

Cabinet

Date: 12 December 2016

Subject: Financial Report 2016/17 – October 2016

Lead officer: Paul Dale

Lead member: Mark Allison

Recommendations:

- A. That Cabinet note the financial reporting data relating to revenue budgetary control, showing a forecast net overspend at year end of £5.74 million, 1.09% of the gross budget.
- B. That Cabinet consider the proposals set out in 2.4 to fund this shortfall without any impact on services in the current year.
- C. That Cabinet approve the funding for the Social Care Information System for £417,750 from the revenue reserve for capital.
- D. That Cabinet note the adjustments to the Capital Programme detailed in appendix 5b and approve:

Scheme	2016/17 Budget	Virements	Revised 2016/17 Budget
-	£	£	£
B672a-f Connecting Colliers Wd (S106)	5,050	236,390	241,440
Improving Information Systems (RCCO)	328,300	177,860	506,160

Scheme	2017/18 Budget	Virements	Adjusted & New Funding
	£	£	£
Environmental Asset Management (RCCO)	81,690	168,770	250,460

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 This is the financial monitoring report for the at period 7, 31st October 2016 presented in line with the financial reporting timetable.

This financial monitoring report provides:-

- The income and expenditure at period 7 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 continues 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 7 to 31st October 2016 the year end forecast is a net £5.740m overspend (£5.695m overspend last month) compared to the current budget.

Summary Position as at 31st October 2016

	Current Budget 2016/17	Full Year Forecast (Oct)	Forecast Variance at year end (Oct)	Forecast Variance at year end (Sept)	Outturn variance 2015/16
	£000s	£000s	£000s	£000s	£000s
Department					
3A. Corporate Services	11,719	11,391	(328)	(265)	(373)
3B. Children, Schools and Families	51,068	52,554	1,487	1,749	(7)
3C. Community and Housing	56,763	65,745	8,982	8,548	940
3D. Public Health	43	44	0	(0)	(7)
3E. Environment & Regeneration	22,458	22,405	(53)	(53)	3,632
Overheads	0	0	0	0	272
NET SERVICE EXPENDITURE	142,052	152,139	10,088	9,979	4,457
3E. Corporate Items					
Impact of Capital on revenue budget	13,643	13,649	6	6	49
Central budgets	(8,935)	(12,082)	(3,147)	(3,084)	(2,846)
Levies	928	928	0	0	0
TOTAL CORPORATE PROVISIONS	5,636	2,495	(3,141)	(3,078)	(2,797)
TOTAL GENERAL FUND	147,687	154,634	6,947	6,901	1,660
FUNDING					
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)
FUNDING	(147,597)	(148,139)	(542)	(542)	(960)
Appropriation from reserves		(665)	(665)	(665)	0
NET	91	5,830	5,740	5,695	699

	Current Budget 2016/17	Full Year Forecast at (Oct)	Forecast Variance at year end (Oct)	Forecast Variance at year end (Sep)
Expenditure	£000	£000	£000	£000
Employees	93,717	95,292	1,575	2,164
Premises Related Expenditure	8,512	8,141	-371	-431
Transport Related Expenditure	14,511	15,066	556	689
Supplies and Services	168,540	167,304	-1,236	-901
Third Party Payments	89,710	101,226	11,516	10,909
Transfer Payments	104,224	96,775	-7,449	-7,652
Support Services	32,135	32,135	-0	0
Depreciation and Impairment Losses	17,637	17,637	-0	3
GROSS EXPENDITURE	528,986	533,576	4,590	4,780
Income				
Government Grants	-265,810	-257,379	8,431	7,548
Other Grants, Reimbursements and Contribs	-24,665	-27,127	-2,462	-2,447
Customer and Client Receipts	-63,462	-63,548	-86	127
Interest	-46	-15	31	31
Recharges	-32,519	-32,519	0	-0
Balances	-433	-849	-416	-305
GROSS INCOME	-386,935	-381,436	5,498	4,954
NET EXPENDITURE	142,052	152,139	10,088	9,734

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

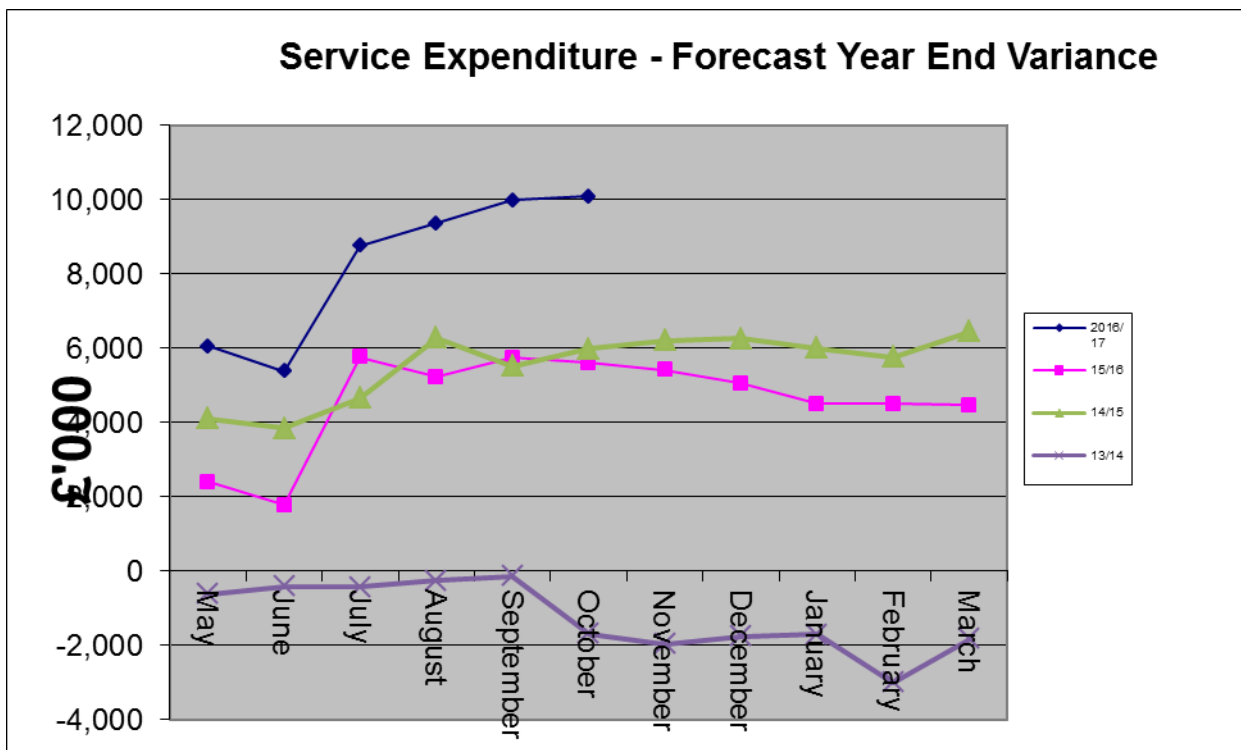
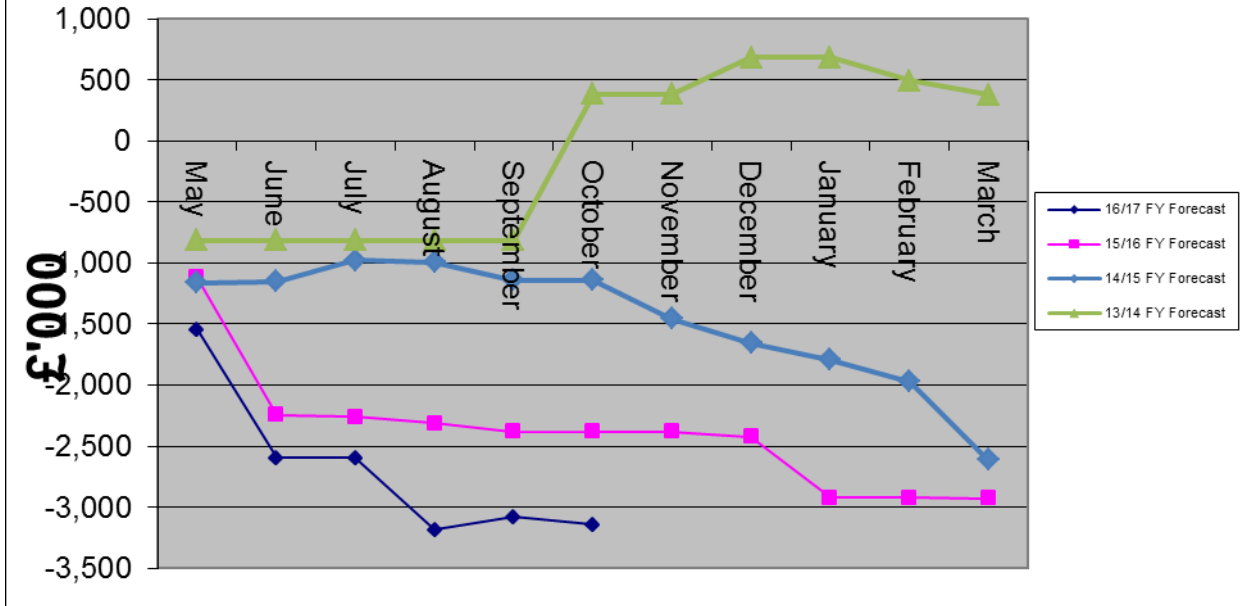


Chart 2 shows the forecast year end variance for corporate provisions with a comparison against prior years.

Corporate Provisions - Year End Forecast Variance



2.4

The overspend can be addressed as follows:

October monitoring forecast overspend	£000 5,740
Sources of funding:	
Savings Mitigation Fund	1,300
Contribution to balancing the budget reserve	2,394
General Fund balances	2,046
This reduces general fund balances to	13,105

3. DEPARTMENTAL SUMMARY OF CURRENT POSITION

Corporate Services

	2016/17 Current Budget	Full year Forecast October	Forecast variance at year end Oct	Forecast variance at year end Sept	2015/16 Outturn Variance
	£000	£000	£000	£000	£000
Business Improvement	3,280	3,089	-191	-84	-29
Infrastructure & Transactions	9,915	9,734	-181	-160	-249
Resources	6,801	6,845	44	15	-243
Human Resources	2,231	2,105	-126	-126	-55
Corporate Governance	2,663	2,477	-186	-230	-426
Customer Services	2,584	2,579	-5	-33	-479
Corporate Items including redundancy costs	981	1,298	317	353	1109
Total (controllable)	28,455	28,127	-328	-265	-372

Overview

The Corporate Services (CS) department are forecasting an underspend of £328k at year end, an increase in underspend of £63k from period 6.

Business Improvement - £191k under

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

Infrastructure & Transactions - £181k under

As reported last month a review of the capital programme was carried out to identify schemes that were not needed or non-priority works that could be completed in future year's without causing significant risk. Approx. £100k underspend relates to revenue expenditure that will not be needed in the current year as the full programme of energy invest to save capital works will not be carried out this year . This is a one-off as the capital works will be completed next year.

