.

Service	Budget £000	Forecast spend £000	Variance		Placements	
			Aug £000	Jul £000	Aug Nr	Jul Nr
Residential Placements	2,127	2,412	285	68	21	21
Independent Agency Fostering	1,762	1,773	11	(32)	44	43
In-house Fostering	905	1,103	198	158	49	56
Secure accommodation*	164	22	(142)	(142)	0	0
Mother and baby	98	17	(81)	(82)	0	0
<b>Total</b>	<b>5,056</b>	<b>5,027</b>	<b>271</b>	<b>(30)</b>	<b>114</b>	<b>120</b>

\*Known changes in secure accommodation was included in previous month's forecast.

The ART service seeks to make placements with in-house foster carers wherever possible. However, the needs of some looked after children mean that placements with residential care providers or independent fostering agencies are required.

- The forecast spend on residential placements has increased from July. There was no net increase in placements in the period but the main reasons for the change are as follows. 2 extra time in care, and others moved to more expensive placements. The costs for 3 further children in residential placements were reduced in the period.
- The forecast spend for agency fostering placements has also increased from July. There was a net increase of 1 placement. The significant changes included 4 children moving from in-house to agency foster carers; 1 new placement with an agency foster carer was made; and 3 children moved from agency carers to residential placement and in-house fostering.
- The forecast spend on in-house foster carers also increased from July despite a net reduction in placements. Significant changes included additional costs for 1 child due to his level of disability; forecast spend on 2 children transferring into in-house foster care thus increasing this budget's forecast spend; forecast costs for 1 LAC increasing following the birth of her own child also requiring placement; forecast spend on 1 newly looked after child.

The budget for semi-independent and supported lodgings/housing placements is estimated to overspend by £1,001k. This budget is used to finance an increased number of placements for young people aged 16/17 and above due to the requirements for Staying Put. These young people require semi-independent provision and for Care Leavers through to independence or, in some cases, through to the age of 21, as part of our new statutory duties. There are currently 58 placements, up from 35 in 2014/15.

The UASC payments are expected to overspend by £470k this year due to an increase in cases. At the end of August there were 24 placements with an increased number of claimant turning 18 later during the year, although this increase has been included in the August forecast.

Procurement and school organisation budgets are expected to underspend by £214k as a result of lower spend forecast on revenue budgets. This budget relates to construction projects that cannot be classified as capital. The majority of this is required for temporary classrooms due to rising pupil demand when it is not viable to provide permanent buildings.

There are various other small over and underspends forecast across the division netting to a £111k underspend. These combine with the items described above to arrive at the total reported divisional overspend of £1,417k.

### Education Division

SEN and FE transport cost are expected to overspend by £429k, £5k more than the forecast last month. This forecast is calculated using a 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 transport and commission the taxi service. We are in the process of procuring a Dynamic Purchasing System which should provide some cost reductions in future. The cost will be met from the transport budget so we do not anticipate a big reduction in the current year cost. We do however expect a reduction in cost from 2017/18 to reduce the current levels of overspend. Due to the changes in school attendance from the 15/16 to 16/17 academic years, we would expect the main change in this year's forecast in September/October monitoring while changes in routes are bedded down.

As part of management action, where possible, recruitment to vacancies in some areas 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 £85k. 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. For the first quarter an adjustment of £26k have been made towards the overspend for these costs (a maximum of £120k can be adjusted 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 £137k overspend. These combine with the item described above to arrive at the total reported divisional overspend of £401k.

### Children's Social Care and Youth Inclusion Division

The NRPF budgets are forecast to overspend by £436k for the current financial year. This forecast is based on the assumption that case levels will stay the same as last year. We expect to receive more successful applications which will increase the level of overspend towards year-end. The new NRPF worker is now in post and working closely with housing colleagues to manage cases as they arise. We continue to use the Connect system to progress cases and have started a process of reviewing all open cases with the aim to limit the cost pressure on the council.

The Central Social Work, MASH and VCT team's staffing costs is expected to overspend by £492k. 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. For the first quarter an adjustment of £83k was made towards the overspend of these costs (a maximum of £360k can be adjusted for the year). 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. Two social workers have also been appointed in excess of the budgeted staffing compliment for a time limited period. This was done to address the increased volumes demand in the MASH team and to ensure the safeguarding of children and is reviewed monthly.

There are various other small over and underspends forecast across the division netting to a £206k underspend. These combine with the item described above to arrive at the total reported divisional overspend of £722k.

### **Dedicated Schools Grant**

DSG funded services is forecast to overspend by £106k. These budgets are not within the council's general fund and cannot be offset against or increase the local authority funded budgets. Any underspend or overspend 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 Independent Residential School provision is expected to overspend by £119k. This is our best estimate at the moment with the information available as we are still awaiting confirmation on some placements in the new academic year.

Independent Day School provision is estimated to underspend by £62k. It is important to note that new placements which might be required from September onwards could significantly impact on this forecast.

Payment for Merton pupils that receive education in other boroughs is expected to overspend by £196k in the current financial year. The increase is due to new placement information available from September 2016.

There are various other smaller over and underspends forecast across the DSG netting to a £147k underspend which, combined with the items above, equates to the net underspend of £106k.

## 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 underspend of £55k. The table below highlights the estimated overspends relating to these duties:

Description	Budget £000	Aug overspend forecast £000	Jul overspend forecast £000
Supported lodgings/housing	634	1,001	998
Un-accompanied asylum seeking children (UASC)	60	470	455
No Recourse to Public Funds (NRPF)	20	436	430
<b>Total</b>	<b>714</b>	<b>1,907</b>	<b>1,883</b>

### Staffing

Recruitment and retention (R&R) continues to be a priority at Merton, as the national shortage of children's Social Workers persists. Merton has had particular difficulty recruiting and retaining staff in 3 key areas; Multi Agency Safeguarding Hub & First Response (MASH), Safeguarding & Care Planning (S&CP) and the Children with Disabilities Team (CWDT). These three areas have R&R measures in place, which after a recent review will continue until at least March 2017.

There has been a significant reduction in the numbers of agency staff being used and the quarterly expenditure. In June 2016, there were 30.37 (FTE) agency Social Workers, making up 22% of the Children's Social Work Workforce. 69% of agency social workers are undertaking work in MASH, S&CP and CWDT. Strong recruitment to S&CP has led to 23% of Social workers in this area being agency workers and all vacant posts are under offer. MASH has 43% of agency workers (including the two short term over establishment) and CWDT has 42% agency workers. We now have our lowest number of agency staff since 2014.

### 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. It is difficult to predict these negotiations on a monthly basis as they are often connected with children's progress in placement.

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.

We ensure that accurate information about changes to placement costs are kept up to date. We are improving our response to invoice queries by having tight timescales in place. The placement reconciliation is completed on a monthly basis and builds in challenge meetings with colleagues in corporate finance.

We have tightened up our processes with YOS for obtaining information about young people remanded into secure accommodation and reviewed our forecast methodology. We will contact respite providers on a monthly basis going forward to ensure more accurate forecasts.

### 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. In the current year to date we have had 1 personal budget taken up providing an annual saving of £6k. In addition 7 young people have been through the independent travel training programme this year providing an on-going cost reduction of £62k. We are monitoring tight eligibility thresholds with the view to limit any additional cost pressure.

Work continues through the corporate group to procure a Dynamic Purchasing System which should provide some taxi cost reductions and we are piloting 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.

## **Community and Housing**

Community and Housing was forecasting an over spend by £7.4m as at August 2016.

Please note that this forecast has been reduced by £1.4m (£500k over commitment on homecare and £900k savings on placement reviews).

The Director has produced and is implementing an action plan to determine the full extent and reasons behind the current forecasted over spend, and to do everything possible to contain or reduce expenditure. This action plan is monitored and updated on a weekly basis.

There is a gross underlying over spend in the Adult Services placements budget of £3.2m in 2015/16, which has been carried forward into the new financial year. In the previous financial year this was partially offset by underspends in other Adult Services budgets, contributions from Public Health and the Care Act 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, and because Care Act funding has not been ring fenced or pass-ported to the adult social care budget. There has also been a £540k adverse movement in the housing forecast due to a change in accounting for costs of temporary accommodation.

Part of this overspend is an under-achievement of income of £1m, so a prudent assumption has been made that there will be a similar under-achievement of income this year, whilst doing further investigation with partners. To date this work is still in progress but the current forecast has been revised to reflect work completed to date.

<b>Community and Housing</b>	<b>2016/17 Current Budget £000</b>	<b>Full Year Forecast (Aug) £000</b>	<b>Forecast Variance (Aug) £000</b>	<b>Forecast Variance (July) £000</b>	<b>2015/16 Variance @ year end £000</b>
Access and Assessment	37,241	45,057	7,816	7,664	3,259
Commissioning	4,225	4,143	(82)	(58)	(50)
Direct Provision	5,753	5,716	(37)	14	(197)
Directorate	815	491	(324)	(374)	(17)
Care Act Implementation Expenditure	0	0	0	0	(1,230)
Contribution from Public Health	0	0	0	0	(328)
<b>Adult Social Care</b>	<b>48,034</b>	<b>55,407</b>	<b>7,373</b>	<b>7,246</b>	<b>1,437</b>
Libraries and Heritage	2,217	2,102	(115)	(118)	(176)
Merton Adult Education	(238)	(406)	(168)	(185)	218
Housing General Fund	2,052	2,370	318	291	(538)
<b>Total</b>	<b>52,065</b>	<b>59,473</b>	<b>7,408</b>	<b>7,233</b>	<b>940</b>

## Access and Assessment - £7.8m over-spend

Access and Assessment	Variance (Aug'16) £000	Variance (Jul'16) £'000	2015/16 Variance @ Year end £000
Gross Placements overspend	6,484	6,356	3,146
Other A&A Over-spends/(underspend)	795	640	(526)
<b>Sub-total Net over-spend</b>	<b>7,279</b>	<b>7,000</b>	<b>2,620</b>
Under/(Over-achievement) of income	537	664	639
<b>Total A&amp;A Forecast over-spend</b>	<b>7,816</b>	<b>7,664</b>	<b>3,259</b>

## Adult Social Care

### Placement Activity

The table below details the current number of clients and care packages numbers as at August 2016. Care packages have reduced by 29 between May and August but the commitment has increased for estimated cost relating to college and school leavers, and raising 18's Learning Disabilities clients, and recent provider fee increases.

