

## Cabinet

**Date: 20 March 2017**

**Subject: Financial Report 2016/17 – January 2017**

Lead officer: Paul Dale

Lead member: Mark Allison

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

### Recommendations:

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- A. That Cabinet note the financial reporting data relating to revenue budgetary control, showing a forecast net overspend at year end of £5,901 million, 1.1% of the gross budget.
  - B. That Cabinet note the proposals set out in 2.4 to fund this shortfall without any impact on services in the current year.
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#### 1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 This is the financial monitoring report for period 10, 31st January 2017 presented in line with the financial reporting timetable.

This financial monitoring report provides:-

- The income and expenditure at period 10 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.
- 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 10 to 31<sup>st</sup> January 2017 the year end forecast is a net £5,901k overspend (£6.021m m overspend last month) compared to the current budget.

**Summary Position as at 31st  
January 2017**

	Current Budget 2016/17	Forecast Variance at year end (Jan)	Forecast Variance at year end (Dec)	Outurn variance 2015/16
	£000s	£000s	£000s	£000s
<b>Department</b>				
3A. Corporate Services	11,800	(864)	(724)	(373)
3B. Children, Schools and Families	51,304	1,164	1,343	(7)
3C. Community and Housing	56,764	9,389	9,218	940
3D. Public Health	43	(0)	0	(7)
3E. Environment & Regeneration	22,457	828	740	3,632
Overheads	0	0	0	272
<b>NET SERVICE EXPENDITURE</b>	<b>142,369</b>	<b>10,518</b>	<b>10,576</b>	<b>4,457</b>
<b>3E. Corporate Items</b>				
Impact of Capital on revenue budget	13,643	6	6	49
Central budgets	(9,327)	(3,417)	(3,355)	(2,846)
Levies	928	0	0	0
<b>TOTAL CORPORATE PROVISIONS</b>	<b>5,244</b>	<b>(3,411)</b>	<b>(3,349)</b>	<b>(2,797)</b>
<b>TOTAL GENERAL FUND</b>	<b>147,612</b>	<b>7,107</b>	<b>7,228</b>	<b>1,660</b>
<b>FUNDING</b>				
Revenue Support Grant	(23,156)	0	0	0
Business Rates	(34,230)	0	0	0
Other Grants	(9,811)	(542)	(542)	(954)
Council Tax and Collection Fund	(80,399)	0	0	(6)
<b>FUNDING</b>	<b>(147,597)</b>	<b>(542)</b>	<b>(542)</b>	<b>(960)</b>
Appropriation from reserves		(665)	(665)	0
<b>NET</b>	<b>16</b>	<b>5,901</b>	<b>6,021</b>	<b>699</b>

	Current Budget 2016/17	Full Year Forecast at (Jan)	Forecast Variance at year end (Jan)	Forecast Variance at year end (Dec)
	£000	£000	£000	£000
<b>Expenditure</b>				
Employees	94,025	95,305	1,280	1,214
Premises Related Expenditure	8,530	8,126	-404	-537
Transport Related Expenditure	14,508	15,733	1,225	971
Supplies and Services	168,697	167,546	-1,152	-685
Third Party Payments	89,654	102,227	12,572	12,302
Transfer Payments	104,225	99,854	-4,371	-9,042
Support Services	32,135	32,135	-0	-0
Depreciation and Impairment Losses	17,637	17,637	0	-0
<b>GROSS EXPENDITURE</b>	<b>529,412</b>	<b>538,563</b>	<b>9,151</b>	<b>4,223</b>
<b>Income</b>				
Government Grants	-265,779	-260,675	5,103	9,632
Other Grants, Reimbursements and Contribs	-24,779	-28,059	-3,280	-3,097
Customer and Client Receipts	-63,488	-63,537	-49	206
Interest	-46	46	30	30

Recharges	-32,519	-32,519	0	0
Balances	-433	-871	-438	-417
<b>GROSS INCOME</b>	<b>-387,043</b>	<b>-385,676</b>	<b>1,367</b>	<b>6,354</b>
<b>NET EXPENDITURE</b>	<b>142,369</b>	<b>152,886</b>	<b>10,518</b>	<b>10,576</b>