Resources - £44k over

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

Human Resources – £126k under

The underspend is due to unfilled posts within the new HR structure and an underspend on learning and development expenditure.

Corporate Governance - £186k under

The forecast underspend is partly due to a £52K underspend in Internal Audit, a consequence of an Audit Partnership restructure and £38k in 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 approx. £85k

Customer Services - £5k under

Customer Services' underspend has reduced by £28k from period 6. This is due to a reduction in the anticipated recovery of court cost income.

Corporate Items - £317k over

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

Estimates from Westminster Council regarding the shared coroner court service are £100k higher than budget. The cost of the overall service has increased and further information has been requested to clarify the reasons for the increase.

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 (Oct) £000	Forecast Variance at year end (Oct) £000	Forecast Variance at year end (Sept) £000	2015/16 Variance at year end £000
Public Protection	(10,962)	(11,356)	(394)	(279)	3,709
Sustainable Communities	12,334	11,919	(415)	(285)	(600)
Waste Services	15,283	15,823	540	347	187
Other	(847)	(631)	216	164	336
Total (Controllable)	15,808	15,755	(53)	(53)	3,632

Description	2016/17 Current Budget £000	Forecast Variance at year end (Oct) £000	Forecast Variance at year end (Sept) £000	2015/16 Variance at year end £000
Overachievement of Customer & Client Receipts within Parking Services	(17,194)	(505)	(263)	3,281
Employee overspend within Parking Services	3,343	75	12	(71)
Other small over and underspends	2,889	36	(28)	499
Total for Public Protection	(10,962)	(394)	(279)	3,709
Overachievement of rental income within Property Management	(4,090)	(423)	(248)	(430)
Employee overspend within Greenspaces	2,271	83	67	80
Underachievement of Customer & Client Receipts within Greenspaces	(2,053)	235	231	278
Overachievement of Grants & Contributions within Greenspaces	(153)	(111)	(115)	(14)
Overachievement of Customer & Client Receipts within D&BC	(1,973)	(165)	(124)	14
Underspend within Senior Management & Support	972	(93)	(93)	(149)
Other small over and underspends	(7,308)	59	(3)	(379)
Total for Sustainable Communities	12,334	(415)	(285)	(600)
Employee overspend within Waste Services	7,594	345	163	213
Overspend on 3 rd party payments within Waste Services	6,756	407	437	346
Overspend on Transport related costs within Waste Services	1,938	161	142	(146)
Overachievement of Customer & Client Receipts within Waste Services	(2,348)	(153)	(166)	(164)
Overspend within Transport Services	(847)	216	164	336
Other small over and underspends	1,343	(220)	(229)	(62)
Total for Street Scene & Waste	14,436	756	511	523
Total Excluding Overheads	15,808	(53)	(53)	3,632

Overview

The department is currently forecasting a slight underspend of £53k at year end. The main areas of variance are Parking Services, Property Management, Greenspaces, Development & Building Control, Waste Services, and Transport Services.

Pressures

Public Protection

Parking & CCTV Services – forecasting a total £315k underspend

The section is forecasting to overachieve on its customer and client receipts by £505k, mainly as a result of an over-recovery in most areas of on-street/ permit / bay suspension revenue (£443k), and off-street parking income (£266k). 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.

The physical installation of the ANPR cameras across the borough is now complete. However, the contractor has needed to carry out several upgrades of the ANPR camera software with further fine tuning of each camera throughout October 2016, because of initial technical difficulties with data received from some of the cameras. As a result, the ANPR data received for July, August and September will not be truly representative and a more accurate forecast should be complete in the forecast based on November data.

Sustainable Communities

Property Management – forecasting a total £349k underspend

The main reason for the forecast underspend is as a result of exceeding their commercial rental income expectations by £423k mainly due to conducting the back log of rent reviews in line with the tenancy agreements.

Greenspaces – forecasting a total £203k overspend

The forecast employee overspend of £83k 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 £235k, which is a result of an underachievement of sports income (£90k), a delay to the implementation of saving E&R26 i.e. P&D within certain parks (£48k), 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£33k 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 Supplies & Services (£24k), and Grants & Contributions (£111k).

Development & Building Control – forecasting a total £163k underspend

An underspend of £105k is being forecast mainly due to an overachievement of customer & client receipts of £165k, which is mainly attributable to planning application fees.

Street Scene & Waste

Waste Services – forecasting a total £540k overspend

The section is forecasting an employee related overspend of £345k 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 3rd party payments of £407k mainly relates to waste disposal costs. A major contributing factor to this is the reduction of food waste which has fallen by 5.5%. This is being disposed/ treated as landfill waste, and as such is subject to a higher gate fee. In addition to this, Garden waste has increased by 8.7% 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 (£106k), Grants & Contributions (£102k), and Customer & Client Receipts (£153k).

Transport Services – forecasting a total £216k 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

Children, Schools and Families	2016/17 Current Budget £000	Full year Forecast (Oct) £000	Forecast Variance at year end (Oct) £000	Forecast Variance at year end (Sep) £000	2015/16 Variance at year end £000
Commissioning, Strategy and Performance	8,092	9,616	1,524	1,571	677
Education	16,278	16,339	61	254	34
Social Care and Youth Inclusion	11,865	12,474	609	631	309
Public Health contribution	0	0	0	0	(328)
PFI	7,799	7,292	(507)	(507)	(368)
Redundancy costs	2,077	1,877	(200)	(200)	(331)
Total (controllable)	46,111	47,598	1,487	1,749	(7)

Overview

At the end of October Children Schools and Families had a forecast overspend of £1.487m 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	Oct £000	Sep £000	2015/16 £000
Fostering and residential placements (ART)	5,056	365	421	377
Supported lodgings/housing	634	1,127	1,084	546
Un-accompanied asylum seeking children (UASC)	60	517	519	308
Procurement & School organisation	550	(337)	(337)	(276)
Other small over and underspends	1,792	(148)	(116)	(278)
Subtotal Commissioning, Strategy and Performance	8,092	1,524	1,571	677
SEN Transport	3,785	247	421	374
Staffing underspends across Early Years services	2,873	(250)	(250)	(315)
Children's Centre programme funding	90	(120)	(120)	0
Children with disabilities team (CWD) staffing	541	57	57	8
Other small over and underspends	8,989	127	146	(33)
Subtotal Education	16,278	61	254	34
No Recourse to Public Funds (NRPF)	20	436	436	470
Social Work staffing	3,075	354	377	151
CAMHS	306	(62)	(62)	(133)
Other small over and underspends	8,464	(119)	(120)	(179)
Subtotal Children's Social Care and Youth Inclusion	11,865	609	631	309

Commissioning, Strategy and Performance Division

While the numbers of Looked After Children (LAC) remain relatively stable, the complexity of a significant proportion of cases is causing 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	
			Oct £000	Sep £000	Oct Nr	Sep Nr
Residential Placements	2,127	2,368	241	481	16	22
Independent Agency Fostering	1,762	1,778	16	(42)	43	41
In-house Fostering	905	1,114	209	167	47	46
Secure accommodation*	164	6	(158)	(142)	0	0
Mother and baby	98	155	57	(43)	1	1
Total	5,056	5,421	365	421	102	110

*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 decreased by £240k from last month. This is mainly due to projections that 7 young people are expected to move into less expensive placements during this financial year.
- The forecast spend for agency fostering placements has increased by £58k from last month. Four new children were placed. Two children transferred from IFA into in house making a net increase of 2 placements. The increase in cost is also due to the projection of 3 young people moving into IFA placements from residential during this financial year.
- The forecast spend on in-house foster carers increased by £42k from last month. This is due to two children moving from IFA into in house. There was an additional child counted as a one off in the September figures due to a payment agreed via the Ombudsman.
- We are anticipating overspending on the Mother and Baby placement budget by £57k. This is due to additional cases expected between November 2016 and the end of the financial year as a result of pre-assessment requirements as part of court proceedings.

The budget for semi-independent and supported lodgings/housing placements is estimated to overspend by £1,127k. This budget is used to finance an increased number of placements for young people aged 16/17 and above. These are for young people who 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 statutory duties. There are currently 59 semi-independent placements. There were 35 at the end of 2014/15. Since 2014/15 average weekly cost has reduced by £100.

The UASC supported lodgings/housing placements are expected to overspend by £517k this year due to an increase in cases in recent years with no corresponding growth in budget. At the end of October there were 27 placements with more young people turning 18 later during the year, although these increased costs have been included in the October forecast.

Procurement and school organisation budgets are expected to underspend by £337k 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 £148k underspend. These combine with the items described above to arrive at the total reported divisional overspend of £1,524k.

Education Division

SEN and FE transport cost are expected to overspend by £247k, £174k less than the forecast last month. This forecast is calculated using a case-by-case costs model and is reviewed monthly. The number of children using taxis reduced by 38 at the end of July (the 2015/16 academic year), and increased by 34 in September (2016/17 academic year). This reduction in forecast is also due to the action undertaken by the team to date, including higher take-up of direct payments which is cheaper than taxi transport. 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 further the current levels of overspend.

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.

£120k of accumulated grant funding (which was originally ring-fenced), but which is now able to be used across children services and has been identified as a once-off contribution towards overspends.

The CWD team staffing costs is expected to overspend by £57k. 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 two quarters an adjustment of £54k 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 £127k overspend. These combine with the item described above to arrive at the total reported divisional overspend of £61k.

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. More work is being done to have a more accurate forecast figure for next month.

The Central Social Work, MASH and First Response team's staffing costs is expected to overspend by £354k. 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 two quarter an adjustment of £175k 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. Following a review of the MASH we have had to change staffing structures to strengthen management oversight given the complexity and volume of current cases. We are partially offsetting the additional cost through keeping vacancies elsewhere in CSF and will keep this under review as we complete the restructure of the department. Budgets will be realigned next year to ensure MASH and First Response staffing structure is fully funded.

The Children and Adolescent Mental Health Service (CAMHS) is expected to underspend by £62k due to vacancies.

There are various other small over and underspends forecast across the division netting to a £119k underspend. These combine with the item described above to arrive at the total reported divisional overspend of £609k.

Dedicated Schools Grant

DSG funded services is forecast to overspend by £416k. 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 underspend by £239k. This is our best estimate at the moment with the information available as we are still awaiting confirmation on one placement. There is one case currently under review which could result in cost transferring to the general fund under Adult Social Care.

Independent Day School provision is estimated to overspend by £616k. This is in the main due to an increase of 21 placements from the new academic year which started in September.

Payment for Merton pupils that receive education in other boroughs is expected to overspend by £241k in the current financial year.

There are various other smaller over and underspends forecast across the DSG netting to a £202k underspend which, combined with the items above, equates to the net overspend of £416k.