Activity Data	Care Packages (No's) Aug16		Care Packages (No's) Jul'16	Clients (No's) Aug16		Clients (No's) Jul'16	Total
							Commitment Aug'16 £'000
<b>Service Area</b>							
Mental Health	147	↑	146	129	↑	127	2,191
Physical & Sensory	333	↑	324	245	↑	239	5,081
Learning Disabilities	390	↑	388	322	↑	319	14,048
Older People	1,664	↓	1,682	1,178	↓	1,186	21,291
Substance Misuse	5	↓	6	5	↓	6	167
No Recourse to Public Funds	17	↔	17	11	↔	11	293
LBM own facility	134	↓	136	68	↑	65	0
<b>TOTAL</b>	<b>2,690</b>	↓	<b>2,699</b>	<b>1,958</b>	↑	<b>1,953</b>	<b>43,071</b>
<b>Net Inc./Decrease)</b>	<b>(9)</b>			<b>5</b>			

The current projected overspend against placement budgets require a detail investigation which



is projected to be completed at the end of September 2016. Adult Social Care is carrying out a detailed review of the total list of customers funded to ensure that there are no inaccuracies which will take time to complete. Key areas for investigation are home care hours and the full year effect of commitments in the second half of 2015/16.

## **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. Examples of this are the number of older people requiring two carers to move them, higher demand for nursing care for people with dementia, and younger people with challenging behaviour in transition from children's services.

**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.

A number of placements uplifts have been recently agreed with providers of older people residential and nursing care services which has resulted in a £820k cost pressure. Some of these were prior year's commitments that were made to secure lower inflationary uplifts. Providers are aware of the lack of alternative supply thus the tactic has been to demand uplift or move your client knowing this cannot be done easily. Recent comparator data indicates that Merton has been paying less than the average for south west London when placing people in care homes. Given capacity shortfalls in key areas of the care home market, providers have been able to demand higher fees from Merton. There has also been a marked increase in home care hours in the first three months of the current financial year in comparison to 2015/16. An analysis has shown that between April to June 2015 home care hours increased by 4%, for the similar period in the current year it has increased by 9%. Current overspend in this area is partly due to the increase use of spot purchases to meet demand.

There are significant cost pressures in the home care market due to the London Living Wage, low margins leading to some providers recently exiting the market and a high demand for labour. Our contracted providers have been struggling to supply the level of carers needed, which has forced the council to spot purchase care, often at a higher price. Discussions are currently taking place about the potential to set a realistic framework price to encourage more on-contract activity and to stabilise the market, with a number of meetings with providers having taken place last week.

A major re-commissioning exercise is being undertaken this year that will seek to create a more sustainable supply of care, without the need to go off contract.

## **Savings**

Adult Social Care has a 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 the placement budgets of which £900k is expected at this stage to be achieved. These savings will largely be achieved through reviews, and a review programme is in place.

## **Learning Disabilities Rising 18, School and College Leavers**

Learning Disabilities commitments also includes estimated costs for 2016/17 of £916k of which £415k has materialised into actual placements, which is an increase of £88k from the previous month.

## **Income**

Part of the current income forecast was updated with data from the on going work on income. This area requires more work to particularly analyses the current year's income trends in the older people service area.

## **Deprivation of Liberty Assessment (Dols) (Cheshire West judgement)**

In 2015/16 the Government provided £80k towards the cost of this increased responsibility but no funding has been made available for 2016/17. The actual spend on DOLS in 2015/16 was £537k net. Number of cases dealt with during 2015/16 was 651, an increase of more than tenfold since 2013/14. Apart from the need for social workers to complete these assessments, each assessment costs £200 in doctors' fees. Total cost of doctor's fees in 2015/16 was £162k. The estimated number of assessments for 2016/17 based on activity levels in recent years is 753. Management action has been taken to further prioritise the work and this estimate will therefore be subject to review. Adult Safeguarding is currently forecasting an over spend of £125k which is a reduction of £37k from amount forecasted in July 2016.

## **Commissioning under-spend £82k**

In the Commissioning Service a current underspend is forecasted on the Supporting People contract, and planning sections. Under spend has increased due to the successful re-negotiations of various supporting people contracts.

## **Direct Provision - £37 under-spend**

In previous months the Direct Provision service were forecasting and overspend for 16/17 but as of August 2016 it now expected to underspend in its Re-Ablement service provision.

Staffing costs have increased in this area due to Single Status settlements. One registered manager is responsible for both internal residential homes and it is expected that this will result in the reduction of staffing costs. The aim is to use employees across both internal residential sites where possible, therefore reducing the need for additional bank staff.

### **Libraries- £115k under-spend**

Under spend is due to staff vacancies and reduced expenditure due to building works at the Donald Hope Library. The Art Council project at Wimbledon library has also generated additional income for Merton. There is also a new 'Shakespeare' project funded by the Arts Council.

There is however a reduction in schools buy-in income.

### **Merton Adult Education - £168k under-spend**

Merton Adult Education (MAE) has moved to a commissioning model, with go live from 1st September 2016. Current underspend is due to forecasted underspend on staffing and other minor budgets. The current forecast is based on the smooth transfer to the new model

### **Housing - £ 318k over-spend**

The Housing service is now forecasting to overspend by £318k in August which is an increase of £27k from July. This is due to an increase in the forecasted expenditure on rent deposits and temporary accommodation.

The accounting change in 2016/17 is to reflect the true cost of temporary accommodation, all related costs and budgets were transferred to Housing Services from Corporate Services in June 2016. An annual budget of £321k was transferred against a forecast commitment of £867k, which has now increased to £931k in August resulting in a net forecast increase in costs to housing of £546k.

## Public Health

Public Health is currently forecasting £114k underspend as at August 2016. This is due to forecasted underspends on staffing, NHS Health check which is based on 2015/16 uptake data and substance misuse.

Public Health	2016/17 Current Budget £000	Full year forecast (Aug) £000	Forecast Variance (Aug) £000	Forecast Variance (July) £000	2015/16 Variance @ Yearend £000
PH - Directorate	558	558	0	0	(116)
PH - Admin	26	22	(4)	(4)	0
PH - Contraception	748	748	0	0	(41)
PH - GUM	2,136	2,136	0	0	(27)
PH-Sexual Health Advice	137	125	(12)	(12)	(9)
PH-NHS Health check	493	483	(10)	(15)	(78)
PH-Falls Prevention	177	177	0	0	0
PH - Obesity	415	415	0	0	(200)
PH - Projects	10	10	0	0	0
PH - Smoking	0	(7)	(7)	(7)	(16)
PH-Substance Misuse	1,846	1,776	(70)	(7)	(32)
PH - School Nursing	633	633	0	0	(16)
PH-Infectious Diseases	0	0	0	0	(10)
PH - Determinants	338	327	(11)	(14)	(83)
PH-Community	0	0	0	0	(1)
PH-New Investments	20	20	0	0	2
PH-Health Visiting	3,338	3,338	0	0	(15)
<b>Sub-Total Public Health</b>	<b>10,875</b>	<b>10,761</b>	<b>(114)</b>	<b>(59)</b>	<b>(642)</b>
<b>PH - Main Grant</b>	<b>(8,046)</b>	<b>(7,932)</b>	<b>114</b>	<b>0</b>	<b>642</b>
<b>PH-Health Visiting Grant</b>	<b>(2,952)</b>	<b>(2,952)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total</b>	<b>(123)</b>	<b>(123)</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Corporate Items

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

Corporate Items	Current Budget 2016/17 £000s	Full Year Forecast (August) £000s	Forecast Variance at year end (August) £000s	Forecast Variance at year end (July) £000s	2015/16 Year end Variance £000s
Cost of borrowing	13,643	13,649	6	6	49
Use for Capital Programme	0	0	0	0	0
<b>Impact of Capital on revenue budget</b>	<b>13,643</b>	<b>13,649</b>	<b>6</b>	<b>6</b>	<b>49</b>
<b>Investment Income</b>	<b>(739)</b>	<b>(1,150)</b>	<b>(411)</b>	<b>(411)</b>	<b>(613)</b>
<b>Pension Fund</b>	<b>5,232</b>	<b>4,732</b>	<b>(500)</b>	<b>(500)</b>	<b>(616)</b>
<b>Pay and Price Inflation</b>	<b>752</b>	<b>320</b>	<b>(432)</b>	<b>0</b>	<b>(654)</b>
<b>Contingencies and provisions</b>	<b>4,406</b>	<b>2,655</b>	<b>(1,751)</b>	<b>(1,291)</b>	<b>(2,716)</b>
<b>Income Items</b>	<b>(948)</b>	<b>(1,048)</b>	<b>(100)</b>	<b>0</b>	<b>(667)</b>
<b>Appropriations/Transfers</b>	<b>231</b>	<b>231</b>	<b>0</b>	<b>0</b>	<b>1,727</b>
<b>Central Items</b>	<b>8,934</b>	<b>5,740</b>	<b>(3,194)</b>	<b>(2,202)</b>	<b>(3,539)</b>
<b>Levies</b>	<b>928</b>	<b>928</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Depreciation and Impairment</b>	<b>(17,638)</b>	<b>(17,638)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL CORPORATE PROVISIONS</b>	<b>5,867</b>	<b>2,679</b>	<b>(3,188)</b>	<b>(2,196)</b>	<b>(3,491)</b>

In light of the forecast overspend in service departments there has been a rigorous review of all corporate items. The changes since July are:-

- There is currently a balance of £432k on the provision for excess inflation which is not earmarked. This will be set aside to offset against the overspend
- With respect to the Contingency and Provisions budget, the final bill from HMRC for late payment was £440k, an increase of £40k to that previously forecast.
- Also with respect to the Contingency and Provisions budget, the forecast loss of income arising from the P3/P4 site has reduced by £100k to £100k as the P4 site is expected to remain open as a car park longer than expected.
- Again with respect to the Contingency and Provisions budget, it is anticipated that there will be an underspend in the RCCO/Revenuisation budget of £400k.
- With respect to income items, it is anticipated that there will be an underspend of £100k in specific and special grants/overheads in non general fund budgets.

The Contingencies and Provisions budget also includes £600k for the cost of redundancies in Merton Adult Education. This is not expected to be required in 2016/17 and it is intended to create an earmarked reserve for this budget so that the money is available for 2017/18 if the grant is significantly reduced.