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

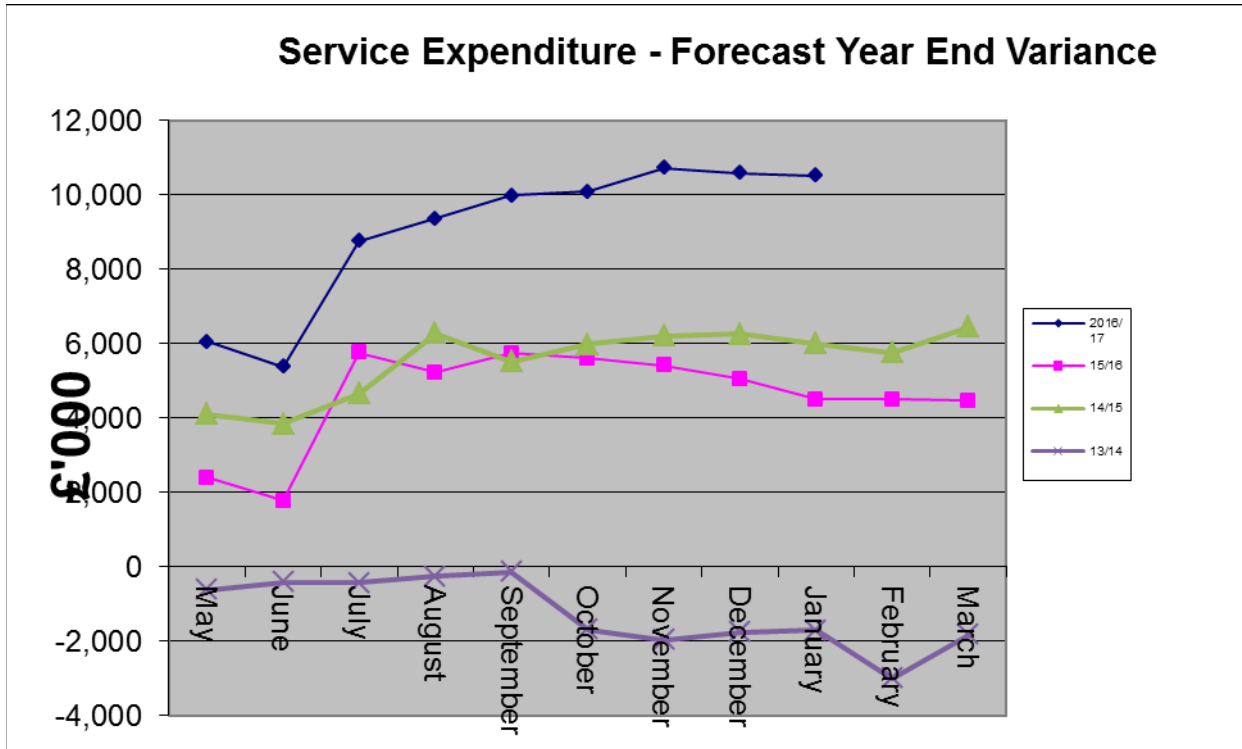
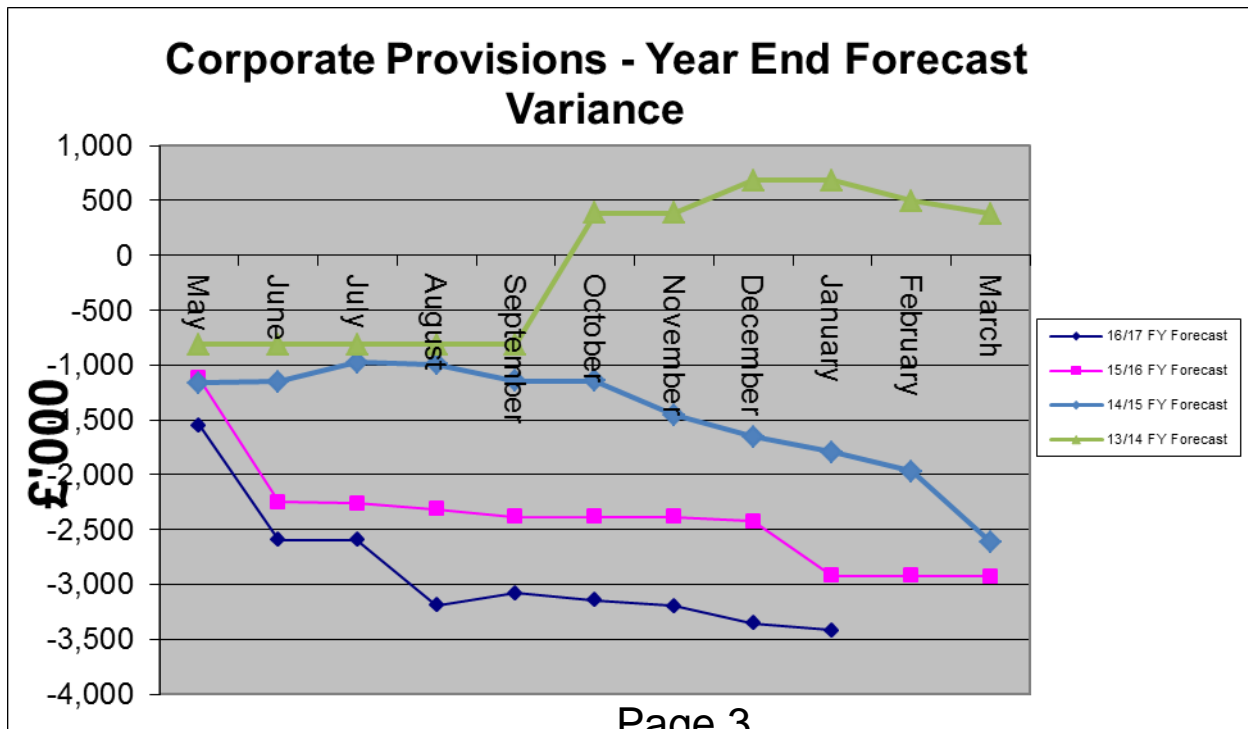


Chart 2 shows the forecast year end variance for corporate provisions with a comparison against prior years.



## 2.4

The overspend can be addressed as follows:

	£000
November monitoring forecast overspend	5,901
Sources of funding:	
Savings Mitigation Fund	1,300
Contribution to balancing the budget reserve	2,394
General Fund balances	2,207
This reduces general fund balances to *	12,703

\*Still above the minimum level of balances of £12.01m.

## 3. DEPARTMENTAL SUMMARY OF CURRENT POSITION

### Corporate Services

	2016/17 Current Budget	Full year Forecast January	Forecast variance at year end Jan	Forecast variance at year end Dec	2015/16 Outturn Variance
	£000	£000	£000	£000	£000
Business Improvement	3,280	3,085	-195	-194	-29
Infrastructure & Transactions	9,938	9,441	-498	-472	-249
Resources	6,784	6,649	-135	54	-243

Human Resources	2,248	2,095	-153	-198	-55
Corporate Governance	2,751	2,457	-294	-243	-426
Customer Services	2,553	2,453	-100	-43	-479
Corporate Items including redundancy costs	981	1,493	512	372	1109
<b>Total (controllable)</b>	<b>28,536</b>	<b>27,673</b>	<b>-864</b>	<b>-724</b>	<b>-372</b>

### **Overview**

The Corporate Services (CS) department are forecasting an underspend of £864k at year end, an increase of £140k from last month. The main reason for the increase in underspend is due to revenue pension costs being recharged to the pension fund.