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 £593k. The table below highlights the estimated overspends relating to these duties:

Description	Budget £000	Oct overspend forecast £000	Sep overspend forecast £000
Supported lodgings/housing	634	1,127	1,084
Un-accompanied asylum seeking children (UASC)	60	517	519
No Recourse to Public Funds (NRPF)	20	436	436
Total	714	2,080	2,039

Staffing

The number of Comensura agency social workers used in the second quarter continued to reduce. At 35 (26.6 WTE) in September 2016 this is a reduction of 17 from Sept 2015 (52/40 WTE). Expenditure on agency has also reduced by £178k from the same period last year moving from £671,541 in 2015 to £492,548 in 2016.

85% of agency workers are covering vacant posts, 9% long term absences such as maternity leave or secondments and 6% are above establishment to respond to volume pressures.

The number of leavers increased this quarter but in part reflected planned departures like career breaks, retirement etc. Although turnover has risen (due to reasons above) Merton's % remain in line or lower than the outer London averages of 26% turnover and 29% vacancy rate.

Key areas for recruitment continue to be MASH and First Response and CWD. A new 4 team/rota has been recently established in MASH/First Response. 6 NQSWs are due to start in October. Recruitment and retention (R&R) initiatives and our recruitment action plan continue.

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 commissioned an independent analysis of our residential and semi-independent expenditure to establish what further action we can take to reduce cost whilst meeting the needs of our young people.

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. We currently have 32 personal budgets. This equates to a £231k annual saving compared to what the cost would be if these clients were transported by taxi. In addition 8 young people have been through the independent travel training programme this year providing an on-going cost reduction of £69k. 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 is expected to be implemented by December and should provide some taxi cost reductions.

We are also piloting initiatives to provide more cost effective answers to our statutory duties with a growing population.

The clienting of bus and taxi provision will transfer to CSF on the 1st April 2017.

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 is forecasting an over spend of £8.9m as at October 2016. Which is apportioned as follows:-

Adult Social Care over spend is £8.1m and Housing, Libraries and Merton Adult Education £858k.

Please note that this forecast has been reduced by £500k over commitment on homecare still to be verified and anticipated other placement savings of £556k.

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. The Month 6 report had a summary of the key elements of the action plan: this month's report shows progress on some key issues since then.

The work to date shows that the over spend has a number of elements to it. A significant part is the gross underlying over spend in the Adult Services placements budget of £3.2m brought forward from 2015/16. 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 under spending 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 £70k adverse movement in October in the housing forecast due to temporary accommodation. After further investigations it has been confirmed that Merton Adult Education will overspend by £532 due to unachievable income.

The underlying pressure is a mixture of savings not achieved in 2014/15 due a change in market conditions, subsequent increases in provider prices, increasing complexity of required support packages, and a shortfall in income in 2015/16. Further information on price pressures and income shortfalls are set out below.

Community and Housing	2016/17 Current Budget £000	Full Year Forecast (Oct) £000	Forecast Variance (Oct) £000	Forecast Variance (Sept) £000	2015/16 Variance @ year end £000
Access and Assessment	37,241	45,868**	8,627	8,207	3,259
Commissioning	4,225	4,056	(169)	(117)	(50)
Direct Provision	5,753	5,737	(16)	(19)	(197)
Directorate	815	497	(316)	(310)	(17)
Care Act Implementation Expenditure	0	0	0	0	(1,230)
Contribution from Public Health	0	0	0	0	(328)
Adult Social Care	48,034	56,159	8,124	7,761	1,437
Libraries and Heritage	2,217	2,054	(163)	(167)	(176)
Merton Adult Education	(238)	294	532	543	218
Merton Adult Education-Commissioning Model	0	0	0	(8)	0
Housing General Fund	2,052	2,541	489	419	(538)
Total	52,065	61,048	8,983	8,548	940

Access and Assessment - £8.6m over-spend

Access and Assessment	Variance (Oct'16) £000	Variance (Sept'16) £'000	2015/16 Variance @ Year end £000
Gross Placements overspend	7,070	6,666	3,146
Other A&A Over-spends/(underspend)	693	693	(526)
Sub-total Net over-spend	7,763	7,359	2,620
Under/(Over-achievement) of income	864	848	639
Total A&A Forecast over-spend	8,627	8,207	3,259

The main movement in the placement spend forecast is as a result of tasks undertaken as part of the budget action plan to verify placement forecasts. This has identified an understatement of unplanned respite and discretionary payments, which has now been rectified.

Movement in P7 budget monitoring

The main movement in the Adult Social care budget is in the placements budget. The table below summarises the main movements. There was an underlying reduction in placement activity of £212k. However, this was offset by several manual adjustments as set out below:

Access & Assessment	£000
Period 6 commitment	£45,448
Increase/(decrease) in commitments	-£212
Respite	£149
Discretionary & one-off payments	£122
Reduction in review savings	£344
Other changes	£17
Period 7 commitment	£45,868**

Respite £149k

As part of the work to review processes and quality assure placement data, an issue has been uncovered whereby ad hoc and emergency respite provision does not appear to be fully reflected in the placements forecast. Block purchased and planned respite is captured through Care First. However, there are always some respite spend that falls outside of this, which requires a manual adjustment to the monthly budget monitoring. This has not been done systematically since the end of last year. A prudent estimate of spend to year end has therefore been added based on the difference between period 7 and year end in previous years.

Discretionary & one-off payments £122k

A range of one off expenditure is in this category. Typically it is compensation payments, reimbursement of charges and small one off costs, such as deep cleans and locksmiths when we require the police to gain entry. These one-off charges typically relate to mental health and older people's mental health services. A review of these codes revealed two issues:

- Miscoding of £30k of long term MH care
- Understatement of costs to the year-end of £92k.
-

Reduction in review savings

The gross overspend has been reduced by £1.4m so far this year. £500k relates to the usual over statement of Home Care commitments. Further work is going on to evidence this, but this still looks prudent.

£900k related to further savings anticipated in the year from reviews. As savings are achieved and the time left to achieve further savings is reduced, this adjustment needs to be reduced. This is a prudent reduction whilst further work continues to establish packages of care with potential for review reductions.

Adult Social Care

Placement Activity

The table below details the current number of clients and care packages numbers as at October 2016. Care packages have decreased by 35 between September and October without a substantive reduction in cost as the majority of reductions were of deceased clients with small packages.

Activity Data	Care Packages (No's) Oct'16		Care Packages (No's) Sept'16	Clients (No's) Oct'16		Clients (No's) Sept'16	Total Commitment Oct'16 £'000
Service Areas							
Mental Health	152	↑	151	135	↑	134	£2,296,085
Physical & Sensory	326	↓	333	241	↓	245	£5,156,641
Learning Disabilities	429	↑	397	346	↑	323	£13,830,737
Older People	1,605	↓	1,663	1,147	↓	1,177	£22,527,605
Substance Misuse	5	↔	5	5	↔	5	£251,493
No Recourse to Public Funds	15	↔	17	11	↔	11	£285,545
LBM- In-house	131	↓	132	59	↓	66	£107,886
Total	2,663	↓	2,698	1,944	↓	1,961	£44,455,992
Net Decrease	(35)			(17)			

Whilst the number of clients has declined due to the continued action to gate-keep entry into long term services, the amount of care provided and the price of care has increased. This is a reflection of the increasing complexity of care needs, which results in larger packages of care, and changes in the care market where providers are much less willing to accept less than market rates for care. These market rates are in turn a factor of actual costs and of demand for care exceeding supply

The main movement in the placement spend forecast is as a result of tasks undertaken as part of the budget action plan to verify placement forecasts. This has identified an understatement of unplanned respite and one-off payments, which has now been rectified.

Challenges of Adult Social Care in 2016.17:-

Access and Assessment

The main pressures are set out below.

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. (See table below). Whilst the number of Home Care hours stabilised in 2015/16, this was the net effect of increasing package sizes and the impact of reviews in reducing existing packages of care. In 2016/17 the number of care hours has risen significantly.

Table below was included in papers to LSG in September but was not seen by CMT and it is an analysis of homecare hours to ascertain the percentage hours given to clients that require more than one carer.

External Homecare Hours	2013-14	2014-15	2015-16	2016-17 (Projected)*
Actual hours	449,485	495,532	487,228	611,094
Double-up hours	121,274	151,229	165,512	198,638
Percentage of Double-up	26.98%	30.52%	33.97%	32.51%

* 2016/17 is based on September 2016 placements data

One factor of this increasing complexity is that a growing number of older people require two carers to move them, particularly when leaving hospital, which is reflected in the steady growth in the percentage of double-up packages. These packages are often first assessed for whilst people are in hospital, and reflect the assessed risks associated with moving and handling. The department is focussing occupational therapy time to review cases where double ups are indicated to ensure that appropriate equipment or adjustments to the home setting are put in place.

More generally as older people, in particular, are being discharged from hospital earlier, they have had less opportunity to recuperate and receive input such as physiotherapy to recover confidence and mobility. This can be exacerbated by changes in medication on discharge and the confusion inherent in moving vulnerable people between home and hospital. The Hospital to Home team was identified in the recent restructure as the key team to manage these challenges along the re-ablement and brokerage services, and work continues to optimise the team's input.

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.

Recent comparator data indicates that Merton has been paying less than the average for south west London when placing people in care homes. For example, an analysis of 2015/16 data shows that Merton paid an average of £502 and £636 per week for older peoples residential and nursing care, compared to ££561 and £690 per week paid by comparator authorities. However, this position has proved difficult to sustain, with residential care providers in particular seeking to make up for several years of nil or below inflation increases. As reported in the press recently, even not for profit providers are considering moving the focus of their business away from local authority business and are increasingly demanding commercial rates.

As a consequence and to secure an adequate supply a number of uplifts have been 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 or the result of fixed price contracts coming to an end. 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.

Given capacity shortfalls in key areas of the care home market, providers are now more able to demand higher fees from Merton. This is being mitigated by the work of the brokerage team which consistently looks for care within the capped rates they are given to negotiate with, minimising voids in any remaining block contracts, and looking for any possible advantageous new block contracts even for short periods of time.

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.

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. Work is on-going with the South West London authorities and health to try to improve market leverage, particularly in residential care through joint working.

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 £556k is forecast at this stage to be achieved. These savings will largely be achieved through reviews of existing packages of care and a more robust scrutiny of packages being agreed through a formal sign off process. The budget is also bearing the on-going pressure of £834k of savings not achieved in 2014/15. Savings are removed from the budget at the start of the year, thus savings not achieved create an on-going budget gap.

Learning Disabilities Rising 18, School and College Leavers - Transitions

The service has estimated Transitions costs for 2016/17 of £657k. To date £374k are active commitments with an additional £283k expected by March 2017.

The Transitions Board has been re-established which will be responsible for overseeing practice and managing the pipeline of transitions cases into the future enabling better planning.

Income

Adult Services receives income from two main sources: the NHS via the Better Care Fund and some contributions to individual packages involving healthcare, and via client contributions to care. Contributions from health have been maintained at a relatively stable level to date.