#### 4. CAPITAL PROGRAMME 2016-20

4.1 The Table below shows the movement in the 2016/20 corporate capital programme since the July monitoring report:

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	2,080	0	2,080	1,205	0	1,205	629	0	629	280	0	280
CS	10,941	(1,262)	9,679	6,231	275	6,506	3,052	(200)	2,852	2,605	(75)	2,530
CSF	16,457	(789)	15,668	14,722	550	15,272	11,415	0	11,415	9,934	0	9,934
E&R	17,668	11	17,679	20,208	200	20,408	15,294	0	15,294	4,437	0	4,437
<b>TOTAL</b>	<b>47,146</b>	<b>(2,040)</b>	<b>45,106</b>	<b>42,365</b>	<b>1,025</b>	<b>43,390</b>	<b>30,389</b>	<b>(200)</b>	<b>30,189</b>	<b>17,256</b>	<b>(75)</b>	<b>17,181</b>

4.2 The table below summarises the position in respect of the Capital Programme as at July 2016 the detail is shown in Appendix 5a

#### Merton Summary Capital Report - August 2016 Monitoring

Department	Revised Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance
Community and Housing	2,079,650	118,995	181,050	(62,055)	1,536,480	(543,170)
Corporate Services	9,679,460	568,201	789,938	(221,737)	6,307,160	(3,372,300)
Children Schools and Families	15,668,210	2,031,966	1,725,913	306,053	15,652,301	(15,909)
Environment and Regeneration	17,678,870	4,343,354	4,862,616	(519,263)	17,678,757	(113)
<b>Total Capital</b>	<b>45,106,190</b>	<b>7,062,516</b>	<b>7,559,517</b>	<b>(497,002)</b>	<b>41,174,698</b>	<b>(3,931,492)</b>

- Community and Housing – The projected £543k underspend is on one scheme – Disabled Facilities Grants. Officers are currently projecting the maximum projected spend £500k on the scheme.
- 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. Considerable work has been undertaken reviewing and reducing in-year schemes and re-profiling multi-year schemes.
- Environment and Regeneration – Officers are currently projecting full spend on all schemes. Two schemes has been added for Bus Stop Compliance, this will be fully funded by Transport for London and Mitcham Clock Tower £9k funded by Lottery Funding. Considerable work has been undertaken reviewing the in-year and multi-year spend on schemes
- Children, Schools and Families – Officers are currently projecting a £16k underspend on the Schools Capital Maintenance and Accessibility Programme as this is being held as a small contingency. Officers have also spent considerable time reviewing the in-years and multi-year profile of the programme.

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
	£	£	£
Bus Stop Compliance	0	134,000	134,000

4.4 Appendix 5c details the impact of all the adjustments to the Capital Programme have on the funding of the programme in 2016/17 and 2017/18. The table below summarises the movement in 2016/17 funding since approval in March 2016:

Depts.	Original Budget 16/17	Net Slippage 2015/16	Adjustments	New External Funding	New Internal Funding	Re-profiling	Revised Budget 16/17
Community & Housing	2,074	271	0	0	(115)	(150)	2,080
Corporate Services	7,565	4,065	(1,319)	341	137	(1,110)	9,679
Children Schools & Families	13,998	141	(239)	368	247	1,153	15,668
Environment and Regeneration	15,658	2,176	(20)	452	201	(788)	17,679
<b>Total</b>	<b>39,295</b>	<b>6,653</b>	<b>(1,578)</b>	<b>1,161</b>	<b>470</b>	<b>(895)</b>	<b>45,106</b>

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

Depts.	Spend To August 2012	Spend To August 2013	Spend To August 2014	Spend To August 2015	Spend To August 2016	Variance 2012 to 2016	Variance 2013 to 2016	Variance 2014 to 2016	Variance 2015 to 2016
<b>C&amp;H</b>	404	777	109	23	119	(285)	(658)	10	96
<b>CS</b>	1,006	1,049	216	431	568	(438)	(481)	352	138
<b>CSF</b>	10,044	2,851	5,854	6,719	2,032	(8,012)	(819)	(3,823)	(4,687)
<b>E&amp;R</b>	3,854	3,404	1,396	1,889	4,343	489	939	2,947	2,454
<b>Total Capital</b>	<b>15,308</b>	<b>8,081</b>	<b>7,576</b>	<b>9,062</b>	<b>7,063</b>	<b>(8,246)</b>	<b>(1,019)</b>	<b>(513)</b>	<b>(1,999)</b>

Outturn £000s	40,487	31,564	36,869	29,327	
Budget £000s					45,106
Projected Spend August 2016 £000s					41,175
Percentage Spend to Budget					15.66%
% Spend to Outturn/Projection	37.81%	25.60%	20.55%	30.90%	17.15%
Monthly Spend to Achieve Projected Outturn £					4,873

4.6 August is five months into the financial year; departments have spent less of their budget than compared to previous financial years. To achieve a projected spend of £41.2m officers will need to spend just over £4.87 million each month. The table over the page shows that officers spent just over £2.5 million in August 2016.

## Spend During August 2016

Department	Spend To July 2016 £000s	Spend To August 2016 £000s	Increase £000s
C&H	65	119	54
CS	242	568	326
CSF	1,167	2,032	865
E&R	3,074	4,343	1,269
<b>Total Capital</b>	<b>4,549</b>	<b>7,063</b>	<b>2,514</b>

4.7 Based on current spend patterns the capital programme for financial years 2016/17 to 2018/19 remains too high, budget managers will continue to be challenged to reduce the programme to a more realistic level.

## 5. DELIVERY OF SAVINGS FOR 2016/17

### 5.1

Department	Target Savings 2016/17 £000's	Projected Savings 2016/17 £000's	Period 5 Forecast Shortfall £000's	Period 5 Forecast Shortfall %	Period 4 Forecast Shortfall £000's	Period 4 Forecast Shortfall %
Corporate Services	2,316	2,028	(288)	(12.4)%	(288)	(12.4)%
Children Schools and Families	2,191	2,191	0	0.0%	0	0.0%
Community and Housing	5,379	3,188	(2,191)	(40.7)%	(2,191)	(40.7)%
Environment and Regeneration	4,771	4,204	(567)	(11.9)%	(397)	(8.3)%
<b>Total</b>	<b>14,657</b>	<b>11,611</b>	<b>(3,046)</b>	<b>(20.8)%</b>	<b>(2,876)</b>	<b>(19.6)%</b>

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

### Progress on savings 2015/16

Department	Target Savings 2015/16 £000's	2015/16 shortfall £000's	2016/17 projected shortfall £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)
<b>Total</b>	<b>8,297</b>	<b>(3,507)</b>	<b>(42)</b>



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	40	0	0
Community and Housing	2,465	1,585	1,585	1,080
Environment and Regeneration	3,338	129	125	125
<b>Total</b>	<b>8,313</b>	<b>1,754</b>	<b>1,710</b>	<b>1,205</b>

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 2016/17, 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
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**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 August  
2016**

**APPENDIX 1**

	Original Budget 2016/17	Current Budget 2016/17	Year to Date Budget (August)	Year to Date Actual (August)	Full Year Forecast (August)	Forecast Variance at year end (August)	Forecast Variance at year end (July)	Outturn Variance 2015/16
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000
<b>Department</b>	-	-	-	-	-	-	-	-
3A. Corporate Services	11,357	11,679	11,772	11,624	11,542	-137	(161)	-373
3B. Children, Schools and Families	50,183	50,777	5,759	4,427	52,629	1,852	1,648	-7
<b>3C. Community and Housing</b>	-	-	-	-	-	-	-	0
Adult Social Care	51,413	51,575	19,541	23,058	58,949	7,373	7,246	1,437
Libraries & Adult Education	2,796	2,846	1,442	1,632	2,562	-284	(304)	41
Housing General Fund	2,009	2,343	811	1,066	2,661	318	291	-538
3D. Public Health	417	43	-950	-2,781	44	0	(59)	-7
3E. Environment & Regeneration	21,230	22,482	4,262	1,779	22,720	238	98	3,632
Overheads	0	0	0	0	0	0	0	272
<b>NET SERVICE EXPENDITURE</b>	<b>139,405</b>	<b>141,746</b>	<b>42,638</b>	<b>40,804</b>	<b>151,106</b>	<b>9,360</b>	<b>8,759</b>	<b>4,457</b>
<b>3E. Corporate Items</b>	-	-	-	-	-	-	-	-
Impact of Capital on revenue budget	13,643	13,643	2,790	1,845	13,649	6	6	49
Other Central items	-5,962	-8,704	3,352	3,537	-11,897	-3,194	-2,202	-2,846
Levies	928	928	391	391	928	0	0	0
<b>TOTAL CORPORATE PROVISIONS</b>	<b>8,608</b>	<b>5,867</b>	<b>6,533</b>	<b>5,773</b>	<b>2,679</b>	<b>-3,188</b>	<b>-2,196</b>	<b>-2,797</b>
<b>TOTAL GENERAL FUND</b>	<b>148,013</b>	<b>147,613</b>	<b>49,171</b>	<b>46,577</b>	<b>153,786</b>	<b>6,173</b>	<b>6,563</b>	<b>1,660</b>
<b>- Funding</b>	-	-	-	-	-	-	-	-
- Business Rates	(34,230)	(34,230)	(3,479)	(3,479)	(34,230)	0	0	0
- RSG	(23,156)	(23,156)	(10,176)	(10,176)	(23,156)	0	0	0
- Council Tax Freeze Grant 2014/15	0	0	0	0	0	0	0	(6)
- Section 31 Grant	(822)	(822)	(193)	(193)	(898)	(76)	(76)	83
- New Homes Bonus	(4,192)	(4,192)	(2,405)	(2,405)	(4,658)	(466)	(466)	(1,037)
- PFI Grant	(4,797)	(4,797)	(1,199)	(1,199)	(4,797)	0	0	0
<b>Grants</b>	<b>(67,198)</b>	<b>(67,198)</b>	<b>(17,451)</b>	<b>(17,451)</b>	<b>(67,740)</b>	<b>(542)</b>	<b>(542)</b>	<b>(960)</b>
Collection Fund - Council Tax Surplus(-)/Deficit	(3,200)	(3,200)	0	0	(3,200)	0	0	0
Collection Fund - Business Rates Surplus(-)/Deficit	1,721	1,721	0	0	1,721	0	0	(0)
<b>Council Tax</b>	-	-	-	-	-	-	-	0
- General	(78,620)	(78,620)	0	0	(78,620)	0	0	(0)
- WPCC	(300)	(300)	0	0	(300)	0	0	(0)
<b>Council Tax and Collection Fund</b>	<b>(80,399)</b>	<b>(80,399)</b>	<b>0</b>	<b>0</b>	<b>(80,399)</b>	<b>0</b>	<b>0</b>	<b>(0)</b>
<b>FUNDING</b>	<b>(147,597)</b>	<b>(147,597)</b>	<b>(17,451)</b>	<b>(17,451)</b>	<b>(148,139)</b>	<b>(542)</b>	<b>(542)</b>	<b>(961)</b>
<b>NET</b>	<b>417</b>	<b>17</b>	<b>31,719</b>	<b>29,126</b>	<b>5,647</b>	<b>5,631</b>	<b>6,021</b>	<b>699</b>
Appropriation from reserves	-418				(665)	(665)	(665)	
<b>NET</b>	<b>(1)</b>	<b>17</b>	<b>31,719</b>	<b>29,126</b>	<b>4,982</b>	<b>4,966</b>	<b>5,356</b>	<b>699</b>