### **Business Improvement - £195k under**

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

### **Infrastructure & Transactions - £498k under**

A large proportion of the increase in underspend of £26k relates to increased demand in external printing.

The decision to defer the Energy Invest to Save capital scheme until next year, has resulted in an underspend of associated revenue expenditure, which would have been required in the current year. This decision is responsible for the majority of the Infrastructure and Transactions underspend.

### **Resources - £135k under**

From period 9 to 10, Resources has swung from having a forecast variance overspend of £54k to a forecast variance underspend of £135k. This swing of £189k is largely due to pension revenue costs being charged to the pension fund.

The delayed implementation of the FIS/E5 finance system, which has been live since Feb 6th, has caused an overspend which is being funded from underspends elsewhere in the division.

### **Human Resources – £153k under**

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

The underspend has decreased by 45k. This is due to the decision to carry forward £45k into 17/18 learning and development budgets.

### **Corporate Governance - £294k under**

The underspend has increased by £51k largely due to Local land charges forecasting the £48k income it requires to cover its overheads as the service is required to cover its total cost.

The forecast underspend is partly due to a £50K 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 forecasting an overachievement of income relating to S106 and Merton Property charges of approx. £122k and there are underspends on supplies and services budgets within Democratic Services of approx. £50k.

### **Customer Services - £100k under**

The underspend increase is largely due to local taxation expected to recover more court cost than had previously be anticipated.

The communications service is underachieving on advertising income targets which is partially offset by underspends elsewhere in the service resulting in a £30k overspend.

The Merton Bailiff Service is forecasting overachieving income by £161k but this is offset by a forecast £75k underachievement of income in the Shared Bailiff Service.

### **Corporate Items - £512k over**

Redundancy costs are forecasted to be £440k over budget.

Estimates from Westminster Council regarding the shared coroner court service are £100k higher than budget. The reasons for the increase are being reviewed with Westminster Council.

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**

<b>Environment &amp; Regeneration</b>	<b>2016/17 Current Budget</b>	<b>Full year Forecast</b>	<b>Forecast Variance at year end</b>	<b>Forecast Variance at year end</b>	<b>2015/16 Variance at year end</b>
	<b>£000</b>	<b>(Jan) £000</b>	<b>(Jan) £000</b>	<b>(Dec) £000</b>	<b>£000</b>
Public Protection	(10,962)	(10,044)	918	786	3,709
Sustainable Communities	12,334	11,526	(808)	(641)	(600)
Waste Services	15,283	15,805	522	404	187
Other	(847)	(650)	197	191	336
<b>Total (Controllable)</b>	<b>15,808</b>	<b>16,637</b>	<b>829</b>	<b>740</b>	<b>3,632</b>

Description	2016/17 Current Budget £000	Forecast Variance at year end (Jan) £000	Forecast Variance at year end (Dec) £000	2015/16 Variance at year end £000
Underachievement of Customer & Client Receipts within Parking Services	(17,194)	745	537	3,281
Employee overspend within Parking Services	3,343	88	136	(71)
Underspend within Safer Merton	583	(99)	(98)	(182)
Other small over and underspends	2,306	184	211	681
<b>Total for Public Protection</b>	<b>(10,962)</b>	<b>918</b>	<b>786</b>	<b>3,709</b>
Overachievement of rental income within Property Management	(4,090)	(630)	(572)	(430)
Greenspaces – Phase C related budgets	1,624	99	n/a	n/a
Greenspaces – Events (not part of Phase C)	(318)	112	65	2
Greenspaces – Overachievement of income (not part of Phase C)	(699)	(84)	(5)	1
Overachievement of Customer & Client Receipts within D&BC	(1,973)	(111)	(147)	14
Underspend within Senior Management & Support	972	(72)	(64)	(149)
Other small over and underspends	(7,850)	(122)	82	(38)
<b>Total for Sustainable Communities</b>	<b>12,334</b>	<b>(808)</b>	<b>(641)</b>	<b>(600)</b>
Employee overspend within Waste Services	7,594	374	401	213
Overspend on 3 <sup>rd</sup> party payments within Waste Services	6,786	214	234	346
Overspend on Transport related costs within Waste Services	1,938	253	224	(146)
Overachievement of Customer & Client Receipts within Waste Services	(2,348)	(236)	(288)	(164)
Overspend within Transport Services	(847)	197	191	336
Other small over and underspends	1,313	(83)	(167)	(62)
<b>Total for Street Scene &amp; Waste</b>	<b>14,436</b>	<b>719</b>	<b>595</b>	<b>523</b>
<b>Total Excluding Overheads</b>	<b>15,808</b>	<b>829</b>	<b>740</b>	<b>3,632</b>

### Overview

The department is currently forecasting an overspend of £829k 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 £976k overspend**

The section is forecasting to underachieve on its customer and client receipts by £745k. This is mainly as a result of the problems encountered regarding the implementation of the new ANPR system across the borough. We did not have a fully functional system on July 3<sup>rd</sup> 2016, which was the original go-live date and the date upon which budget forecasting for ANPR was based. The contractor was initially required to carry out several upgrades of the ANPR camera software in order

to rectify the problems. As a result, the ANPR data received from July to October was not truly representative and so a forecast of receipts from PCNs had not been feasible until November.