Client contributions are subject to two main regimes: Fairer Charging for care at home and in the community and Charging for Residential Accommodation Guidance. There is also further guidance around the non-chargeability for some re-ablement and section 117 mental health's after care, as well as the right to request to defer payments for residential care where the service user is a home owner. In broad terms, the main tenets of the regimes are that charges must relate to actual costs of care and that people must be assessed for their ability to contribute towards the costs of their care based on published criteria.

The reduction in income is partly due to delays in financial assessments caused by the upheaval of the re-structure. Action has been taken to stabilise the re-enforce the team, and progress is being made to reduce the backlog of work. However, this only explains some of the additional shortfall this year. It is clear from a review of last year's data that there are a growing number of people assessed as not being required to contribute to their care. Further work is required to fully understand this trend, but it is a trend reported by other authorities. It may be, at least in part, due to greater awareness of charging for care and families hiding or transferring savings and assets before assessment.

It is clear from a review of last year's data that there are a growing number of people assessed as not being required to contribute to their care. Further work is required to fully understand this trend, but it is a trend reported by other authorities. It may be, at least in part, due to greater awareness of charging for care and families transferring savings and assets before assessment. It may also be due to the switch from residential to home care when the value of properties can no longer be taken into account.

Deprivation of Liberty Assessment (Dolls) (Cheshire West judgement)

Management action has been taken to prioritise the assessments to be completed in the current financial year in order to reduce overspend on this budget line. The financial pressure has been caused by a significant growth in demand as well as the cessation of the government grant initially provided to respond to the legislative changes. . Adult Safeguarding is currently forecasting an over spend of £117k which is a reduction on £11k from amount forecasted in September 2016.

Commissioning- £169 under-spend

In the Commissioning Service underspend has increased by £51k. Underspend is forecasted on staffing, and the transfer of miscoded expenditure to Capital.

Direct Provision - £17k under-spend

Under spend has reduced by £2k since September due to the reduction in client forecasted income contribution at High-path.

Libraries- £163k 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 for 16/17 academic year. However a few schools are currently trialling the service so there is a possibility that income may increase but the service has to consider the long term sustainability of this service. There is also an increase in utilities expenditure at the Wimbledon library.

Merton Adult Education - £532K over-spend

Merton Adult Education (MAE) has moved to a commissioning model; with go live from 1st September 2016.

This overspend is based on the final 4 months of the old service and the increased expenditure costs that were unable to be offset by income collection as no fees were being collected for 2016/17 courses. The service is currently looking at possible solutions to reduce current overspend.

The new commissioning model is forecasting to breakeven in 2016/17.

Housing - £ 489k over-spend

The Housing service is forecasting an over spend of £489k in October which is an increase of £70k from September. This is due to an increase in the forecasted expenditure on temporary accommodation of £15K, and £53k on non repayable rent deposits.

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 £901k in October resulting in a net forecast increase in costs to housing of £510k

Action plan to address challenges

The last budget monitoring report summarised the actions being taken. A brief update is provided below.

Home care:

- Fee levels continue to be contained this year.
- Shared Lives is developing a respite offer for people with learning disability as an alternative to residential care.

Direct Payments:

- The claw-back of unused funds has doubled and is now back on track to its expected level.

Income:

- The backlog of financial assessments continues to come down.
- A focussed piece of work on reclaiming income from health is in progress.
- A graduate secondee is developing a business case for expanding MASCOT income.

Process:

- The hospital discharge process is being reviewed with St George's.
- Plans are in place to co-locate social care and community health brokers.

Staffing:

- Agency staff spend continues to reduce, and is 10 lower than in June.

Public Health

Public Health is expected to currently forecasting a breakeven position as at October 2016.

Public Health	2016/17 Current Budget £000	Full year forecast (Sept) £000	Forecast Variance (Oct) £000	Forecast Variance (Sept) £000	2015/16 Variance @ Yearend £000
PH - Directorate	558	516	(42)	0	(116)
PH - Admin	26	21	(5)	(5)	0
PH-Contraception	748	748	0	0	(41)
PH - GUM	2,136	2,086	(50)	0	(27)
PH-Sexual Health Advice	137	121	(16)	(12)	(9)
PH-NHS Health check	493	563	70	(3)	(78)
PH-Falls Prevention	57	57	0	(57)	0
PH - Obesity	415	415	0	0	(200)
PH - Projects	10	0	(10)	0	0
PH - Smoking	0	0	0	0	(16)
PH-Substance Misuse	1,846	1,653	(193)	51	(32)
PH-School Nursing	752	1,028	276	0	(16)
PH-Infectious Diseases	0	0	0	0	(10)
PH - Determinants	338	386	48	(42)	(83)
PH-Community	0	0	0	0	(1)
PH-New Investments	20	9	(11)	0	2
PH-Health Visiting	3,338	3,214	(124)	0	(15)
Sub-Total Public Health	10,875	10,817	(58)	(69)	(642)
PH - Main Grant	(8,046)	(7,973)	73	114	642
PH-Health Visiting Grant	(2,952)	(2,967)	(15)	0	0
Grand Total	(123)	(123)	0	0	0

The £11k change in total expenditure between September and October is largely driven by £133k new forecast for Childhood Obesity and Digital Mental Health costs and £28k net increase on staff costs. These are directly offset by £50k reduction in the GUM Contract, £25k in PH Supplies and Services forecast, £32k additional income, and by £43k reduction in the Substance Misuse commitment.

Corporate Items

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

Corporate Items	Current Budget 2016/17 £000s	Full Year Forecast (Oct.) £000s	Forecast Variance at year end (Oct.) £000s	Forecast Variance at year end (Sept.) £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
Impact of Capital on revenue budget	13,643	13,649	6	6	49
Investment Income	(739)	(1,160)	(421)	(421)	(613)
Pension Fund	5,232	4,982	(250)	(500)	(616)
Pay and Price Inflation	739	220	(519)	(432)	(654)
Contingencies and provisions	4,286	2,479	(1,807)	(1,631)	(2,716)
Income Items	(948)	(1,098)	(150)	(100)	(667)
Appropriations/Transfers	132	132	0	0	1,727
Central Items	8,703	5,555	(3,147)	(3,084)	(3,539)
Levies	928	928	0	0	0
Depreciation and Impairment	(17,638)	(17,638)	0	0	0
TOTAL CORPORATE PROVISIONS	5,636	2,495	(3,141)	(3,078)	(3,491)

There have been a number of changes since September:-

- There has been an increase in the level of early redundancies than previously anticipated. It is proposed to carry out a review of this budget head to ensure that the full cost implications and the budgets they should be met from are identified before decisions are taken;
- a virement of £12,810 to Children, Schools and Families from the provision for inflation is proposed to reflect a small variance in the amount required for the pay award for Teachers/Soulbury;
- it is anticipated that none of the provision for loss of income from the P3/P4 site will be required in 2016/17 enabling a further £100k to be released and will be used to offset against the projected budget overspend;
- a £76k budget for adjustments to the transport charges will not be required and will be used to offset against the projected budget overspend;
- With respect to income items, it is anticipated that the forecast underspend in specific and special grants/overheads in non general fund budgets can be increased by £50k.

There are no further changes proposed at this stage but with respect to appropriations to/from reserves, there are two areas currently being reviewed, the Savings Mitigation Fund £1.3m and the proposed contribution to the Reserve for Use in Future Years' Budgets £2.4m, which could be used to offset the overspend before the need to reduce General Fund balances.

The delayed implementation of the Social care information system has resulted in further funding requirements. The additional amount required in 2016/17 of £418k will be funded from the revenue reserve for capital.

4. CAPITAL PROGRAMME 2016-20

4.1 The Table below shows the movement in the 2016/20 corporate capital programme since the September monitoring report elsewhere on this agenda:

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	2,030	0	2,030	1,255	0	1,255	629	0	629	280	0	280
CS	9,679	(583)	9,096	6,506	516	7,022	2,852	0	2,852	2,530	0	2,530
CSF	14,276	(880)	13,396	16,155	880	17,035	11,900	0	11,900	9,934	0	9,934
E&R	17,601	(2,863)	14,738	20,408	(2,572)	17,836	15,294	5,580	20,873	4,437	8	4,445
TOTAL	43,586	(4,325)	39,261	44,324	(1,176)	43,148	30,675	5,580	36,254	17,181	8	17,189

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

Merton Summary Capital Report - October 2016 Monitoring

Department	Revised Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance
Community and Housing	2,029,650	278,727	649,670	(370,943)	1,486,480	(543,170)
Corporate Services	9,096,680	1,155,056	2,032,315	(877,259)	5,885,502	(3,211,178)
Children Schools and Families	13,396,210	3,144,128	3,790,849	(646,720)	13,291,748	(104,462)
Environment and Regeneration	14,738,290	7,201,110	6,724,519	476,591	14,702,729	(35,561)
Total Capital	39,260,830	11,779,021	13,197,353	(1,418,331)	35,366,459	(3,894,371)

- a) Community and Housing – The projected £543k underspend is on one scheme – Disabled Facilities Grants (DFG). Officers are currently projecting the maximum projected spend £500k on the scheme. The flexibility in relation to the use of DFG funding is currently being explored
- b) Corporate Services – The projected underspend is caused by two major corporate schemes which are the Acquisition Fund £1,372k (the projected spend added is in respect of Stamp Duty on an Operating Lease for homeless provision) and the Bidding Fund £1,839k. The following five schemes have been adjusted:
 - i) An additional £220,990 budget has been added to the Environmental Asset Management Scheme (EAMS) £52,220 from a virement from the Mobile Working Budget in E&R in 2016/17 and £168,770 to be funded from the in-year provision from the revenue reserve for capital (2016/17) Budget. The budget has then been re-profiled in accordance with projected spend
 - ii) The £40k budget for Planning and Public Protection has been re-profiled into 2017/18
 - iii) £400k from Energy Utility Invest to Save schemes has been relinquished as suitable schemes to spend the budget this year have not been identified.
 - iv) £66k has been removed from the Capital Budget for the implementation of the new social care system and the funding has been redistributed to other capital projects.
 - v) £178k has been added to the budget for Improving Financial System, it is envisaged that this budget will be spent in 2016/17. The additional funding will be drawn from the revenue reserve for capital

All other schemes are projecting a full spend at year end in 2016/17.

- c) Environment and Regeneration – Officers are currently projecting that two schemes will underspend £15k on Replacement of Fleet Vehicles and £20k on Change of £1 coinage in P&D Machines.