	Current Budget 2016/17	Year to Date Budget (Aug)	Year to Date Actual (Aug)	Full Year Forecast at (Aug)	Forecast Variance at year end (Aug)	Full Year Forecast at (July)	Forecast Variance at year end (July)
<b>Expenditure</b>	£000	£000	£000	£000	£000	£000	£000
Employees	93,219	38,788	39,681	94,587	1,368	94,077	1,397
Premises Related Expenditure	8,290	4,368	3,219	8,040	-250	7,919	-315
Transport Related Expenditure	14,535	5,998	5,941	15,273	738	15,036	761
Supplies and Services	167,958	62,629	59,921	167,062	-896	166,853	-2,014
Third Party Payments	88,965	35,657	32,248	99,168	10,204	93,903	8,945
Transfer Payments	104,224	41,742	32,663	93,128	-11,096	92,712	-7,904
Support Services	32,153	0	0	32,154	0	32,154	1
Depreciation and Impairment Losses	17,638	7	0	17,637	-0	17,637	-0
<b>GROSS EXPENDITURE</b>	<b>526,981</b>	<b>189,190</b>	<b>173,673</b>	<b>527,049</b>	<b>68</b>	<b>520,291</b>	<b>870</b>
<b>Income</b>							
Government Grants	-266,780	-115,003	-102,646	-256,643	10,137	-255,684	8,175
Other Grants, Reimbursements and Contribs	-22,252	-6,847	-5,738	-23,813	-1,560	-23,678	-1,630
Customer and Client Receipts	-63,377	-24,561	-24,462	-62,579	799	-61,885	1,178
Interest	-46	-19	0	-23	23	-23	23
Recharges	-32,518	0	0	-32,519	-0	-32,519	-0
Balances	-261	-122	-23	-367	-106	-1	143
<b>GROSS INCOME</b>	<b>-385,235</b>	<b>-146,552</b>	<b>-132,870</b>	<b>-375,943</b>	<b>9,292</b>	<b>-373,789</b>	<b>7,888</b>
<b>NET EXPENDITURE</b>	<b>141,746</b>	<b>42,638</b>	<b>40,804</b>	<b>151,106</b>	<b>9,360</b>	<b>146,502</b>	<b>8,759</b>

## Appendix 2

3E. Corporate Items	Council 2016/17 £000s	Original Budget 2016/17 £000s	Current Budget 2016/17 £000s	Year to Date Budget (August) £000s	Year to Date Actual (August) £000s	Full Year Forecast (August) £000s	Forecast Variance at year end (August) £000s	Forecast Variance at year end (July) £000s
Cost of Borrowing Use for Capital Programme	13,643	13,643	13,643	2,790	1,845	13,649	6 0	6 0
<b>Impact of Capital on revenue budget</b>	<b>13,643</b>	<b>13,643</b>	<b>13,643</b>	<b>2,790</b>	<b>1,845</b>	<b>13,649</b>	<b>6</b>	<b>6</b>
<b>Investment Income</b>	<b>(739)</b>	<b>(739)</b>	<b>(739)</b>	<b>(308)</b>	<b>(495)</b>	<b>(1,150)</b>	<b>(411)</b>	<b>(411)</b>
<b>Pension Fund</b>	<b>5,232</b>	<b>5,232</b>	<b>5,232</b>	<b>4,395</b>	<b>4,595</b>	<b>4,732</b>	<b>(500)</b>	<b>(500)</b>
Corporate Provision for Pay Award	883	883	0	0	0	0	0	0
Provision for excess inflation	540	540	452	0	0	20	(432)	0
Utilities Inflation Provision	300	300	300	0	0	300	0	0
<b>Pay and Price Inflation</b>	<b>1,723</b>	<b>1,723</b>	<b>752</b>	<b>0</b>	<b>0</b>	<b>320</b>	<b>(432)</b>	<b>0</b>
Contingency	1,500	1,500	1,391	0	0	440	(951)	(991)
Single Status/Equal Pay	100	100	100	0	15	0	(100)	(100)
Bad Debt Provision	500	500	500	0	0	500	0	0
Loss of income arising from P3/P4	400	400	400	0	0	100	(300)	(200)
Loss of HB Admin grant	200	200	200	0	0	200	0	0
MAE 1st year redundancies	600	600	600	0	0	600	0	0
Revenuisation and miscellaneous	1,414	1,414	1,215	0	0	815	(400)	0
<b>Contingencies and provisions</b>	<b>4,714</b>	<b>4,714</b>	<b>4,406</b>	<b>0</b>	<b>15</b>	<b>2,655</b>	<b>(1,751)</b>	<b>(1,291)</b>
Local Services Support Grant	204	204	204	68	0	104	(100)	0
Other	(1,152)	(1,152)	(1,152)	0	(2)	(1,152)	0	0
<b>Income items</b>	<b>(948)</b>	<b>(948)</b>	<b>(948)</b>	<b>68</b>	<b>(2)</b>	<b>(1,048)</b>	<b>(100)</b>	<b>0</b>
Appropriations: CS Reserves	(1,371)	(1,371)	(1,883)	0	0	(1,883)	0	0
Appropriations: E&R Reserves	(520)	(520)	(1,372)	(715)	(715)	(1,372)	0	0
Appropriations: CSF Reserves	44	44	(16)	(60)	166	(16)	0	0
Appropriations: C&H Reserves	1,146	1,146	1,146	0	0	1,146	0	0
Appropriations: Public Health Reserves	0	0	(28)	(28)	(28)	(28)	0	0
Appropriations: Corporate Reserves	2,394	2,394	2,385	0	0	2,385	0	0
<b>Appropriations/Transfers</b>	<b>1,693</b>	<b>1,693</b>	<b>231</b>	<b>(803)</b>	<b>(577)</b>	<b>231</b>	<b>0</b>	<b>0</b>
<b>Depreciation and Impairment</b>	<b>(17,638)</b>	<b>(17,638)</b>	<b>(17,638)</b>	<b>0</b>	<b>0</b>	<b>(17,638)</b>	<b>0</b>	<b>0</b>
<b>Central Items</b>	<b>7,681</b>	<b>7,681</b>	<b>4,939</b>	<b>6,142</b>	<b>5,383</b>	<b>1,752</b>	<b>(3,188)</b>	<b>(2,196)</b>
<b>Levies</b>	<b>928</b>	<b>928</b>	<b>928</b>	<b>391</b>	<b>391</b>	<b>928</b>	<b>0</b>	<b>0</b>
<b>TOTAL CORPORATE PROVISIONS</b>	<b>8,608</b>	<b>8,608</b>	<b>5,867</b>	<b>6,533</b>	<b>5,773</b>	<b>2,679</b>	<b>(3,188)</b>	<b>(2,196)</b>

### Pay and Price Inflation as at August 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. There have been a number of requests to call on this budget which are being reviewed. Any balance on this budget will be used to offset the forecast overspend on services

#### Pay:

The local government pay award for 2016/17 has been 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. The budget has now been reallocated to services.

#### Prices:

The Consumer Prices Index (CPI) rose by 0.6% in the year to August 2016, unchanged from July. The main upward contributors to the change in the rate were rising food prices and air fares, and a smaller fall in the price of motor fuels than a year ago.

These upward pressures were offset by falls in hotel accommodation prices, in addition to smaller rises in the prices of alcohol, and clothing and footwear than a year ago.

CPIH, a measure of UK consumer price inflation that includes owner occupiers' housing costs, rose by 0.9% in the year to August 2016, unchanged from July.

The RPI 12-month rate for August 2016 stood at 1.8%, down from 1.9% in July 2016.

#### Outlook for inflation:

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. At its meeting ending on 14 September 2016, the MPC voted unanimously to keep the Bank Base Rate at 0.25%. It also voted unanimously to continue with the programme of sterling non-financial investment-grade corporate bond purchases totalling up to £10 billion, financed by the issuance of central bank reserves and also voted unanimously to continue with the programme of £60 billion of UK government bond purchases to take the total stock of these purchases to £435 billion, financed by the issuance of central bank reserves.

Twelve-month CPI inflation remained at 0.6% in August, lower than projected at the time of the August Inflation Report, and well below the 2% inflation target. The MPC

believe that “as the unusually large drags from energy and food prices attenuate, CPI inflation is expected to rise to around its 2% target in the first half of 2017, consistent with the August Inflation Report, albeit with the projection a little lower over the remainder of 2016 than had been anticipated in August.”

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

Source: HM Treasury - Forecasts for the UK Economy (September 2016)			
	Lowest %	Highest %	Average %
2016 (Quarter 4)			
CPI	0.6	3.0	1.3
RPI	1.5	3.4	2.2
LFS Unemployment Rate	4.9	5.7	5.2
2017 (Quarter 4)	Lowest %	Highest %	Average %
CPI	1.5	3.8	2.5
RPI	2.3	4.4	3.1
LFS Unemployment Rate	4.6	6.6	5.6

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 (August 2016)					
	2016	2017	2018	2019	2020
	%	%	%	%	%
CPI	0.7	2.3	2.3	2.0	2.0
RPI	1.7	2.8	3.0	3.1	3.3
LFS Unemployment Rate	5.1	5.5	5.9	5.9	5.8

### Treasury Management: Outlook

At its meeting ending on 14 September 2016, the MPC voted unanimously to maintain Bank Rate at 0.25% and to continue with the programme of sterling non-financial investment-grade corporate bond purchases totalling up to £10 billion, financed by the issuance of central bank reserves. The Committee also voted unanimously to continue with the programme of £60 billion of UK government bond purchases to take the total stock of these purchases to £435 billion, financed by the issuance of central bank reserves.