In addition to the upgrades undertaken, the contractor has now been required to undertake a detailed review of each camera location to ensure that each individual camera is performing with a 100% accuracy and in accordance with the original specification. It is expected that this programme of testing will be concluded at the end of February 2017. Whilst this programme of testing is on going the contractor has provided a technical resource based in the parking back office to work with our staff as we have identified that some of the ANPR camera locations “regions of interest” for enforcement are not configured correctly as per our enforcement policy. It is believed that once these changes are made over short period of time we will be able to improve the capture rate as the cameras will focus on a larger enforcement area. It is too early to say at this moment how much the growth will be but it is clear that it will improve the numbers captured. Our forecast is currently based on the best available data as at the end of January projected forward for the remainder of the financial year and also includes the introduction of three additional ANPR camera locations from February to improve traffic flow and reduce congestion at these locations.

In addition, the section continues to fund CPZ related expenditure totalling £200k, and provide free parking during the Christmas period resulting in a loss of income of c£60k. These pressures are being partially offset by an over-recovery in most areas of on-street/ permit/ bay suspension revenue (£318k), and off-street parking income (£340k).

## **Sustainable Communities**

### **Property Management – forecasting a total £534k underspend**

The main reason for the forecast underspend is as a result of exceeding their commercial rental income expectations by £630k mainly due to conducting the back log of rent reviews in line with the tenancy agreements.

### **Greenspaces – forecasting a total £181k overspend**

The process of procuring a new, external grounds maintenance provider was completed during January 2017 and the new service provider, idverde, commenced on 1 February 2017, with the majority of the pre-existing services and more than 60 staff transferring to idverde at that time. Savings associated with this service transformation of c£300-£400k will be realised within the first year, and in subsequent years as a consequence, in line with the expectations at the outset of the procurement exercise. However, as only two month’s of the new contract are being realised during this financial year there is an associated forecast overspend of around £99k, mainly as a result of historical employee related overspends.

The section is forecasting an overachievement of income that does not form part of the Phase C contract of £84k, which is a result of an overachievement of Grants & Contributions (£217k), partially offset by a delay to the implementation of saving E&R26 i.e. P&D within certain parks (£60k), allotments income (£26k), and rental income (£40k).

The section is also forecasting an overspend on Events, mainly as a result of the ‘Live at Wimbledon Park’ event being cancelled due to lower than expected ticket sales. The event was cancelled with a total of c£33k of costs incurred net of refunds (£12k of marketing costs incurred within Corporate Services), and although this event was expected to break-even this year, there was a budgeted expectation for it to achieve a surplus of £70k. Efforts continue to identify how we can generate further income from events in parks, including developing working partnerships with external event production companies.



## **Development & Building Control – forecasting a total £233k underspend**

An underspend of £233k is being forecast mainly due to an overachievement of customer & client receipts of £111k, which is mainly attributable to planning application fees and Planning Performance Agreements where we are being more successful.

## **Street Scene & Waste**

### **Waste Services – forecasting a total £522k overspend**

The section is forecasting an employee related overspend of £374k 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. This has reduced this month as we bear down on further agency staff use.

The forecast overspend on 3<sup>rd</sup> party payments of £214k mainly relates to waste disposal costs. A major contributing factor to this is the reduction of food waste which has fallen by around 6%. This represents an additional c200tns which 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 c9% which is a positive contributor to the services recycling performance. However this additional c300 tonnes of material is subject to a gate fee and haulage cost.

These pressures are being partially offset by expected underspends within Supplies & Services (£85k), and Customer & Client Receipts (£236k).

### **Transport Services – forecasting a total £197k overspend**

The overspend is mainly as a result of additional agency and overtime requirements due to a number of staffing issues on account of not being able to fill the vacancies. However, advice from external bus companies and work with our HR department has led to the most recent recruitment process yielding 18 applicants, which are currently being shortlisted. The difficulty in recruiting has caused a knock on effect for covering core routes, which is also compounded by sickness absence or not being able to get agency drivers to cover routes. Therefore, the only option on occasions is to utilise third party transport providers to cover the routes, which results in further unrecoverable costs.

## **Children Schools and Families**

<b>Children, Schools and Families</b>	<b>2016/17 Current Budget £000</b>	<b>Full year Forecast (Jan) £000</b>	<b>Forecast Variance at year end (Jan) £000</b>	<b>Forecast Variance at year end (Dec) £000</b>	<b>2015/16 Variance at year end £000</b>
Commissioning, Strategy and Performance	8,083	9,865	1,667	1,750	677
Education	16,297	16,005	(292)	(267)	34
Social Care and Youth Inclusion	11,975	12,699	724	705	309
Public Health contribution	0	0	0	0	(328)
PFI	7,799	7,254	(545)	(545)	(368)

Redundancy costs	2,077	1,687	(390)	(300)	(331)
<b>Total (controllable)</b>	<b>46,231</b>	<b>47,510</b>	<b>1,164</b>	<b>1,343</b>	<b>(7)</b>

## Overview

At the end of January Children Schools and Families had a forecast overspend of £1.164m on local authority funded services. Close scrutiny of overspending areas and management action to offset these overspends are on-going by the management team.

It is important to note that the majority of the underspend used to offset cost pressures in this financial year are due to management actions that are not sustainable on an on-going basis or one-off windfalls which is not guaranteed to reoccur in future years. This would mean that the demographic and new burdens cost pressures will continue into the new financial year, as will pressures on staffing budgets to fund agency social workers to maintain safe caseloads. Although plans are in place to allocate £1m demographic growth to this area in 2017/18, this would still leave a departmental cost pressure.