Eight schemes are being adjusted as part of October monitoring:

- vi) £73k has been removed from the programme for the Living Wandle scheme as the quotes received from contractors to undertake this work are too expensive so the project will not be progressed.
 - vii) £2.8 million is being re-profiled from 23016/17 for Morden Leisure Centre. The bulk (£2.6 million) of the re-profiled budget is being re-profiled into 2017/18, with small sums added to 2018-20
 - viii) £48k is being vired from the Mobile Working Scheme into EAMS
 - ix) £46k will be added to the Leisure centre Plant and Machinery for Installation on CHP units funded by Section 106 Funding Reference 625a/4&5. In addition £15k is being re-profiled into 2017/18 for work being undertaken at Canons.
 - x) £236k has been added to the Section 106 scheme for Connecting Colliers Wood (B672a-f), this scheme will require Cabinet Approval
 - xi) £4k has been returned to TfL from the Projected Slippage Budget
 - xii) £4k has been re-profiled from 2017/18 from the Industrial Estate Investment Budget to match expenditure patterns.
 - xiii) Finally £5.344 million of the £6.745 million of SLWP Budget is being re-profiled from 2017/18 to 2018/19 to match expected expenditure patterns as per the approval at Council.
- d) Children, Schools and Families – Officers are currently projecting a £104k underspend on the School Equipment Loans. The budgets for 8 schools have been re-profiled to reflect projected spending patterns to year end following a review of all CSF Schemes. Finally one virement from Hatfield Primary (SEN Schemes) to Perseid (£30k) is being progressed.

4.3 Appendix 5b details the adjustments being made to the Capital Programme this month. The following adjustment will require Cabinet approval:

Scheme	2016/17 Budget	Virements	Revised 2016/17 Budget
-	£	£	£
B672a-f Connecting Colliers Wd (S106)	5,050	236,390	241,440
Improving Information Systems (RCCO)	328,300	177,860	506,160

Scheme	2017/18 Budget	Virements	Adjusted & New Funding
	£	£	£
Environmental Asset Management (RCCO)	81,690	168,770	250,460

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)	(200)	2,030
Corporate Services	7,565	4,065	(1,267)	341	(150)	(1,457)	9,097
Children Schools & Families	13,998	141	(239)	368	224	(1,096)	13,396
Environment and Regeneration	15,658	2,176	(73)	385	396	(3,804)	14,738
Total	39,295	6,653	(1,579)	1,094	355	(6,557)	39,261

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

Depts.	Spend To October 2012	Spend To October 2013	Spend To October 2014	Spend To October 2015	Spend To October 2016	Variance 2012 to 2016	Variance 2013 to 2016	Variance 2014 to 2016	Variance 2015 to 2016
C&H	426	832	281	397	279	(148)	(553)	(2)	(119)
CS	1,179	1,756	645	547	1,155	(24)	(601)	510	608
CSF	18,752	5,448	10,191	9,097	3,144	(15,607)	(2,304)	(7,046)	(5,953)
E&R	5,144	4,881	2,174	3,470	7,201	2,057	2,320	5,027	3,731
Total Capital	25,501	12,917	13,290	13,511	11,779	(13,722)	(1,138)	(1,511)	(1,732)

Outturn £000s	40,487	31,564	36,869	29,327	
Budget £000s					39,261
Projected Spend September 2016 £000s					35,366
Percentage Spend to Budget					30.00%
% Spend to Outturn/Projection	62.98%	40.92%	36.05%	46.07%	33.31%
Monthly Spend to Achieve Projected Outturn £					4,717

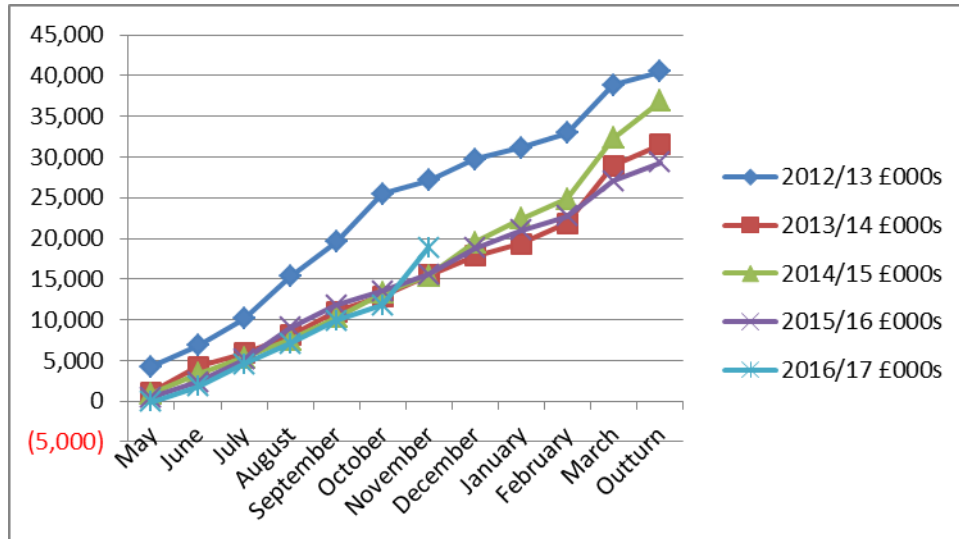
4.6 October is seven months into the financial year; overall departments have spent less of their budget than compared to previous financial years. During November expenditure to purchase one of the sites for the new secondary school will boost expenditure significantly. The table below shows that officers spent just over £1.9 million in October 2016.

Spend During October 2016

Department	Spend To September 2016 £000s	Spend To October 2016 £000s	Increase £000s
C&H	215	279	64
CS	916	1,155	239
CSF	2,811	3,144	333
E&R	5,930	7,214	1,284
Total Capital	9,873	11,792	1,919

4.7 The table below summarises the capital spend patterns for the financial years from 2012/13. Utilising this spend information officers project that outturn will be circa £32.5 million (or approximately £32 to £33 million).

Spend Data from 2012/13 to Present



4.8 The accumulation of budget manager returns above shows a projected outturn of £35 million. The financial funding model will utilise this information to improve the accuracy of outturn projections and the funding required. This information will then be utilised by the medium term financial strategy, the Capital Strategy and the Treasury Strategy.

5. DELIVERY OF SAVINGS FOR 2016/17

5.1

Department	Target Savings 2016/17	Projected Savings 2016/17	Period 7 Forecast Shortfall	Period 7 Forecast Shortfall	Period 6 Forecast Shortfall	Period 6 Forecast Shortfall
	£000's	£000's	£000's	%	£000's	%
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	3,700	1,679	31.2%	1,837	34.2%
Environment and Regeneration	4,771	4,126	645	13.5%	567	11.9%
Total	14,657	12,045	2,612	17.8%	2,692	18.4%

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

Progress on savings 2015/16

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

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

Progress on savings 2014/15

Department	Target Savings 2014/15	2014/15 shortfall	2015/16 shortfall	2016/17 projected shortfall
	£000's	£000's	£000's	%
Corporate Services	1,650	0	0	0
Children Schools and Families	860	40	0	0
Community and Housing	2,465	1,339	1,339	834
Environment and Regeneration	3,338	129	125	125
Total	8,313	1,508	1,464	959

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

14. BACKGROUND PAPERS

14.1 Budgetary Control files held in the Corporate Services department.

15. REPORT AUTHOR

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

APPENDIX 1

	Original Budget 2016/17	Current Budget 2016/17	Year to Date Budget (Oct)	Year to Date Actual (Oct)	Full Year Forecast (Oct)	Forecast Variance at year end (Oct)	Forecast Variance at year end (Sept.)	Outturn Variance 2015/16
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000
Department	-	-	-	-	-	-	-	-
3A. Corporate Services	11,357	11,719	16,280	16,116	11,391	(328)	(265)	-373
3B. Children, Schools and Families	50,183	51,068	17,578	18,227	52,554	1,487	1,749	-7
3C. Community and Housing	-	-	-	-	-	-	-	0
Adult Social Care	51,413	51,575	19,541	23,058	59,699	8,124	7,761	1,437
Libraries & Adult Education	2,796	2,845	1,442	1,632	3,214	369	368	41
Housing General Fund	2,009	2,343	811	1,066	2,832	489	419	-538
3D. Public Health	417	43	-950	-2,781	44	0	(0)	-7
3E. Environment & Regeneration	21,230	22,458	4,553	3,566	22,405	(53)	(53)	3,632
Overheads	0	0	0	0	0	0	0	272
NET SERVICE EXPENDITURE	139,405	142,052	59,256	60,884	152,139	10,088	9,979	4,457
3E. Corporate Items	-	-	-	-	-	-	-	-
Impact of Capital on revenue budget	13,643	13,643	2,790	2,453	13,649	6	6	49
Other Central items	-5,962	-8,935	3,352	3,895	-12,082	-3,147	-3,084	-2,846
Levies	928	928	504	504	928	0	0	0
TOTAL CORPORATE PROVISIONS	8,608	5,636	6,647	6,852	2,495	-3,141	-3,078	-2,797
TOTAL GENERAL FUND	148,013	147,687	65,902	67,736	154,634	6,947	6,901	1,660
Funding	-	-	-	-	-	-	-	-
- Business Rates	(34,230)	(34,230)	(4,111)	(4,111)	(34,230)	0	0	0
- RSG	(23,156)	(23,156)	(12,030)	(12,030)	(23,156)	0	0	0
- Council Tax Freeze Grant 2014/15	0	0	0	0	0	0	0	(6)
- Section 31 Grant	(822)	(822)	(271)	(271)	(898)	(76)	(76)	83
- New Homes Bonus	(4,192)	(4,192)	(2,405)	(2,405)	(4,658)	(466)	0	(1,037)
- PFI Grant	(4,797)	(4,797)	(2,398)	(2,398)	(4,797)	0	0	0
Grants	(67,198)	(67,198)	(21,215)	(21,215)	(67,740)	(542)	(542)	(960)
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)
Council Tax	-	-	-	-	-	-	-	-
- General	(78,620)	(78,620)	0	0	(78,620)	0	0	(0)
- WPC	(300)	(300)	0	0	(300)	0	0	(0)
Council Tax and Collection Fund	(80,399)	(80,399)	0	0	(80,399)	0	0	(0)
FUNDING	(147,597)	(147,597)	(21,215)	(21,215)	(148,139)	(542)	(542)	(961)
NET	417	91	44,687	46,520	6,495	6,405	6,359	699
Appropriation from reserves	-418				(665)	(665)	(665)	
NET	(1)	91	44,687	46,520	5,830	5,740	5,695	699