The MPC is encouraged by the evidence on the initial impact of the policy package since it has “led to a greater than anticipated boost to UK asset prices. Short and long-term market interest rates fell notably following the announcement; corporate bond spreads narrowed, and issuance was strong; and equity prices rose. Since then, some of the falls in yields have reversed, driven by somewhat stronger-than-expected UK data and a generalised rise in global yields. “

The August Inflation Report set out the most recent detailed assessment of the UK’s economic outlook. The MPC will continue to monitor closely changes in asset prices and in interest rates facing households and firms and their effect on economic activity. It advised that it will assess that it will assess available news, “along with other forthcoming indicators, during its November forecast round. If, in light of that full updated assessment, the outlook at that time is judged to be broadly consistent with the August Inflation Report projections, a majority of members expect to support a further cut in Bank Rate to its effective lower bound at one of the MPC’s forthcoming meetings during the course of this year. The MPC currently judges this bound to be close to, but a little above, zero.”

The MPC’s forecasts of Bank Base Rate in recent Quarterly Inflation Reports which were made pre-Brexit up to May 2016 are summarised in the following table:-

	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	End Q.2 2019
Aug.'16	0.3	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2
May '16	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	0.6	0.7	0.8	0.8	0.9	1.0	1.0	1.1		
Nov '15	0.6	0.6	0.7	0.8	0.9	1.0	1.1	1.1	1.2	1.3			
Aug.'15	0.9	1.0	1.2	1.3	1.4	1.5	1.6	1.7	1.7				
May '15	0.8	0.9	1.0	1.1	1.2	1.3	1.3	1.4					
Feb.'15	0.7	0.8	0.9	1.0	1.0	1.1	1.1						
Nov '14	1.2	1.4	1.5	1.5	1.7	1.7							
Aug.'14	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 - August 2016 Monitoring

Scheme Description	Revised Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance
<b>Adult Social Care</b>						
The Gables Mitcham	0	(26,765)	0	(26,765)	0	0
Adult Social Care IT Projects	131,510	26,635	558	26,077	131,510	0
<b>Libraries</b>						
Library Self Service	94,970	(23,303)	40,000	(63,303)	94,970	0
Colliers Wood Library Re-Fit	50,000	0	0	0	50,000	0
<b>Housing</b>						
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	146,799	140,492	6,307	500,000	(543,170)
<b>Community and Housing Total</b>	<b>2,079,650</b>	<b>118,995</b>	<b>181,050</b>	<b>(62,055)</b>	<b>1,536,480</b>	<b>(543,170)</b>

### Corporate Services Summary Capital Report - August 2016 Monitoring

Scheme Description	Revised Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance
Business Improvement	2,451,020	80,500	80,500	0	2,451,020	0
Corporate Items	3,372,300	0	0	0	0	(3,372,300)
Facilities Management	1,822,020	151,621	277,940	(126,319)	1,822,020	0
IT Total	1,558,020	267,405	361,498	(94,093)	1,558,020	0
Resources	476,100	68,675	70,000	(1,325)	476,100	0
IT Transformation Unallocated	0	0	0	0	0	0
<b>Corporate Services Total</b>	<b>9,679,460</b>	<b>568,201</b>	<b>789,938</b>	<b>(221,737)</b>	<b>6,307,160</b>	<b>(3,372,300)</b>

### Children, Schools & Families Summary Capital Report - August 2016 Monitoring

Scheme Description	Revised Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance
Aragon expansion*	0	(11,083)	(11,083)	0	0	0
Joseph Hood Permanent Expansn	3,720	1,000	0	1,000	3,720	0
St Mary's expansion*	0	(23,722)	(23,722)	0	0	0
Hillcross School Expansion*	3,090	(69,767)	(69,767)	0	3,090	0
Merton Abbey Temp Accomodation*	0	(23,684)	(23,684)	0	0	0
Pelham School Expansion*	10,660	(8,117)	(8,117)	0	10,660	0
Dundonald expansion	2,694,410	1,520,259	1,277,000	243,259	2,694,410	0
Poplar Permanent Expansion*	1,000	(49,144)	(49,144)	0	1,000	0
Singlegate expansion	1,014,020	812,479	736,210	76,269	1,014,020	0
Primary School Exp. Overspen Provision*	61,490	(344,131)	(344,131)	0	61,481	(9)
Wimbledon Park expansion*	0	(27,000)	(27,000)	0	0	0
<b>Primary Expansion</b>	<b>3,788,390</b>	<b>1,777,090</b>	<b>1,456,562</b>	<b>320,528</b>	<b>3,788,381</b>	<b>(9)</b>

CSF department has undertaken a number of major school expansion projects over the past few years. Under the contract terms the council holds back a retention sum which is only paid at least a year after the building project is completed, and then only when we are satisfied that all minor defects on the building are completed satisfactorily. This can frequently take a considerable period and the cumulative effect is that there are a series of accruals from the end of the 2015/16 financial year where the money has not been spent in 2016/17. It is not in the council's interests to spend this money until we are absolutely sure the building is defect free.

## Appendix 5a

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

Scheme Description	Revised 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 Expansion	0	0	0	0	0	0
New School	7,450,000	0	0	0	7,450,000	0
Harris Merton Expansion	2,225,110	87,298	170,000	(82,702)	2,225,110	0
Harris Morden Expansion	50,000	0	0	0	50,000	0
<b>Secondary Expansion</b>	<b>9,755,110</b>	<b>87,298</b>	<b>170,000</b>	<b>(82,702)</b>	<b>9,755,110</b>	<b>0</b>
Cricket Green Site*	1,560	(1,200)	(1,200)	0	1,560	0
Primary school autism unit*	70,730	(34,783)	(34,783)	0	70,730	0
Perseid*	201,930	(140,805)	(140,805)	0	201,930	0
Secondary School Autism Unit	50,000	0	0	0	50,000	0
Futher SEN Units	295,320	0	0	0	295,320	0
<b>SEN Expansion</b>	<b>619,540</b>	<b>(176,788)</b>	<b>(176,788)</b>	<b>0</b>	<b>619,540</b>	<b>0</b>
Devolved Formula Capital	367,820	153,265	153,265	0	367,820	0
Free School Meals*	0	(24,126)	(24,126)	0	0	0
B698 St Catherines Fields Fencing	47,000	0	0	0	47,000	0
Schs Cap Maint & Accessibility	985,900	215,227	147,000	68,227	970,000	(15,900)
Schools Equipment Loans	104,450	0	0	0	104,450	0
<b>Other</b>	<b>1,505,170</b>	<b>344,366</b>	<b>276,139</b>	<b>68,227</b>	<b>1,489,270</b>	<b>(15,900)</b>
<b>Children Schools and Families</b>	<b>15,668,210</b>	<b>2,031,966</b>	<b>1,725,913</b>	<b>306,053</b>	<b>15,652,301</b>	<b>(15,909)</b>

### Environment & Regeneration Summary Capital Report - August 2016 Monitoring

Scheme Description	Revised Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance
Footways Planned Works	1,000,000	560,916	300,000	260,916	1,000,000	0
Greenspaces	886,350	151,580	318,656	(167,076)	886,350	0
Highways General Planned Works	435,860	64,749	138,750	(74,001)	435,860	0
Highways Planned Road Works	1,500,000	836,997	745,000	91,997	1,500,000	0
Leisure Centres	4,946,140	453,135	601,882	(148,748)	4,946,140	0
Other E&R	243,240	59,242	33,334	25,908	243,127	(113)
On and Off Street Parking	9,900	0	0	0	9,900	0
Regeneration Partnerships	3,341,170	650,297	653,782	(3,485)	3,341,170	0
Street Lighting	662,000	365,639	370,896	(5,257)	662,000	0
Street Scene	105,950	47,742	68,750	(21,008)	105,950	0
Transport for London	2,436,620	605,068	803,000	(197,932)	2,436,620	0
Traffic and Parking Management	1,394,540	423,050	484,275	(61,225)	1,394,540	0
Transport and Plant	541,600	112,477	295,334	(182,857)	541,600	0
Waste Operations	175,500	12,462	48,957	(36,495)	175,500	0
<b>Environment and Regeneration</b>	<b>17,678,870</b>	<b>4,343,354</b>	<b>4,862,616</b>	<b>(519,263)</b>	<b>17,678,757</b>	<b>(113)</b>

## Virement, Re-profiling and New Funding - August 2016

Appendix 5b

	2016/17 Budget	Virements	Adjusted & New Funding	Reprofiling	Revised 2016/17 Budget	2017/18 Budget	Adjustment	Revised 2017/18 Budget	Narrative
	£	£	£	£	£	£		£	
<b>Corporate Services</b>									
Invest to Save Schemes	1,315,110		(330,000)		985,110	0		0	Relinquished Budget
Asbestos Safety Works	250,000		(170,000)		80,000	0		0	Relinquished Budget
Schools PV&Energy conservation	500,000		(500,000)		0	0		0	Relinquished Budget
Disaster Recovery	217,540		(20,540)		197,000	0		0	Relinquished Budget
Planned Replacement Programme	1,175,650		(156,500)		1,019,150	0		0	Relinquished Budget
Stability Networks	200,000		(84,800)		115,200	0		0	Relinquished Budget
Civic Centre Staff Entrance Improvements	0				0	0	200,000	200,000	Re-profiled from 2018/19
Civic Centre Block Paving	0				0	0	75,000	75,000	Re-profiled from 2019/20
<b>Children, Schools and Families</b>									
Secondary School Autism Unit	300,000			(250,000)	50,000	860,000	250,000	1,110,000	Re-profile 250k to 17/18
Harris Morden	300,000			(250,000)	50,000	1,543,560	250,000	1,793,560	Re-profile 250k to 17/18
S-Marks	50,000			(50,000)	0	1,061,800	50,000	1,111,800	Re-profile 50k to 17/18
Primary Expansion Contingency	300,330		(238,840)		61,490			0	Released Contingency based on updated information
<b>Environment &amp; Regeneration</b>									
Morden Leisure Centre	4,643,860			(200,300)	4,443,560	5,492,160	200,300	5,692,460	Re-profiled to 17/18 to reflect revised spend profile
Rediscover Mitcham	37,040		68,430		105,470	0		0	Section 106 Funded Scheme
Mitcham Clock Tower	0		9,020		9,020	0		0	Lottery Funded Scheme
Bus Stop Compliance (1)	0		134,000		134,000	0		0	Capital allocation from TfL for further bus stop accessibility improvements.
<b>Total</b>	<b>9,289,530</b>	<b>0</b>	<b>(1,289,230)</b>	<b>(750,300)</b>	<b>7,250,000</b>	<b>8,957,520</b>	<b>1,025,300</b>	<b>9,982,820</b>	