## 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	Jan £000	Dec £000	2015/16 £000
Fostering and residential placements (ART)	5,056	543	486	377
Supported lodgings/housing	634	1,247	1,218	546
Un-accompanied asylum seeking children (UASC)	60	526	526	308
Procurement & School organisation	550	(426)	(386)	(276)
Legal cost	527	(114)	0	
Other small over and underspends	1,256	(109)	(94)	(278)
<b>Subtotal Commissioning, Strategy and Performance</b>	<b>8,083</b>	<b>1,667</b>	<b>1,750</b>	<b>677</b>
SEN Transport	3,785	331	262	374
Staffing underspends across Early Years services	2,873	(353)	(320)	(315)
Children's Centre programme funding	90	(120)	(120)	0
Children with disabilities team (CWD) staffing	541	28	4	8
Other small over and underspends	9,008	(178)	(93)	(33)
<b>Subtotal Education</b>	<b>16,297</b>	<b>(292)</b>	<b>(267)</b>	<b>34</b>
No Recourse to Public Funds (NRPF)	20	625	625	470
Social Work staffing	3,075	232	262	151
CAMHS	306	(63)	(63)	(133)
Other small over and underspends	8,574	(70)	(119)	(179)
<b>Subtotal Children's Social Care and Youth Inclusion</b>	<b>11,975</b>	<b>724</b>	<b>705</b>	<b>309</b>

## Commissioning, Strategy and Performance Division

While the numbers of Looked After Children (LAC) remain relatively stable, the complexity of a significant proportion of cases is causing cost pressures as detailed below. Placements are checked on a monthly basis and assumptions reviewed quarterly to ensure that projections of spend are as accurate as possible.

	Page 10	Forecast	Variance	Placements
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<b>Service</b>	<b>Budget £000</b>	<b>spend £000</b>	<b>Jan £000</b>	<b>Dec £000</b>	<b>Jan Nr</b>	<b>Dec Nr</b>
Residential Placements	2,127	2,432	305	330	15	15
Independent Agency Fostering	1,762	1,745	(17)	(17)	41	40
In-house Fostering	904	1,145	241	256	48	51
Secure accommodation	164	58	(106)	(118)	2	2
Mother and baby	99	219	120	35	4	2
<b>Total</b>	<b>5,056</b>	<b>5,599</b>	<b>543</b>	<b>486</b>	<b>110</b>	<b>110</b>

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 £25k from last month. This is due to our responsibility for one young person ending in early February. In addition a dispute over costs for another young person has been resolved.
- The forecast spend for agency fostering placements has remained the same as last month. One young person has moved into IFA placement. One placement has been extended for an additional month. Two young people were unable to move from residential to IFA placements.
- The forecast spend on in-house foster carers reduced by £15k from last month. This is due to a reduction of 3 placements.
- Two young people remain remanded into secure accommodation. We have budgeted until the end of March for both of these young people for this month. This has increased the prediction in the Secure Accommodation budget by £12k.
- In December we were anticipating overspending on the Mother and Baby placement budget by an estimated £35k. Two new placements began in January and one was extended by one week. The predicted increase in this is £85K.

The budget for semi-independent and supported lodgings/housing placements is estimated to overspend by £1,247k. 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 61 semi-independent placements for non-UAS young people. There were 35 young people in semi-independent accommodation at the end of 2014/15.

Since 2014/15 average weekly cost for semi-independent accommodation has reduced by £100. January costs reflect the fact that there was one new young person funded from this budget and an extension of support for one other. We are currently reviewing all placements in semi-independent provision and our overall approach to providing accommodation and support to our care leavers.

The UASC supported lodgings/housing placements for post 18 children that became eligible for leaving care support are expected to overspend by £526k this year due to an increase in cases with no corresponding growth in budget. In January there were 29 placements.

Procurement and school organisation budgets are expected to underspend by £426k 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.

The direct charging budgets for the shared legal service is forecast to underspent by £114k.

There are various other small over and underspends forecast across the division netting to a £109k underspend. These combine with the items described above to arrive at the total reported divisional overspend of £1,667k.

### Education Division

SEN and FE transport cost are expected to overspend by £331k, £69k more than the forecast last month. This is due to a net increase of 13 children supported in latest months. The forecast is calculated using a case-by-case costs model and is reviewed monthly. We continue to 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 went live with a Dynamic Purchasing System on the 12th of December 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 £353k.

£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 £28k. 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. An adjustment of £117k has been made for the full year towards the overspend for these costs. 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 £178k underspend. These combine with the item described above to arrive at the total reported divisional underspend of £292k.

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

The NRPF budgets are forecast to overspend by £625k for the current financial year. This forecast is based on the assumption that case levels will not increase significantly towards the end of the financial year. We currently support 26 families with 40 dependants. The NRPF worker is working closely with housing colleagues to manage cases as they arise and are starting to review historic cases to identify ones where claimant circumstances has changed. We continue to use the Connect system to progress cases and have started a process of reviewing all open cases with the aim to limit the cost pressure on the council.

The Central Social Work, MASH and First Response team's staffing costs are expected to overspend by £232k. 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. An adjustment of £348k has been made for the full year towards the overspend of these costs. On top of the additional staff, the team also has to cover vacancies with agency staff due to difficulty in recruiting permanent members of staff. This cost could fluctuate during the course of the year depending on our ability to recruit permanent members of staff to our vacancies. 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 where 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 £63k due to vacancies.

There are various other small over and underspends forecast across the division netting to a £70k underspend. These combine with the item described above to arrive at the total reported divisional overspend of £724k.

### **Dedicated Schools Grant**

DSG funded services are forecast to overspend by £438k. 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 subjective codes have been shown in the overall departmental analyses.