	Current Budget 2016/17	Year to Date Budget (Oct)	Year to Date Actual (Oct)	Full Year Forecast at (Oct)	Forecast Variance at year end (Oct)	Forecast Variance at year end (Sep)
Expenditure	£000	£000	£000	£000	£000	£000
Employees	93,717	51,552	53,417	95,292	1,575	2,164
Premises Related Expenditure	8,512	5,471	4,194	8,141	-371	-431
Transport Related Expenditure	14,511	8,160	7,591	15,066	556	689
Supplies and Services	168,540	93,577	90,700	167,304	-1,236	-901
Third Party Payments	89,710	42,524	42,589	101,226	11,516	10,909
Transfer Payments	104,224	57,378	53,828	96,775	-7,449	-7,652
Support Services	32,135	0	0	32,135	-0	0
Depreciation and Impairment Losses	17,637	6	0	17,637	-0	3
GROSS EXPENDITURE	528,986	258,667	252,319	533,576	4,590	4,780
Income						
Government Grants	-265,810	-154,910	-149,751	-257,379	8,431	7,548
Other Grants, Reimbursements and Contribs	-24,665	-10,190	-8,183	-27,127	-2,462	-2,447
Customer and Client Receipts	-63,462	-34,023	-33,306	-63,548	-86	127
Interest	-46	-27	0	-15	31	31
Recharges	-32,519	0	0	-32,519	0	-0
Balances	-433	-262	-195	-849	-416	-305
GROSS INCOME	-386,935	-199,412	-191,436	-381,436	5,498	4,954
NET EXPENDITURE	142,052	59,256	60,884	152,139	10,088	9,734

3E. Corporate Items	Council 2016/17 £000s	Original Budget 2016/17 £000s	Current Budget 2016/17 £000s	Year to Date Budget (Oct.) £000s	Year to Date Actual (Oct.) £000s	Full Year Forecast (Oct.) £000s	Forecast Variance at year end (Oct.) £000s	Forecast Variance at year end (Sept.) £000s	Outturn Variance 2015/16 £000s
Cost of Borrowing	13,643	13,643	13,643	2,790	2,453	13,649	6	6	49
Use for Capital Programme							0	0	0
Impact of Capital on revenue budget	13,643	13,643	13,643	2,790	2,453	13,649	6	6	49
Investment Income	(739)	(739)	(739)	(308)	(603)	(1,160)	(421)	(421)	(613)
Pension Fund	5,232	5,232	5,232	4,395	4,899	4,982	(250)	(500)	(616)
Corporate Provision Pay Award	883	883	0	0	0	0	0	0	(92)
Provision for excess inflation	540	540	439	0	0	20	(419)	(432)	(475)
Utilities Inflation Provision	300	300	300	0	0	200	(100)	0	(87)
Pay and Price Inflation	1,723	1,723	739	0	0	220	(519)	(432)	(654)
Contingency	1,500	1,500	1,271	0	441	440	(831)	(831)	(725)
Single Status/Equal Pay	100	100	100	0	17	0	(100)	(100)	(100)
Bad Debt Provision	500	500	500	0	0	500	0	0	12
Loss of income from P3/P4	400	400	400	0	0	0	(400)	(300)	(400)
Loss of HB Admin grant	200	200	200		0	200	0	0	0
MAE 1st year redundancies	600	600	600		0	600	0	0	0
Revenuisation and miscellaneous	1,414	1,414	1,215	0	0	739	(476)	(400)	(1,503)
Contingencies and provisions	4,714	4,714	4,286	0	458	2,479	(1,807)	(1,631)	(2,716)
Local Services Support Grant	204	204	204	68	0	54	(150)	(100)	(41)
Other	(1,152)	(1,152)	(1,152)	0	(2)	(1,152)	0	0	(626)
Income items	(948)	(948)	(948)	68	(2)	(1,098)	(150)	(100)	(667)
Appropriations: CS Reserves	(1,371)	(1,371)	(1,883)	0	0	(1,883)	0	0	(0)
Appropriations: E&R Reserves	(520)	(520)	(1,372)	(715)	(715)	(1,372)	0	0	1
Appropriations: CSF Reserves	44	44	(115)	(60)	(115)	(115)	0	0	(0)
Appropriations: C&H Reserves	1,146	1,146	1,146	0	0	1,146	0	0	0
Appropriations: Public Health Reserves	0	0	(28)	(28)	(28)	(28)	0	0	(0)
Appropriations: Corporate Reserves	2,394	2,394	2,385	0	0	2,385	0	0	1,726
Appropriations/Transfers	1,693	1,693	132	(803)	(858)	132	0	0	1,727
Depreciation and Impairment	(17,638)	(17,638)	(17,638)	0	0	(17,638)	0	0	0
Central Items	7,681	7,681	4,708	6,142	6,348	1,567	(3,141)	(3,078)	(3,491)
Levies	928	928	928	504	504	928	0	0	0
TOTAL CORPORATE PROVISIONS	8,608	8,608	5,636	6,647	6,852	2,495	(3,141)	(3,078)	(3,491)

Pay and Price Inflation as at September 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 and it is currently forecasting an underspend of £419k. 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 0.9% in the year to October 2016, compared with a 1.0% rise in the year to September. The main reasons for the drop in the rate were downward pressures to the prices for clothing and university tuition fees, which rose by less than they did a year ago, as well as falling prices for certain games and toys, overnight hotel stays and non-alcoholic beverages. The reduction in the rate was offset by rising prices for motor fuels, and by prices for furniture and furnishings, which fell by less than they did a year ago.

CPIH, a measure of UK consumer price inflation that includes owner occupiers' housing costs, rose by 1.2% in the year to October 2016, unchanged from September.

The RPI 12-month rate for October 2016 stood at 2.0%, unchanged from September 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 2 November 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.

The MPC's latest projections for output, unemployment and inflation, conditioned on average market yields, are set out in the November Inflation Report. Output growth is expected to be stronger in the near term but weaker than previously anticipated in the latter part of the forecast period. The unemployment rate is projected to rise to around 5½% by the middle of 2018 and to stay at around that level throughout 2019. Largely as a result of the depreciation of sterling, CPI inflation is expected to be higher throughout the three-year forecast period than in the Committee's August projections. In the central projection, inflation rises from its current level of 1% to around 2¾% in 2018, before falling back gradually over 2019 to reach 2½% in three years' time. Inflation is judged likely to return to close to the target over the following year.

In the November Inflation Report, the MPC state that "as in the August projection, CPI inflation is projected to continue to rise over the next three months and over 2017. The contribution to inflation from petrol prices is expected to turn increasingly positive, in part reflecting rises in oil prices since January. In addition, sterling has depreciated by 21% since its peak in November 2015, which will continue to push up the prices of energy and other imported goods and services. The precise path for inflation will depend on the speed and degree to which companies pass through rising external costs to consumer prices, given domestic conditions."

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 (November 2016)			
	Lowest %	Highest %	Average %
2016 (Quarter 4)			
CPI	0.6	1.9	1.3
RPI	0.6	3.0	2.2
LFS Unemployment Rate	4.7	5.4	5.0
2017 (Quarter 4)			
CPI	0.9	3.8	2.7
RPI	0.7	5.2	3.3
LFS Unemployment Rate	4.6	6.0	5.4

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 (November 2016)					
	2016	2017	2018	2019	2020
	%	%	%	%	%
CPI	0.7	2.7	2.6	2.2	2.1
RPI	1.8	3.5	3.1	3.0	3.1
LFS Unemployment Rate	5.0	5.2	5.5	5.4	5.3

Treasury Management: Outlook

At its meeting ending on 2 November 2016 the Committee voted unanimously to maintain Bank Rate at 0.25%. The Committee 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. 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's latest projections for output, unemployment and inflation, conditioned on average market yields, are set out in the November Inflation Report. The MPC's August policy package helped to lower interest rates and support asset prices. Since the start of October, however, UK gilt yields have risen sharply and by more than yields in other advanced economies, alongside a further depreciation in sterling. Global activity growth slowed during the first half of the year, but this weakness is expected to be temporary and growth will be supported by policy measures and financial conditions. Oil prices have risen, which will push up headline inflation rates.

As stated in the November 2016 Inflation Report, "In the MPC's best collective judgement, conditional on a path for market interest rates that reaches 0.4% by late 2019, four-quarter GDP growth is likely to slow to around 1½%. That is stronger in the near term but weaker in the medium term than three months ago. Supply growth remains subdued so unemployment and slack increase only modestly. While domestic cost growth rises a little over the forecast period, imported cost pressures increase sharply due to the depreciation of sterling. As a result, and conditional on the market path for interest rates, inflation is projected to rise above the 2% target within the next twelve months and only begin to fall back in the second half of the three-year forecast period.....The MPC's Remit requires that monetary policy should balance the speed with which inflation is returned to the target with the support for real activity.

Developments since August, in particular the direct impact of the further depreciation of sterling on CPI inflation, have adversely affected that trade-off. This impact will ultimately prove temporary, and attempting to offset it fully with tighter monetary policy would be excessively costly in terms of foregone output and employment growth. However, there are limits to the extent to which above-target inflation can be tolerated." 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.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.3 2019	End Q.4 2019
Nov.'16	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.4	0.4
Aug.'16	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	0.5	0.5	0.5	0.6	0.6	0.6	0.7	0.7	0.8		
Feb. '16	0.5	0.5	0.6	0.7	0.8	0.8	0.9	1.0	1.0	1.1			
Nov '15	0.6	0.7	0.8	0.9	1.0	1.1	1.1	1.2	1.3				
Aug.'15	1.0	1.2	1.3	1.4	1.5	1.6	1.7	1.7					
May '15	0.9	1.0	1.1	1.2	1.3	1.3	1.4						
Feb.'15	0.8	0.9	1.0	1.0	1.1	1.1							
Nov '14	1.4	1.5	1.5	1.7	1.7								
Aug.'14	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 - October 2016 Monitoring

Scheme Description	Revised Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance
Adult Social Care	131,510	13,253	(39,792)	53,045	131,510	0
Libraries	94,970	(17,077)	94,970	(112,047)	94,970	0
Housing						
8 Wilton Road	0	(4,371)	0	(4,371)	0	0
Western Road	760,000	0	380,000	(380,000)	760,000	0
Disabled Facilities	1,043,170	286,922	214,492	72,430	500,000	(543,170)
Community and Housing Total	2,029,650	278,727	649,670	(370,943)	1,486,480	(543,170)

Corporate Services Summary Capital Report - October 2016 Monitoring

Scheme Description	Revised Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance
Business Improvement	2,090,380	80,500	870,642	(790,142)	2,090,380	0
Corporate Items	3,372,300	0	0	0	161,122	(3,211,178)
Facilities Management	1,422,020	299,544	405,559	(106,015)	1,422,020	0
IT Total	1,558,020	532,372	534,814	(2,442)	1,558,020	0
Resources	653,960	242,640	221,300	21,340	653,960	0
Corporate Services Total	9,096,680	1,155,056	2,032,315	(877,259)	5,885,502	(3,211,178)

Children, Schools & Families Summary Capital Report - October 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	3,720	(2,720)	3,720	0
St Mary's expansion*	0	(43,972)	(23,722)	(20,250)	0	0
Hillcross School Expansion*	3,090	(69,767)	(69,767)	0	3,090	0
Merton Abbey Temp Accomodation*	0	(23,184)	(23,684)	500	0	0
Pelham School Expansion*	10,660	(8,117)	(8,117)	0	10,660	0
Dundonald expansion	2,664,410	1,960,249	2,046,500	(86,251)	2,664,410	0
Poplar Permanent Expansion*	1,000	(49,144)	(49,144)	0	1,000	0
Singlegate expansion	1,014,020	824,785	863,020	(38,235)	1,014,020	0
Primary School Exp. Overspen Provision*	61,490	(336,914)	(344,131)	7,217	61,481	(9)
Wimbledon Park expansion*	0	(27,000)	(27,000)	0	0	0
Primary Expansion	3,758,390	2,216,853	2,356,592	(139,739)	3,758,381	(9)

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 - October 2016 Monitoring Continued ...