1) Requires Cabinet Approval

## Virement, Re-profiling and New Funding - August 2016

Appendix 5b

	2018/19 Budget	Reprofiling	Revised 2018/19 Budget	2019/20 Budget	Reprofiling	Revised 2019/20 Budget	Narrative
	£	£	£	£	£	£	
<b>Corporate services</b>							
Civic Centre Staff Entrance Improvements	200,000	(200,000)	0	0		0	Reprofiled to 2017/18
Civic Centre Block Paving	0		0	75,000	(75,000)	0	Reprofiled to 2017/18
<b>Total</b>	<b>200,000</b>	<b>(200,000)</b>	<b>0</b>	<b>75,000</b>	<b>(75,000)</b>	<b>0</b>	

## Capital Programme Funding Summary 2016/17

	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
Cabinet - September - July 2016 Mon.	32,594	14,552	47,146
<b><u>Children, Schools and Families</u></b>			
Secondary School Autism Unit	(250)	0	(250)
Harris Morden 2fe	(250)	0	(250)
St Marks	(50)	0	(50)
Primary Expansion Contingency	(239)	0	(239)
<b><u>Corporate Services</u></b>			
Invest to Save Schemes	(330)	0	(330)
Asbestos Safety Works	(170)	0	(170)
Schools PV&Energy conservation	(500)	0	(500)
Disaster Recovery	(21)	0	(21)
Planned Replacement Programme	(157)	0	(157)
Stability Networks	(85)	0	(85)
<b><u>Environment &amp; Regeneration</u></b>			
Morden Leisure Centre	(200)	0	(200)
Mitcham Clock Tower	0	9	9
Rediscover Mitcham	0	68	68
Bus Stop Compliance	0	134	134
Cabinet - October - August 2016 Mon.	30,343	14,763	45,106

## Capital Programme Funding Summary 2017/18

	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
Cabinet - September - July 2016 Mon.	26,036	16,329	42,365
<b><u>Corporate Services</u></b>			
Civic Centre Staff Entrance Improvements	200	0	200
Civic Centre Block Paving	75	0	75
<b><u>Children, Schools and Families</u></b>			
Secondary School Autism Unit	250	0	250
Harris Morden	250	0	250
St Marks	50		50
<b><u>Environment &amp; Regeneration</u></b>			
Morden Leisure Centre	200	0	200
Cabinet - October - August 2016 Mon.	27,061	16,329	43,390

## DEPARTMENT: COMMUNITY &amp; HOUSING SAVINGS PROGRESS 2016/17- Aug'2016

Ref	Description of Saving	2016/17 Savings Required £000	2016/17 Expected Savings £000	Shortfall £000	RAG	2017/18 Savings Expected £000	2017/18 Expected Shortfall £000	17/18 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend ? Y/N
	<b>Adult Social Care</b>										
CH02	<b>Promoting Independence</b> - Public Value Review - Efficiencies to be found in hospital discharge process and by enabling customers to regain and maintain independence	100	0	100	R	100	0	G	David Slark	Residential / nursing	Y
CH29	<b>Older People - Managing Crisis (including hospital discharge) admissions to residential care.</b> 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	R	125	0	R	Kim Carey	We continue to manage to target the number of admissions to residential care, but this is having a knock-on to the cost of care in the home. Arrangements are now in place to mitigate the cost of double handed care using proactive OT engagement in these packages.	Y
CH34	<b>Substance Misuse Placements - Actively manage throughput in residential rehab placements - A reduction in the placements available for Substance misuse clients</b>	6	6	0	G	6	0	G	Henrietta Brown		Y
CH05	<b>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.</b> -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	500	0	G	Richard Ellis		Y
CH04	<b>Reduce Management costs and reduction in staffing costs Access &amp; Assessment-</b> Staffing restructure to deliver efficient processes, and building on planned shift of some customers to manage their own processes.	100	75	25	R	100	0	G	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.	Y
CH20	<b>Access and Assessment Employees - Staff Savings</b> 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	468	43	A	511	0	G	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 in year.	Y

## DEPARTMENT: COMMUNITY &amp; HOUSING SAVINGS PROGRESS 2016/17- Aug'2016

Ref	Description of Saving	2016/17 Savings Required £000	2016/17 Expected Savings £000	Shortfall £000	RAG	2017/18 Savings Expected £000	2017/18 Expected Shortfall £000	17/18 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend ? Y/N
CH58	Access and Assessment Employees - Staff Savings	700	700	0	A	700	0	G	Kim Carey		Y
CH22	<b>Commissioning Employees- Staff Savings- 4 FTE to be deleted-</b> 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	156	0	G	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.	Y
CH21	<b>Direct Provision Employees - Staff Savings 11FTE to be deleted-</b> 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	274	0	G	Andy Ottaway-Searle		Y
CH59	<b>Direct Provision Residential and supported living management -staff reductions-</b> 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	100	0	G	Andy Ottaway-Searle		Y
CH23	<b>Directorate- Staff Savings - 0.46 FTE to be deleted-None, post now funded by Public Health</b>	21	21	0	G	21	0	G	Richard Ellis	Saving to be achieved as change of funding	Y
CH64	<b>Directorate- Staff Savings - (Budget contribution to Joint Public Health consultant post to be deleted)-None, post now funded by Public Health</b>	30	30	0	G	30	0	G	Richard Ellis	Saving to be achieved as change of funding	Y
CH24	<b>Learning Disabilities- High Cost Packages - Review of High Cost Packages with a view to promoting independence</b> 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	50	50	R	100	0	A	Kim Carey	Work is continuing on this but due to the lack of additional resources will not achieve as quickly as had been hoped. Discussions with health have taken place to progress some outstanding joint funding issues.	Y



## DEPARTMENT: COMMUNITY &amp; HOUSING SAVINGS PROGRESS 2016/17- Aug'2016

Ref	Description of Saving	2016/17 Savings Required £000	2016/17 Expected Savings £000	Shortfall £000	RAG	2017/18 Savings Expected £000	2017/18 Expected Shortfall £000	17/18 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend ? Y/N
CH25	<b>Learning Disabilities- Medium Cost Packages- Review of medium cost packages with a view of promoting independence</b> -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	R	400	0	A	Kim Carey	As above in CH24, these cases are taking a lower priority due to the opportunity afforded by addressing the high cost packages first.	Y
CH26	<b>Learning Disabilities - Direct Payments-</b> 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	R	50	0	A	Kim Carey	This has stalled due to lack of capacity but will be given priority when other work has been finalised.	Y
CH27	<b>Mental Health- Care Packages - Review of support packages within all areas of Mental Health services.</b> - We anticipate 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	R	76	0	G	Henrietta Brown	Pending finalisation of resources for the review team.	Y
CH28	<b>Older People- Home Care Review of Home Care within support packages.</b> 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	R	387	0	A	Kim Carey	These cases are being prioritised within the long term team. The lack of additional resource will mean that progress will now not be as quick as had been hoped.	Y
CH30	<b>Older People - Review of Direct Payments support packages</b> -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	R	345	0	A	Kim Carey	These cases are being prioritised within the long term team. The lack of additional resource will mean that progress will now not be as quick as had been hoped.	Y

## DEPARTMENT: COMMUNITY &amp; HOUSING SAVINGS PROGRESS 2016/17- Aug'2016

Ref	Description of Saving	2016/17 Savings Required £000	2016/17 Expected Savings £000	Shortfall £000	RAG	2017/18 Savings Expected £000	2017/18 Expected Shortfall £000	17/18 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend ? Y/N
CH31	<b>Physical Disabilities- Review of all Direct Payments for clients with physical disabilities using promoting independence.</b> -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	R	134	0	A	Kim Carey	These cases are being prioritised within the long term team. The lack of additional resource will mean that progress will now not be as quick as had been hoped.	Y
CH32	<b>Physical Disabilities - Home Care</b> -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	R	48	0	G	Kim Carey	These cases are being prioritised within the long term team. The lack of additional resource will mean that progress will now not be as quick as had been hoped.	Y
CH33	<b>Physical Disabilities- High Cost Packages - Review of PD Residential and 1-1 packages.</b> 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	R	60	0	A	Kim Carey	These cases are being prioritised within the long term team. The lack of additional resource will mean that progress will now not be as quick as had been hoped.	Y
CH60	<b>South Thames Crossroads</b> : Decommission the crossroads service for carers. Replace with domiciliary care service/ Direct Payment offer and commissioned holistic carers support service from voluntary sector.	294	130	164	A	294	0	G	Richard Ellis		
CH61	<b>Meals on Wheels (Sodexo):</b> Decommissioning service and embed support within community, neighbourhood and voluntary support infrastructure	153	85	68	G	153	0	G	Richard Ellis	Service to be decommissioned from 31st July 2016	Y
CH62	<b>Supported accommodation mental health</b> : Decommission service as a result of Provider notice to cease service in Merton	106	106	0	G	106	0	G	Richard Ellis	The service has been decommissioned & saving achieved.	Y
CH63	<b>Day support Imagine Independence</b> : Decommission service and recommission cost effective peer led day opportunities for people with mental health	84	84	0	G	84	0	G	Richard Ellis	The tender has been awarded and will commence 4th July (which will achieve the saving)	Y
CH51	<b>NHS Income</b> :Negotiate extra NHS funding for extra costs of Hospital Discharges - Circa £150k on packages, £50k on staff.	200	0	200	R	0	(200)	R	Richard Ellis	Not achievable	Y
	<b>Library &amp; Heritage Service</b>										