The Independent Residential School provision is expected to underspend by £159k. 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 £684k. This is in the main due to an increase of 21 placements from the new academic year which started in September.

There are various other smaller over and underspends forecast across the DSG netting to a £87k underspend which, combined with the items above, equates to the net overspend of £438k.

### **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 £1,234k. The table below highlights the estimated overspends relating to these duties:

<b>Description</b>	<b>Budget £000</b>	<b>Jan overspend forecast £000</b>	<b>Dec overspend forecast £000</b>
Supported lodgings/housing	634	1,247	1,218
Un-accompanied asylum seeking children (UASC)	60	526	526
No Recourse to Public Funds (NRPF)	20	625	625
<b>Total</b>	<b>714</b>	<b>2,398</b>	<b>2,369</b>

#### Staffing

The number of Comensura agency social workers used in the third quarter remained stable moving from 35 (27.6 WTE) from Q2 to 35 (27.8 WTE) in Q3. At 35 (27.6 WTE) in December 2016 this is a reduction of 10 from December 2015 (45/35.9 WTE). Employed Social Workers make up 81% of the Social Worker workforce. The expenditure on agency Social Workers continues to drop from £493k in Q2 to £477k in Q3 with a significant drop of £149k from the same period last year moving from £625,859 in 2015 to £477,000 in 2016.

Recruitment continues to be strong, with 27 Social Workers starting the in quarter. This includes 6 NQSW's starting in October; 4 of which are our first year of Frontline graduates. Vacancy rates continue to steadily reduce.

The increased number of leavers in the last three quarters in part reflects planned departures - career breaks, retirement etc. Although turnover has risen (due to reasons above) Merton's % remain in line with the outer London average of 26% (DfE).

Key areas for recruitment continue to be MASH and First Response and CWD. A new 4 team/rota was established in MASH/First Response in quarter three. Recruitment and retention (R&R) initiatives and our recruitment action plan continue. All Social Workers re-registered with HCPC in the third quarter.

### Placements

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

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

Independent analysis of our residential and semi-independent expenditure is continuing 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 36 personal budgets. This equates to a £274k annual saving compared to what the cost would be if these clients were transported by taxi. In addition 13 young people have been through the independent travel training programme this year providing an on-going cost reduction of £119k. We are monitoring tight eligibility thresholds with **Page 14** limit any additional cost pressure.

The Dynamic Purchasing System was implemented on the 12<sup>th</sup> of 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 1<sup>st</sup> 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 £9.4m as at January 2017. Which is apportioned as follows:-

The Adult Social Care over spend has stabilised at £8.3m in line with the recent trends. Housing, Libraries and Merton Adult Education increased to £1m from £887k. This is mainly due to the forecasted spend for the remainder of this financial year in temporary accommodation has increase by £196k net and does not reflect any potential subsidy which maybe receivable by these clients.

The Adult Social Care forecast has been reduced by £585k over commitment on homecare as actual spend is below commissioned hours and anticipated other placement savings of £100k. The latter adjustment has been reduced to reflect savings achieved and the amount of time remaining in the financial year.

The Director of this service has continued to maintain an action plan to monitor activities, improve current systems, and to do everything possible to contain or reduce expenditure. This action plan is monitored and updated on a weekly basis.

### C&H Current Summary Position

Community and Housing	2016/17 Current Budget £000	Full Year Forecast (Jan'17) £000	Forecast Variance (Jan'17) £000	Forecast Variance (Dec) £000	2015/16 Variance @ year end £000
Access and Assessment	37,241	46,126	8,885	8,879	3,259
Commissioning	4,225	4,136	(89)	(114)	(50)
Direct Provision	5,753	5,617	(136)	(113)	(197)
Directorate	815	506	(309)	(321)	(17)
Care Act Implementation Expenditure	0	0	0	0	(1,230)
Contribution from Public Health	0	0	0	0	(328)
<b>Adult Social Care</b>	<b>48,034</b>	<b>56,385</b>	<b>8,351</b>	<b>8,287</b>	<b>1,437</b>

Libraries and Heritage	2,217	2,056	(161)	(141)	(176)
Merton Adult Education	(238)	311	549	532	218
Merton Adult Education-Commissioning Model	0	0	0	0	0
Housing General Fund	2,052	2,702	650	496	(538)
<b>Total</b>	<b>52,065</b>	<b>61,454</b>	<b>9,389</b>	<b>9,218</b>	<b>940</b>

### Access and Assessment - £8.9m over-spend

Forecasted overspend in the area has remained unchanged. Underneath this headline figure there is a small reduction in spend on older people offset by increased spend on people with learning disabilities. This reflects the trend in year whereby activity in older people services has been contained, but the costs of supporting people with learning disabilities are becoming the main issue. There will therefore be significant focus on this area in the 2017/18 action plan.

Access and Assessment	Variance (Jan'17) £000	Variance (Dec'16) £'000	2015/16 Variance @ Year end £000
Gross Placements overspend	7,323	7,298	3,146
Other A&A Over-spends/(underspend)	753	772	(526)
<b>Sub-total Net over-spend</b>	<b>8,076</b>	<b>8,070</b>	<b>2,620</b>
Under/(Over-achievement) of income	809	809	639
<b>Total A&amp;A Forecast over-spend</b>	<b>8,885</b>	<b>8,879</b>	<b>3,259</b>

### Adult Social Care

#### Access and Assessment

#### Placement Activity

The table below details the current number of care packages and clients as at January 2016. Care packages reduced by 68, with a corresponding reduction in the number of clients by 25. The major changes appear to be in the number of older people care packages.