Scheme Description	Revised Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance
Secondary School expansion	0	0	0	0	0	0
New School	6,764,500	43,975	414,500	(370,525)	6,764,500	0
Harris Merton Expansion	1,033,440	213,286	250,000	(36,714)	1,033,440	0
Harris Morden Expansion	0	0	0	0	0	0
Secondary Expansion	7,797,940	257,261	664,500	(407,239)	7,797,940	0
Cricket Green Site	1,560	(705)	(1,200)	495	1,560	0
Primary school autism unit	40,730	(32,583)	(34,783)	2,200	40,730	0
Perseid	150,000	(131,055)	(120,805)	(10,250)	150,000	0
Secondary School Autism Unit	0	0	0	0	0	0
Futher SEN Units	165,320	0	59,000	(59,000)	165,320	0
SEN Expansion	357,610	(164,343)	(97,788)	(66,555)	357,610	0
Devolved Formula Capital	367,820	214,571	214,571	0	367,820	0
Free School Meals	0	(24,126)	(24,126)	1	0	0
B698 St Catherines Fields Fencing	24,100	20,250	24,100	(3,850)	24,097	(3)
Schs Cap Maint & Accessibility	985,900	623,662	653,000	(29,338)	985,900	0
Schools Equipment Loans	104,450	0	0	0	0	(104,450)
Other	1,482,270	834,357	867,545	(33,187)	1,377,817	(104,453)
Children Schools and Families	13,396,210	3,144,128	3,790,849	(646,720)	13,291,748	(104,462)

Environment & Regeneration Summary Capital Report - October 2016 Monitoring

Scheme Description	Revised Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance
Footways Planned Works	1,000,000	821,927	500,000	321,927	1,000,000	0
Greenspaces	813,150	383,622	264,360	119,262	813,150	0
Highways General Planned Works	435,860	119,452	180,250	(60,798)	435,860	0
Highways Planned Road Works	1,500,000	1,414,290	1,100,000	314,290	1,500,000	0
Leisure Centres	1,972,540	528,042	1,142,837	(614,795)	1,972,540	0
Other E&R	191,020	67,998	46,667	21,331	190,907	(113)
On and Off Street Parking	9,900	0	0	0	9,900	0
Regeneration Partnerships	3,535,210	1,511,042	1,013,993	497,049	3,534,762	(448)
Street Lighting	662,000	486,771	522,935	(36,164)	662,000	0
Street Scene	105,950	47,742	47,872	(130)	105,950	0
Transport for London	2,432,620	1,082,437	1,082,812	(375)	2,432,620	0
Traffic and Parking Management	1,404,540	541,922	601,775	(59,853)	1,384,540	(20,000)
Transport and Plant	500,000	170,952	134,477	36,475	485,000	(15,000)
Waste Operations	175,500	24,913	86,541	(61,628)	175,500	0
Environment and Regeneration	14,738,290	7,201,110	6,724,519	476,591	14,702,729	(35,561)

Virement, Re-profiling and New Funding - October 2016

Appendix 5b

	2016/17 Budget	Virements	Adjusted & New Funding	Reprofiling	Revised 2016/17 Budget	2017/18 Budget	Adjustment	Revised 2017/18 Budget	Narrative
-	£	£	£	£	£	£		£	
Corporate Services									
Environmental Asset Management (1)	50,000	52,220		(81,690)	20,530	0	250,460	250,460	Budget re-profiled to match anticipated spend
Planning&Public Protection Sys	40,000			(40,000)	0	510,000	40,000	550,000	Budget re-profiled to match anticipated spend
Energy Utility Invest to Save	985,110		(400,000)		585,110	900,000		900,000	Reflects schemes being undertaken
Replacement Social Care System	854,590		(65,630)	(225,540)	563,420	0	225,540	225,540	Budget re-profiled to match anticipated spend
Improving Information Systems (1)	328,300			177,860	506,160	0		0	
Children, Schools and Families									
Harris Morden	50,000			(50,000)	0	1,793,560	50,000	1,843,560	Budget re-profiled to match anticipated spend
Secondary School Autism Unit	50,000			(50,000)	0	1,110,000	50,000	1,160,000	Budget re-profiled to match anticipated spend
Dundonald expansion	2,694,410			(30,000)	2,664,410	0	30,000	30,000	Budget re-profiled to match anticipated spend
Secondary School expansion	30,000			(30,000)	0	0	30,000	30,000	Budget re-profiled to match anticipated spend
New 6fe School	6,964,500			(200,000)	6,764,500	4,916,250	200,000	5,116,250	Budget re-profiled to match anticipated spend
Harris merton	1,383,440			(350,000)	1,033,440	3,022,980	350,000	3,372,980	Budget re-profiled to match anticipated spend
Hatfeild Primary	70,730	(30,000)			40,730	0		0	
Perseid	160,000	30,000		(40,000)	150,000	921,930	40,000	961,930	
Further SEN	295,320			(130,000)	165,320	2,434,360	130,000	2,564,360	
Environment & Regeneration									
SLWP Capital Scheme	0				0	6,745,000	(5,344,000)	1,401,000	Budget re-profiled in line with projected spend
HLF Living Wandle	73,200		(73,200)		0	0		0	Quotes received from contractors to undertake this work are too expensive so the project will not be progressed
Morden Leisure Centre	4,443,560			(2,869,670)	1,573,890	5,692,460	2,626,210	8,318,670	Budget re-profiled to match anticipated spend
Mobile working initiative	57,220	(52,220)			5,000	0		0	
Leisure Centre Plant & Machine	502,580		46,070	(150,000)	398,650	300,000	150,000	450,000	Installation on CHP units funded by Section 106 Funding Reference 625a/4&5
B672a-f Connecting Colliers Wd (1)	5,050		236,390		241,440	0	0	0	S106 funding previously approved
Industrial Estate Investment	131,360			4,130	135,490	450,000	(4,130)	445,870	Re-profile from 17/18
TFL Projected Slippage	239,000		(4,000)		235,000	0		0	4k returned to Tfl
Total	19,408,370	0	(260,370)	(4,064,910)	15,083,090	28,796,540	(1,175,920)	27,620,620	

1) Requires Cabinet Approval

Virement, Re-profiling and New Funding - October 2016

Appendix 5b

	2018/19 Budget	Reprofiling	Revised 2018/19 Budget	2019/20 Budget	Reprofiling	Revised 2019/20 Budget	Narrative
-	£	£	£	£	£	£	
Environment and Regeneration							
SLWP Capital Scheme	0	5,344,000	5,344,000	0		0	Budget re-profiled in line with projected spend
Morden Leisure Centre	331,940	235,510	567,450	0	7,950	7,950	Budget re-profiled in line with projected spend
Total	331,940	5,579,510	5,911,450	0	7,950	7,950	

Capital Programme Funding Summary 2016/17

	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
Cabinet - November - September 2016 Mon.	28,823	14,763	43,586
<u>Corporate Services</u>			
Environmental Asset Management	(81)		(81)
Planning&Public Protection Sys	(40)		(40)
Replacement Social Care System	(66)	(226)	(292)
Improving Information Systems	178		178
<u>Children, Schools and Families</u>			
Energy Utility Invest to Save	(400)		(400)
<u>Children, Schools and Families</u>			
Harris Morden	(50)		(50)
Secondary School Autism Unit	(50)		(50)
Dundonald expansion	(30)		(30)
Secondary School expansion	(30)		(30)
New 6fe School	(200)		(200)
Harris merton	(350)		(350)
Perseid	(40)		(40)
Further SEN	(130)		(130)
<u>Environment & Regeneration</u>			
B672a-f Connecting Colliers Wd	236		236
Morden Leisure Centre	(2,870)		(2,870)
HLF Living Wandle	(10)	(63)	(73)
Leisure Centre Plant & Machine	(104)	0	(104)
Industrial Estate Investment	4		4
TFL Projected Slippage		(4)	(4)
Cabinet - December - October 2016 Mon.	24,791	14,470	39,261

Capital Programme Funding Summary 2017/18

	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
Cabinet - November - September 2016 Mon.	27,994	16,329	44,324
<u>Corporate Services</u>			
Environmental Asset Management	251		251
Planning&Public Protection Sys	40		40
Replacement Social Care System		226	226
<u>Children, Schools & Families</u>			
Harris Morden	50		50
Secondary School Autism Unit	50		50
Dundonald expansion	30		30
Secondary School expansion	30		30
New 6fe School	200		200
Harris merton	350		350
Perseid	40		40
Further SEN	130		130
<u>Environment & Regeneration</u>			
SLWP	(5,344)		(5,344)
Morden Leisure Centre	2,626		2,626
Leisure Centre Plant & Machine	150		150
Industrial Estate Investment	(4)		(4)
Cabinet - December - October 2016 Mon.	26,593	16,555	43,148

DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2016/17- Oct'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
	Adult Social Care										
CH02	Promoting Independence - Public Value Review - Efficiencies to be found in hospital discharge process and by enabling customers to regain and maintain independence	100	52	48	R	100	0	G	David Slark	Some savings achieved through provider negotiations	Y
CH29	Older People - Managing Crisis (including hospital discharge) admissions to residential care. This would include a number of activities designed to reduce admissions to residential care placements. We would be looking to families to continue to support people at home for longer. This would fit in with our overall approach to enable independence.	125	0	125	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	Substance Misuse Placements - Actively manage throughput in residential rehab placements - A reduction in the placements available for Substance misuse clients	6	6	0	G	6	0	G	Henrietta Brown		Y
CH05	Realise benefits of new prevention programme in terms of reduced demand for statutory services, or alternatively if these benefits have not occurred then to reduce investment in the prevention programme through reduced grants to Voluntary Organisations. -Reduced demand for statutory services or reduced level of preventative services. In the latter case people would lose some of the services which make their life fuller.	500	500	0	G	500	0	G	Richard Ellis		Y
CH04	Reduce Management costs and reduction in staffing costs Access & Assessment- Staffing restructure to deliver efficient processes, and building on planned shift of some customers to manage their own processes.	100	75	25	A	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	Access and Assessment Employees - Staff Savings 12 FTE to be deleted in 2016/17 12 FTE in 17/18, 12 FTE in 18/19 - These savings will come from across Access and Assessment, covering all service areas. - Reduction in the ability to carry out assessments and reviews, social work support, safeguarding activities, DOLs responsibilities and financial assessments. (CH20)	511	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 & HOUSING SAVINGS PROGRESS 2016/17- Oct'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	G	700	0	G	Kim Carey		Y
CH22	Commissioning Employees- Staff Savings- 4 FTE to be deleted- Reduced capacity to monitor quality within provider services, reduced capacity to monitor performance within services and a reduced capacity to proactively work to sustain and develop a local provider market.	156	151	5	A	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	Direct Provision Employees - Staff Savings 11FTE to be deleted- Less activities available both at day centres and in the community. Clients would spend more time in larger congregated settings with less choice of activities. These savings would be made across the three LD and PD day centres.	274	274	0	G	274	0	G	Andy Ottaway-Searle		Y
CH60	Direct Provision Residential and supported living management -staff reductions- We would expect to keep front line support staff but reduce management. This would mean less resource to provide outreach and the emphasis would primarily on providing core services (Bring forward savings -CH37) 2 FTE's	100	100	0	G	100	0	G	Andy Ottaway-Searle		Y
CH23	Directorate- Staff Savings - 0.46 FTE to be deleted-None, post now funded by Public Health	21	21	0	G	21	0	G	Richard Ellis	Saving to be achieved as change of funding	Y
CH64	Directorate- Staff Savings - (Budget contribution to Joint Public Health consultant post to be deleted)-None, post now funded by Public Health	30	30	0	G	30	0	G	Richard Ellis	Saving to be achieved as change of funding	Y
CH24	Learning Disabilities- High Cost Packages - Review of High Cost Packages with a view to promoting independence This would be a holistic review of 17 identified high cost placements (i.e. those receiving packages of care over £1,500 per week and not health funded). We will use promoting Independence as the basis of these reviews. We are designing these figures based on a 6% reduction in support for the identified client group.	100	100	0	G	100	0	G	Kim Carey		Y

DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2016/17- Oct'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	Learning Disabilities- Medium Cost Packages- Review of medium cost packages with a view of promoting independence -This would be a holistic review of identified medium cost placements of care of between £400 -£1,500 per week and not health funded). We will use the promoting independence model as the basis for these reviews. We are designing these figures based on a 10% reduction in support for the relevant clients within the identified group.	400	268	132	R	400	0	A	Kim Carey	These cases are taking a lower priority due to the opportunity afforded by addressing the high cost packages first.	Y
CH26	Learning Disabilities - Direct Payments- Review of all Direct Payments in Learning Disabilities with a view to promoting independence .We will review the Direct Payments received by clients to assess whether it is still set at the appropriate level for their needs and whether the full payment is being utilised. We will use the promoting independence model as the basis of these reviews. We anticipate this being a reduction of 7% for the individual support packages within this client group. There are currently 98 packages in this group.	50	0	50	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	Mental Health- Care Packages - Review of support packages within all areas of Mental Health services. - 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	A	Henrietta Brown	Reviews in progress	Y
CH28	Older People- Home Care Review of Home Care within support packages. There are currently 596 Older People within Merton receiving home care within their support packages. This represents an average reduction of 9% in home care support packages.	387	130	257	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	Older People - Review of Direct Payments support packages -Review of Direct Payments in Older People using the enablement model. We will review the Direct Payments received by clients to assess whether the full payment is being utilised. We will use the enablement model as the basis of these reviews. We anticipate this being an average reduction of 15% for individual support packages within this client group. There are currently 225 packages.	345	0	345	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 & HOUSING SAVINGS PROGRESS 2016/17- Oct'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	Physical Disabilities- Review of all Direct Payments for clients with physical disabilities using promoting independence. -We will review the Direct Payments received by clients to assess whether it is still set at the appropriate level for their needs and whether the full payment is being utilised. We will use the promoting independence model as the basis of these reviews. We anticipate this being a reduction of 10% for the individual support packages within this client group. There are currently 150 packages in this group.	134	0	134	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	Physical Disabilities - Home Care -The saving would be delivered through a review of home care provision within support packages. There are currently 89 Physical Disabilities clients within Merton receiving home care within their support packages. The proposed savings represents an average reduction of 8% in home care for this group.	48	0	48	R	48	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
CH33	Physical Disabilities- High Cost Packages - Review of PD Residential and 1-1 packages. This saving would be delivered through a targeted review of a small number of PD customers in residential care. These reviews would look at renegotiating unit costs, transferring users to other types of accommodation in the community and reducing or removing 1-1 costs.	60	0	60	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	South Thames Crossroads : Decommission the crossroads service for carers. Replace with domiciliary care service/ Direct Payment offer and commissioned holistic carers support service from voluntary sector.	294	294	0	G	294	0	G	Richard Ellis	Service to be decommissioned from 31st December 2016, therefore will not meet all of savings target. Part of savings was replaced by one-off 164k	Y
CH61	Meals on Wheels (Sodexo): Decommissioning service and embed support within community, neighbourhood and voluntary support infrastructure	153	86	67	R	153	0	A	Richard Ellis	Service was decommissioned on 31st July 2016, therefore will not meet all of savings target.	Y
CH62	Supported accommodation mental health : 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	Day support Imagine Independence : 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	NHS Income :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
	Library & Heritage Service										

DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2016/17- Oct'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
	Merton Adult Education										
CH15	MAE :Staffing cost reductions -Delivery utilising the use of Information Technology and other efficiencies	8	0	8	R	8	0	G	Anthony Hopkins	Saving built into new SFA funding profile	Y
	Housing Needs & Enabling										
CH18	Reduction of Homelessness Prevention Grant:	56	0	56	R	56	0	A	Steve Langley		Y
CH19	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
	Total Community & Housing Department Savings for 2016/17	5,379	3,700	1,679		5,179	200				

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
Commissioning, Strategy and Performance											
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		
Children Social Care											
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		
Early Years											
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		
	Youth Service										
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		
	Public Health										
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		
	Schools										
CSF2014-08	Increased income from schools and/or reduced LA service offer to schools.	400	400	0	G	400	0	G	Jane McSherry		
	Cross cutting										
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		
	Total Children, Schools and Families Department Savings for 2015/16	2,191	2,191	0		2,191	0				

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

DEPARTMENT: CORPORATE SERVICES - PROGRESS ON SAVINGS 16-17

Ref	Description of Saving	2016/17 Savings Required £000	2016/17 Savings Expected £000	Shortfall	16/17 RAG	2017/18 Savings Expected £000	2017/18 Expected Shortfall £000	17/18 RAG
Customer Services								
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
Business Improvement								
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
IT Service Delivery								
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
	Resources							
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
	Human Resources							
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
	Corporate Governance							
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
	Other							
CSD48	CHAS Dividend	145	145	0	G	145	0	G
	Total Corporate Services Department Savings for 2016/17	2,316	2,028	288		2,316	0	

DEPARTMENT: ENVIRONMENT & REGENERATION SAVINGS PROGRESS: 2016-17

Ref	Description of Saving	2016/17 Savings Required £000	2016/17 Savings Expected £000	Shortfall	16/17 RAG	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
SUSTAINABLE COMMUNITIES											
ER23	Staff savings from 6th month review following the merger of the traffic and highways and the FutureMerton team in to one team and further budget savings/adjustments within the controllable expenditure budgets	130	130	0	G	130	0	G	James McGinlay		N
ER23	Restructure of team to provide more focus on property management and resilience within the team.	52	52	0	A	52	0	G	James McGinlay	Due to a delay in implementation, it is unlikely that this saving will be fully achieved this financial year.	N
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 management 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	12	48	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 & 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	This saving is being covered in 2016/17 from 20% developer admin fees for highway works required.	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. It is being covered in 2016/17 from increased income within Property Management.	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. It is being covered in 2016/17 from increased income within Property Management.	Y
E&R42	Upon Vestry Hall income budget with current levels of income being achieved.	20	20	0	G	20	0	G	James McGinlay		N
PUBLIC PROTECTION											
EN02	Introduction of unattended automatic number plate recognition CCTV parking enforcement cameras at fixed locations.	226	226	0	G	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. CPZ extensions to Tooting (GC), Colliers Wood (CW) and Merton Park (MP1) zones are pending and this will influence ability to meet £260k target.	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	A	1700	0	G	John Hill	The implementation phase of the contract is complete. There has been an initial growth in PCNs but technical issues need to be resolved before level of achievable savings can be measured.	N
E&R9	Change in on-street bay suspension pricing structure.	500	320	180	R	500	0	G	John Hill	The current data suggests that the shortfall could be c£180k as it would appear that pricing regime has reduced demand to a greater extent than previously expected. Initial income projections resulting from E&R 11 should offset this shortfall.	Y
E&R10	Back office reorganisation	80	0	80	R	80	0	G	John Hill	Savings will not be achieved as the reorganisation is based on a review of staff numbers following the successful implementation of ANPR which still has technical difficulties.	N
E&R11	Enforcement of pavement parking	60	240	-180	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

DEPARTMENT: ENVIRONMENT & REGENERATION SAVINGS PROGRESS: 2016-17

Ref	Description of Saving	2016/17 Savings Required £000	2016/17 Savings Expected £000	Shortfall	16/17 RAG	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&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. Currently considering the implementation of a number of income generating schemes such as a licensing pre-application service, scientific consultancy, food safety consultancy and chargeable business advice. Business cases to be finalised and reviewed by the Joint Regulatory Committee in February 2017.	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	We are still optimistic of achieving £50k by year end but this is subject to the legal process and defendants' payments.	N
STREET SCENE & WASTE											
EN14	Mobile technology including GPS and in cab monitors. Once implemented will reduce back office staff numbers as a result of reducing reliance on paper schedules and in addition the GPS vehicle tracking system will lead to improved service and fuel efficiency.	100	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	Contribute to a cleaner borough, enforcement of litter dropping under LTA/ 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
Total Environment and Regeneration Savings 2014/15		4,771	4,126	645							

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 complete. There has been an initial growth in PCNs but technical issues need to be resolved before level of achievable savings can be measured	N
Total Environment and Regeneration Savings 2015/16		3,739	246	3,493		3,711	28				

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

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
ASC50/CH7	Staffing savings in Direct Provision	216	0	216	0	216	A	216	0	A	Andy Ottaway-Searle	Posts were deleted and budgets reduced at the start of the year, but, increased volumes from 12 to 38 people at our supported living services, plus the need to back fill long term sickness to meet CQC standards led to other staffing budgets overspending. 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
	Merton Adult Education Increase income from commercial courses and café, reduction in staff. Admin & marketing cost.	176	0	176	0	176	R	0	176	R	Yvonne Tomlin	Saving not delivered due to changes in SFA funding	
	Total Community & Housing Dep't Savings for 2014/15	1,598	259	1,339	259	1,339		764	834				

DEPARTMENT: CHILDREN, SCHOOLS & 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
Education													
CSF2012-08	Introduce new models of fulfilling the council's statutory responsibilities for the provision of SEN transport	140	100	40	140	0	G	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 & 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
Total Environment and Regeneration Savings 2014/15		196	67	129	71	125		71	125				

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