## DEPARTMENT: COMMUNITY &amp; HOUSING SAVINGS PROGRESS 2016/17- Aug'2016

Ref	Description of Saving	2016/17 Savings Required £000	2016/17 Expected Savings £000	Shortfall £000	RAG	2017/18 Savings Expected £000	2017/18 Expected Shortfall £000	17/18 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend ? Y/N
CH44	Deletion of all administrative support (Deletion of 1 x FTE)	26	26	0	G	26	0	G	Anthony Hopkins	Reorganisation complete and individual has been slotted into a new post in the council.	Y
CH45	Reduction in activities programme	2	2	0	G	2	0	G	Anthony Hopkins	Budget re-profiled and savings delivered.	Y
CH46	Withdrawal from annual CIPFA public library user survey (PLUS)	3	3	0	G	3	0	G	Anthony Hopkins	New systems devised and saving achieved. New consultation exercise running in October 2016.	Y
CH47	Reduction in volunteering contract	20	20	0	G	20	0	G	Anthony Hopkins	Contract renegotiated and new arrangements in place from 1 April 2016	Y
CH48	Reduction in media fund	45	45	0	G	45	0	G	Anthony Hopkins	Budget reduction re-profiled to reflect new expenditure, savings on course to delivered.	Y
	<b><u>Merton Adult Education</u></b>										
CH15	MAE :Staffing cost reductions -Delivery utilising the use of Information Technology and other efficiencies	8	8	0	G	8	0	G	Anthony Hopkins	Saving built into new SFA funding profile	Y
	<b><u>Housing Needs &amp; Enabling</u></b>										
CH38	Reduction of Homelessness Prevention Grant:	56	0	56	R	56	0	A	Steve Langley		Y
CH39	Rationalisation of admin budget :	30	30	0	G	30	0	G	Steve Langley	Savings achieved	Y
CH40	Housing Strategy officer - deletion of 1 FTE :	43	43	0	G	43	0	G	Steve Langley	Post vacant and will be deleted - saving will be achieved	Y
CH41	Environmental health Technical officer deletion of 1 FTE:	33	33	0	G	33	0	G	Steve Langley	Post vacant and will be deleted - saving will be achieved	Y
CH42	Housing options adviser deletion of 1.5 FTE :	53	53	0	G	53	0	G	Steve Langley	Post vacant and will be deleted - saving will be achieved	Y
	<b>Total Community &amp; Housing Department Savings for 2016/17</b>	<b>5,379</b>	<b>3,188</b>	<b>2,191</b>		<b>5,179</b>	<b>(200)</b>				

## 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	2017/18 Savings Expected £000	2017/18 Expected Shortfall £000	17/18 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
<b>Commissioning, Strategy and Performance</b>											
CSF2012-04	Reduce expenditure on LAC and SEN placements	50	50	0	R	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. At the end of the first quarter, this equated to £438k.	Y
CSF2014-02	Reduce the post 16 LAC/CL accommodation.	50	50	0	R	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. At the end of the first quarter, this equated to £438k.	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	40	0	G	Paul Ballatt		
CSF2014-05	Reduction in commissioning of early intervention and prevention services from the VCS.	300	300	0	G	300	0	G	Paul Ballatt		
<b>Children Social Care</b>											
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	100	0	G	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 and targeted intervention services.	
CSF2015-01	Serious Case Reviews	77	77	0	G	77	0	G	Paul Angeli		
<b>Early Years</b>											
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	17	0	G	Jane McSherry		

## 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	2017/18 Savings Expected £000	2017/18 Expected Shortfall £000	17/18 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
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	254	0	G	Jane McSherry		
	<b>Youth Service</b>										
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	480	0	G	Jane McSherry		
	<b>Public Health</b>										
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	400	0	G	Jane McSherry		
	<b>Schools</b>										
CSF2014-08	Increased income from schools and/or reduced LA service offer to schools.	400	400	0	G	400	0	G	Jane McSherry		
	<b>Cross cutting</b>										
CSF2015-02	Service management review across the CSF dept (2/3 FTE depending on grading of posts )	23	23	0	G	23	0	G	Paul Angeli		
	<b>Total Children, Schools and Families Department Savings for 2015/16</b>	<b>2,191</b>	<b>2,191</b>	<b>0</b>		<b>2,191</b>	<b>0</b>				

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	2017/18 Savings Expected £000	2017/18 Expected Shortfall £000	17/18 RAG
<b>Customer Services</b>								
CS13	Reduction in discretionary relief (replacement of CS12 and CS13 which had both been deferred until 2016/17)	81	81	0	G	81	0	G
CS36	Re tendering of Cash Collection Contract	10	10	0	G	10	0	G
CS39	Impact of Customer Service Review	30	0	30	R	30	0	A
CS61	Dividend income from CHAS 2013 Limited	58	58	0	G	58	0	G
CS62	Recharges to Public Health	70	70	0	G	70	0	G
CSD9	Ending of e-Capture Service	9	9	0	G	9	0	G
CSD10	Ending of Risk Based Verification	22	22	0	G	22	0	G
CSD11	Terminate the Experian trace and search system contract	10	10	0	G	10	0	G
CSD14	Reduction of 1 FTE Revenues Officer	30	30	0	G	30	0	G
CSD15	Increase in Court Costs (council tax) - Increase from £110.00 to £115.00	40	40	0	G	40	0	G
CSD16	Reduction in discretionary relief	231	231	0	G	231	0	G
CSD18	My Merton and staff reductions - Renegotiate supplier costs for My Merton	32	32	0	G	32	0	G
CSD19	My Merton and staff reductions - Delete 1 FTE - Communication Asisstant	25	25	0	G	25	0	G
<b>Business Improvement</b>								
CS5	Review and challenge of the procurement of Support & Maintenance & Licence Contracts	21	21	0	G	21	0	G
CS63	Reorganisation of systems development and support arrangements.	88	0	88	R	88	0	G
CSD37	PO Restructure	64	64	0	A	64	0	A
CSD38	Reduction in support budget	5	5	0	G	5	0	G
CSD39	Business Systems Team Restructure Phase 2	50	50	0	G	50	0	G
CSD40	Secure additional income generated through gazetteer maintenance and street naming and numbering	30	30	0	G	30	0	G
CSD41	Consolidation of systems support	20	20	0	A	20	0	A
<b>IT Service Delivery</b>								
CS5	Review and challenge of the procurement of Support & Maintenance & Licence Contracts	29	29	0	G	29	0	G
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	20	0	G
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	20	0	G
CS10	Outsourcing - Service Desk	20	0	20	R	20	0	G
CS12	Information Governance Vacant Post	37	37	0	G	37	0	G
CS16	Surrender of remainder of ITSD Overtime budget	35	35	0	G	35	0	G
CS23	Outsourcing - Building Services & Security Service	50	50	0	G	50	0	G
CS28	M&E Term Contract (Amalgamation) of Intruder Alarms	20	20	0	G	20	0	G
CSD2	Energy Savings (Subject to agreed investment of £1.5m)	150	0	150	R	150	0	G

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	2017/18 Savings Expected £000	2017/18 Expected Shortfall £000	17/18 RAG
CSD3	Rationalise IT Service Delivery support & maintenance contracts.	86	86	0	G	86	0	G
CSD4	Rationalise Facilities Management Building Repairs & Maintenance budgets	15	15	0	G	15	0	G
CSD5	Increase income generation from external bookings at Chaucer centre	40	40	0	G	40	0	G
CSD6	Reduction in the number of vehicles operated by Infrastructure & Transactions division from three to two	5	5	0	G	5	0	G
CSD8	Restructure IT Service Delivery section and delete 1 FTE post.	40	40	0	G	40	0	G
	<b>Resources</b>							
CS46	Resources -Deletion of 3 Posts within the Division	25	25	0	G	25	0	G
CS64	Reduction of treasury running costs through review, improvement and efficiency	20	20	0	G	20	0	G
CS65	Consolidation of various budgets within Resources division	66	66	0	G	66	0	G
CS67	Reduction in bank and giro charges	12	12	0	G	12	0	G
CSD20	Increased income	16	16	0	G	16	0	G
CSD21	Rephase existing Savings	42	42	0	G	42	0	G
CSD23	Cut running costs budgets	30	30	0	G	30	0	G
CSD24	Consultancy budget	100	100	0	G	100	0	G
CSD25	Increased charge to Pension Fund	20	20	0	G	20	0	G
CSD47	Delete 1 Policy post	50	50	0	G	50	0	G
	<b>Human Resources</b>							
CS49	Introduction of new application tracking system	10	10	0	G	10	0	G
CS50	Occupational Health & Employee Assistance programme	40	40	0	G	40	0	G
CS74	Review of L&D spend	69	69	0	G	69	0	G
CSD32	Review of HR business support (printing and stationery)	5	5	0	G	5	0	G
CSD35	Learning and Development Budget	18	18	0	G	18	0	G
	<b>Corporate Governance</b>							
CS73	Saving from 4 borough shared legal service	60	60	0	G	60	0	G
CSD44	Stop web casting meetings, remove scrutiny support fund and reduce other supplies and services	35	35	0	G	35	0	G
CSD45	Share audit and investigation service	60	60	0	G	60	0	G
	<b>Other</b>							
CSD48	CHAS Dividend	145	145	0	G	145	0	G
	<b>Total Corporate Services Department Savings for 2016/17</b>	<b>2,316</b>	<b>2,028</b>	<b>288</b>		<b>2,316</b>	<b>0</b>	

## DEPARTMENT: ENVIRONMENT &amp; REGENERATION SAVINGS PROGRESS: 2016-17

Ref	Description of Saving	2016/17 Savings Required £000	2016/17 Savings Expected £000	Shortfall	16/17 RAG	2017/18 Savings Expected £000	2017/18 Expected Shortfall £000	17/18 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
<b>SUSTAINABLE COMMUNITIES</b>											
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	130	0	G	James McGinlay		N
ER23	Restructure of team to provide more focus on property management and resiliance within the team.	52	52	0	R	52	0	G	James McGinlay	Saving will now be achieved by increasing the current rental income budget due to a combination of rent reviews and a continuing high occupancy rate.	Y
EN27	Reduction in the Lining Budget	10	10	0	G	10	0	G	James McGinlay		N
EN30	Reduction in supplies and Services Costs	20	20	0	G	20	0	G	James McGinlay		N
EN31	Reduction in energy costs	30	30	0	G	30	0	G	James McGinlay		N
EN32	Renegotiation of J C Deceaux Contract	10	10	0	G	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	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	10	0	G	James McGinlay		N
EN37	Merton Active Plus - Increased Income	5	5	0	G	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	50	0	G	James McGinlay	Income achieved via Estates Regeneration income from CHMP. However, income is not guaranteed for future years.	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	13	0	G	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	5	0	G	James McGinlay		N
E&R2	Water sports Centre - Additional income from new business - Marine College & educational activities.	10	10	0	G	10	0	G	James McGinlay		N
E&R6	Reduced costs incurred as a result of sub-leasing Stouthall until 2024.	39	39	0	G	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	0	130	R	130	0	G	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&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	10	50	R	60	0	A	James McGinlay	Due to a delay in implementation, this saving will not be achieved this year. It is currently expected to be implemented around January 2017.	Y
E&R27	Additional property rental income	44	0	44	R	44	0	A	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	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	20	0	G	James McGinlay		N