Activity Data	Care	Page 16	Clients	Clients
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	Packages (No's) Jan'17		Packages (No's) Dec 16	(No's) Jan'17		(No's) Dec16
<b>Service Area</b>						
Mental Health	154	↑	152	137	↑	133
Physical & Sensory	335	↓	336	249	↔	249
Learning Disabilities	436	↓	438	351	↑	346
Older People	1,589	↓	1,655	1,122	↓	1,151
Substance Misuse	7	↑	5	5	↔	5
No Recourse to Public Funds	14	↔	14	10	↔	10
Internal Placements	131	↓	134	55	↓	60
<b>TOTAL</b>	<b>2,666</b>		<b>2,734</b>	<b>1,929</b>		<b>1,954</b>

The main pressures are set out below.

Complexity of care needs: The level of intensity for support packages for people at home has been steadily increasing. One measure 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.

Work to contain these pressures has stabilised the position, and activity is falling slightly. The action plan is shifting to further target attention, which will continue to include double-up care packages out of hospital.

Price pressures: Nationally the market in social care has shown that providers are successfully demanding increases in fees.

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. For care homes, there are the same wage pressures.

This means that to secure supply and sustain a viable market Merton had to negotiate higher fees in 2015/16 and 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.

This is more viable for providers in an area such as Merton due to the number of self-funders.

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.

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.

The tender for the new Home Care model has gone live and will be implemented, subject to a successful procurement process from November 2017. Work in underway with South-West London boroughs to explore options to improve the supply of older person's residential and nursing care and to bolster the position of local authority commissioners in the market.

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

The service had estimated Transitions costs for 2016/17 of £657k of which £436k are active commitments to date; the remaining £221k is expected by March 2017.

There are the same issues over the complexity of needs for young people moving into adult social care services.

#### *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 overspend has increased by £26k to £136k since December due to the number of complex cases that required advocates.

#### **Commissioning- £89k under-spend**

The Commissioning service forecasted underspend has reduced by £25k. This is due to the inclusion of additional expenditure for extra resources to assist the department with Care First data during the closing process.

## **Direct Provision - £136k under-spend**

There has been a constant increase of forecasted underspend in this area since September 2016. A majority of this underspend is in the re-ablement team, Mascot and daycentres.

## **Adult Social Care: other management action**

Key elements of progress in the action plan include:

- Placements in care homes have come down to within target levels
- There is a continued reduction in the backlog of financial assessments which arose from the re-structure
- Claw back of unused funds in direct payments accounts has increased and is on track to meet its plan.
- There are some focussed reviews continuing to take place for those with large learning disability packages
- Agency staffing has continued to reduce and despite the challenges of the restructure and delay in SCIS go-live it is expected that spend on staffing in assessment and commissioning will be within budget
- Some audit work has begun with home care providers not using CM2000 to ensure that invoices are reflecting actual usage.
- An action plan for 2017/18 is in development which will reflect the on-going pressures on the service.

## **C&H-Other Services**

### **Libraries- £161k under-spend**

This service is forecasting an £161k under spend as at January 2017. This is however pressure on this budget due to the use of agency staff to facilitate Libraries re-organisation to achieve its 2017/18 savings and additional expenditure incurred due to works at the Colliers Wood library.

### **Merton Adult Education - £549K over-spend**

This service overspend has increased by £17K which is due to a £10k final water invoice for a shared water service with Joseph Hood School and the write back of duplicate invoices £3k and telephone invoice of £4k.

All future utilities will be payable by Schools. The new Commissioning model is expected to breakeven.

### **Housing - £650k over-spend**

The Housing service is forecasting an over spend of £650k in January which is an increase of £154k from December. The change in forecast is due to an increase in forecasted expenditure on temporary accommodation without a corresponding increase in Housing Benefit subsidy or client contribution at this stage.

Temporary accommodation forecasted overspend has increased by £196k, homelessness prevention overspend reduced £5k and other services reduced by £37k.

## Public Health

Public Health is expected to currently forecasting a breakeven position as at January 2017.

<b>Public Health</b>	<b>2016/17 Current Budget £000</b>	<b>Full year forecast (Jan) £000</b>	<b>Forecast Variance (Jan) £000</b>	<b>Forecast Variance (Dec) £000</b>	<b>2015/16 Variance @ Yearend £000</b>
PH - Directorate	509	485	(24)	(14)	(116)
PH - Admin	26	18	(8)	(10)	0
PH-Contraception	748	748	0	0	(41)
PH - GUM	2,136	2,056	(80)	(80)	(27)
PH-Sexual Health Advice	127	123	(4)	(4)	(9)
PH-NHS Health check	523	559	36	34	(78)
PH-Falls Prevention	57	57	0	0	0
PH - Obesity	415	415	0	0	(200)
PH - Smoking	0	2	2	2	(16)
PH-Substance Misuse	1,781	1,723	(58)	(128)	(32)
PH-School Nursing	936	1,039	103	104	(16)
PH-Infectious Diseases	0	0	0	0	(10)
PH - Determinants	368	337	(31)	42	(83)
PH-Community	0	0	0	0	(1)
PH-New Investments	20	4	(16)	(12)	2
PH-Health Visiting	3,229	3,229	0	0	(15)
<b>Sub-Total Public Health</b>	<b>10,875</b>	<b>10,795</b>	<b>(80)</b>	<b>(66)</b>	<b>(642)</b>
<b>PH - Main Grant</b>	<b>(8,046)</b>	<b>(7,951)</b>	<b>95</b>	<b>81</b>	<b>642</b>
<b>PH-Health Visiting Gant</b>	<b>(2,952)</b>	<b>(2,967)</b>	<b>(15)</b>	<b>(15)</b>	<b>0</b>
<b>Grand Total</b>	<b>(123)</b>	<b>(123)</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Corporate Items