## DEPARTMENT: ENVIRONMENT &amp; REGENERATION SAVINGS PROGRESS: 2016-17

Ref	Description of Saving	2016/17 Savings Required £000	2016/17 Savings Expected £000	Shortfall	16/17 RAG	2017/18 Savings Expected £000	2017/18 Expected Shortfall £000	17/18 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
E&R33	Various Budgets - Increase in income from commercialisation of services	250	180	70	R	250	0	A	James McGinlay/ Cormac Stokes	The £70k saving relating to the Live at Wimbledon Park event is not expected to be achieved this year.	Y
E&R35	Reduce street lighting contract costs	25	25	0	G	25	0	G	James McGinlay		N
E&R36	Reduction in reactive work budget	60	0	60	R	60	0	A	James McGinlay		Y
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	G	50	0	G	James McGinlay	Being achieved from 20% developer admin fees for highway works required.	N
E&R39	Pre-application income. This is in addition to any previous pre-app savings proposal.	50	30	20	R	50	0	A	James McGinlay	Being achieved from 20% developer admin fees for highway works required.  An alternative saving is being worked upon, and will be presented to Cabinet in due course.	Y
E&R40	Consultancy income. This is in addition to any previous savings proposal.	60	10	50	R	60	0	A	James McGinlay	Income achieved via Estates Regeneration income from CHMP. However, income is not guaranteed for future years.  An alternative saving is being worked upon, and will be presented to Cabinet in due course.	Y
E&R42	Align Vestry Hall income budget with current levels of income being achieved.	20	20	0	G	20	0	G	James McGinlay		N
<b>PUBLIC PROTECTION</b>											
EN02	Introduction of unattended automatic number plate recognition CCTV parking enforcement cameras at fixed locations.	226	226	0	G	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	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	260	0	A	John Hill	The current estimates for new CPZ permit income is 170k. No estimates for PCN and P&D income have been made as we have not been advised on the hours of operation. We are also awaiting information on the increase in properties to CPZ extensions to GC, CW and MP1 zones. 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	1700	0	G	John Hill		N
E&R9	Change in on-street bay suspension pricing structure.	500	250	250	R	500	0	G	John Hill	Due to elasticity of demand shortfall of £250k expected (will be offset by E&R11)	Y
E&R10	Back office reorganisation	80	80	0	G	80	0	G	John Hill		N
E&R11	Enforcement of pavement parking	60	310	-250	G	60	0	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	14	0	G	John Hill		N
E&R13	Increase income from discretionary fees & charges	50	50	0	A	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	A	50	0	A	John Hill	The next POCA payment is at the end of September and the service manager is optimistic of receiving a larger payment linked to the disposal of foreign property assets associated with one case. Other POCA cases are in the pipeline but financial awards are subject to the judicial process and this can become a protracted business.	N

## DEPARTMENT: ENVIRONMENT &amp; REGENERATION SAVINGS PROGRESS: 2016-17

Ref	Description of Saving	2016/17 Savings Required £000	2016/17 Savings Expected £000	Shortfall	16/17 RAG	2017/18 Savings Expected £000	2017/18 Expected Shortfall £000	17/18 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Unders pend? Y/N
<b>STREET SCENE &amp; WASTE</b>											
E&R14	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	0	100	R	100	0	G	Cormac Stokes	This saving is linked to new CRM project and Environmental asset Management Business case. GPS and vehicle tracking will not be delivered this year.	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	157	0	G	Cormac Stokes		N
E&R18	Cease the distribution of food caddy liners	70	70	0	G	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	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	20	0	G	Cormac Stokes		N
E&R21	HRRC Site operations procured to external provider. Contractual savings.	30	0	30	R	30	0	A	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.	Y
E&R22	Removal of borough wide dog bins including Parks	42	42	0	G	42	0	G	Cormac Stokes		N
<b>Total Environment and Regeneration Savings 2014/15</b>		<b>4,771</b>	<b>4,204</b>	<b>567</b>							

Aug'2016								APPENDIX 7	
DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2015/16									
Ref	Description of Saving	2015/16 Savings Required £000	2015/16 Savings Achieved £000	Shortfall £000	RAG	16/17 RAG	Responsible Officer	Comments	Budget Manager Comments
	<u>Libraries</u>								
	<u>Merton Adult Education</u>			0					
CH15	Increased income and some staff reductions	14	0	14	R	R	Yvonne Tomlin		
	<u>Housing</u>			0					
	<b>Total Community &amp; Housing Department Savings for 2015/16</b>	<b>14</b>	<b>0</b>	<b>14</b>					
<b>Scrutiny Panels</b>									
	C&YP		Income - increase in current level of charges						
	HC&OP		Income - increase arising from expansion of existing service/new service						
	SC		Staffing: reduction in costs due to efficiency						
	O&SC		Staffing: reduction in costs due to deletion/reduction in service						
			Non - Staffing: reduction in costs due to efficiency						
			Non - Staffing: reduction in costs due to deletion/reduction in service						
			Procurement / Third Party arrangements - efficiency						
			Grants: Existing service funded by new grant						
			Grants: Improved Efficiency of existing service currently funded by unringfenced grant						
			Reduction in Property related costs						

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		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		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	A	John Hill	The implementation phase of the contract is under way with a start date of early July 2016.	N
<b>Total Environment and Regeneration Savings 2015/16</b>		<b>3,739</b>	<b>246</b>	<b>3,493</b>		<b>3,711</b>	<b>28</b>				

**DEPARTMENT: Corporate Services - PROGRESS ON SAVINGS 15-16**

Ref	Description of Saving	2015/16 Savings Required £000	2015/16 Savings Expected £000	Shortfall	15/16 RAG	Responsible Officer	Comments
All savings for 2015/16 achieved							

## DEPARTMENT: COMMUNITY &amp; HOUSING SAVINGS PROGRESS 2014/15

Ref	Description of Saving	2014/15 Savings Required £000	2014/15 Actuals Savings £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
<b>Adult Social Care</b>													
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

Ref	Description of Saving	2014/15 Savings Required £000	2014/15 Actuals Savings £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
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
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/ASC 49/ 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
ASC6/CH	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. This offset the planned savings. Since increased activity remains unfunded this overspend will only be recouped in 2015-16 if other savings targets are over achieved.	Y
	<b>Merton Adult Education</b> 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	
	<b>Total Community &amp; Housing Dep't Savings for 2014/15</b>	<b>1,844</b>	<b>259</b>	<b>1,585</b>	<b>259</b>	<b>1,585</b>		<b>764</b>	<b>1,080</b>				



## DEPARTMENT: CHILDREN, SCHOOLS &amp; FAMILIES 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/Under spend? Y/N
<b>Education</b>													
CSF2012-08	Introduce new models of fulfilling the council's statutory responsibilities for the provision of SEN transport	140	100	40	140	0	G	140	0	G	Jane McSherry	The full year effect of the travel training programme and the roll-out of personal budgets will result in achieving this saving. During 2015/16 £108k was saved from ITT (£63k in the current year to date) and £111k from PB (£6k in the current year to date). The overall transport budget is expected to overspend due to complexity of caseloads and increased prices. A transport board has been set up to review the various cost reduction actions being implemented.	N

## DEPARTMENT: ENVIRONMENT &amp; 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	0	100	R	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.	Y
<b>Total Environment and Regeneration Savings 2014/15</b>		<b>196</b>	<b>67</b>	<b>129</b>	<b>71</b>	<b>125</b>		<b>71</b>	<b>125</b>				

**DEPARTMENT: Corporate Services - PROGRESS ON SAVINGS 14-15**

Ref	Description of Saving	2014/15 Savings Required £000	2014/15 Savings Expected £000	Shortfall	14/15 RAG	Responsible Officer	Comments
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All savings for 2014/15 achieved

Customer & Client Receipts - £000's		2016/17							
Department	Division/Service	Total Budget	Year to Date Actual (P5)	Year to Date Budget (P5)	Year to Date Over (under) Spend	Latest Forecast	Forecast Variance	Internal Receipts Forecast	External Receipts Forecast
<b>Childrens Schools &amp; Families</b>	Schools Buy Back	-1,167	-636	-405	-231	-1,192	-25	0	-1,192
	Early Years & Childrens Centres	-1,358	-606	-566	-40	-1,284	74	0	-1,284
	Other	-282	-148	-106	-42	-316	-35	0	-316
	<b>CSF Total</b>	<b>-2,807</b>	<b>-1,390</b>	<b>-1,077</b>	<b>-313</b>	<b>-2,793</b>	<b>15</b>	<b>0</b>	<b>-2,793</b>
<b>Corporate Services</b>	Business Improvement	-114	-123	-47	-76	-282	-168	-203	-79
	Corporate Governance	-3,097	-1,367	-1,218	-148	-3,336	-239	-3,319	-18
	Customer Services	-2,268	-738	-940	203	-2,182	87	-2,072	-110
	CS Resources	-726	-303	-303	-1	-820	-94	-819	-1
	Human Resources	-560	-143	-202	58	-595	-35	-416	-178
	Infrastructure & Transactions	-2,584	-754	-1,084	330	-2,631	-47	-1,050	-1,581
	Corporate Items	0	-3	0	0	0	0	0	0
<b>CS Total</b>	<b>-9,349</b>	<b>-3,431</b>	<b>-3,794</b>	<b>366</b>	<b>-9,845</b>	<b>-496</b>	<b>-7,878</b>	<b>-1,967</b>	
<b>Environment &amp; Regeneration</b>	Street Scene & Waste	-11,388	-5,098	-4,766	-332	-11,597	-209	-9,019	-2,578
	Public Protection	-17,618	-5,590	-6,129	539	-17,871	-253	-85	-17,786
	Sustainable Communities	-10,719	-5,248	-4,801	-447	-10,643	76	-477	-10,166
	<b>E&amp;R Total</b>	<b>-39,725</b>	<b>-15,936</b>	<b>-15,696</b>	<b>-240</b>	<b>-40,111</b>	<b>-386</b>	<b>-9,581</b>	<b>-30,530</b>
<b>Community &amp; Housing</b>	Adult Social Care - Client Contribution & Other Cont	-10,157	-3,376	-3,473	97	-9,046	1,112	0	-9,046
	MAE & Libraries	-1,151	-214	-452	238	-419	732	-44	-375
	Housing	-178	-115	-73	-42	-364	-186	0	-364
	<b>C&amp;H Total</b>	<b>-11,486</b>	<b>-3,705</b>	<b>-3,998</b>	<b>293</b>	<b>-9,829</b>	<b>1,658</b>	<b>-44</b>	<b>-9,785</b>
<b>Grand Total</b>		<b>-63,368</b>	<b>-24,462</b>	<b>-24,566</b>	<b>107</b>	<b>-62,577</b>	<b>790</b>	<b>-17,503</b>	<b>-45,074</b>