The details comparing actual expenditure up to 31 January 2017 against budget are contained in Appendix 2. The main areas of variance as at 31 January 2017 are:-

Corporate Items	Current Budget 2016/17 £000s	Full Year Forecast (Jan.) £000s	Forecast Variance at year end (Jan.) £000s	Forecast Variance at year end (Dec.) £000s	2015/16 Year end Variance £000s
Cost of borrowing	13,643	13,649	6	6	49
Use for Capital Programme	0	0	0	0	0
<b>Impact of Capital on revenue budget</b>	<b>13,643</b>	<b>13,649</b>	<b>6</b>	<b>6</b>	<b>49</b>
Investment Income	(739)	(1,262)	(523)	(421)	(613)
Pension Fund	5,232	4,932	(300)	(300)	(616)
Pay and Price Inflation	739	120	(619)	(619)	(654)
Contingencies and provisions	3,962	2,137	(1,825)	(1,865)	(2,716)
Income Items	(948)	(1,098)	(150)	(150)	(667)
Appropriations/Transfers	65	65	0	0	1,727
<b>Central Items</b>	<b>8,311</b>	<b>4,894</b>	<b>(3,417)</b>	<b>(3,355)</b>	<b>(3,539)</b>
Levies	928	928	0	0	0
Depreciation and Impairment	(17,638)	(17,638)	0	0	0
<b>TOTAL CORPORATE PROVISIONS</b>	<b>5,244</b>	<b>1,833</b>	<b>(3,411)</b>	<b>(3,349)</b>	<b>(3,491)</b>

There has been a net increase in the projected underspend on corporate items of £62k based on January 2017 information. This is due to:-

- An increase of £102k in the forecast level of investment income in 2016/17 arising mainly from marginal improvements in the level of investment rates achieved.
- There is expected to be a reduction of £40k in the forecast underspend within Contingencies and Provisions. This is due to a revision of the Single Status forecast which is now expected to exceed the provision of £52k by £40k due to a tax liability and this amount will be charged against the £100k budget.

#### 4. CAPITAL PROGRAMME 2016-20

4.1 The Table below shows the final position on the capital programme as at January 2017. This position was fixed as part of November Monitoring and it will be used to compile the Capital Strategy, Medium Term Financial Strategy and Treasury Management Strategy.

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	1,951	0	1,951	1,334	0	1,334	629	0	629	280	0	280
CS	8,974	0	8,974	7,131	0	7,131	2,852	0	2,852	2,530	0	2,530
CSF	13,396	0	13,396	17,035	0	17,035	11,900	0	11,900	9,934	0	9,934
E&R	14,143	0	14,143	18,566	0	18,566	20,873	0	20,873	4,445	0	4,445
<b>TOTAL</b>	<b>38,465</b>	<b>0</b>	<b>38,465</b>	<b>44,066</b>	<b>0</b>	<b>44,066</b>	<b>36,254</b>	<b>0</b>	<b>36,254</b>	<b>17,189</b>	<b>0</b>	<b>17,189</b>

4.2 The table below summarises the position in respect of the Capital Programme as at January 2017 the detail is shown in Appendix 5

#### Merton Summary Capital Report - January 2017 Monitoring

Department	Revised Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance
Community and Housing	1,950,550	547,434	757,270	(323,680)	1,507,380	(443,170)
Corporate Services	8,974,660	1,605,836	3,856,414	(2,250,578)	5,763,479	(3,211,181)
Children Schools and Families	13,396,210	10,622,769	10,985,178	(362,409)	13,009,470	(386,740)
Environment and Regeneration	14,143,230	9,127,633	10,402,291	(1,274,658)	13,402,262	(740,968)
<b>Total Capital</b>	<b>38,464,650</b>	<b>21,903,672</b>	<b>26,001,153</b>	<b>(4,211,325)</b>	<b>33,682,591</b>	<b>(4,782,059)</b>

- Community and Housing – The projected £443k underspend is on one scheme – Disabled Facilities Grants (DFG). Officers are currently projecting the maximum projected spend £600k on the scheme. The flexibility in relation to the use of DFG funding is currently being explored.
- Corporate Services – The two schemes showing a large variance will be slipped into 2017/18, these are the Acquisition Fund £1,372k and the Bidding Fund £1,839k.
- Environment and Regeneration – Officers are currently projecting that five schemes will underspend against in year budget Morden Leisure Centre £613k, £3k on Replacement of Fleet Vehicles, £70k on CCTV, £10k on improved parking and £51k on the TfL20mph Scheme. One scheme is currently projecting an overspend of £6k (it is envisaged that this will be funded from within the existing programme at year end). The unspent balance on Morden Leisure Centre will be automatically slipped into 2017/18.
- Children, Schools and Families – Officers are currently projecting four in year underspends - a £233k underspend on the Harris Merton scheme, a £45 underspend on Singlegate, £104k underspend on the School Equipment Loans and a £4k underspend on St Catherine's Field. The Harris Merton and Singlegate are in-year underspends and the budgets need to be slipped into 2017/18.

4.3 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)	(279)	1,951
Corporate Services	7,565	4,065	(1,267)	341	(125)	(1,605)	8,974
Children Schools & Families	13,998	141	(239)	368	224	(1,096)	13,396
Environment and Regeneration	15,658	2,176	(73)	505	411	(4,534)	14,143
<b>Total</b>	<b>39,295</b>	<b>6,653</b>	<b>(1,579)</b>	<b>1,214</b>	<b>395</b>	<b>(7,514)</b>	<b>38,465</b>

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

Depts.	Spend To January 2013	Spend To January 2014	Spend To January 2015	Spend To January 2016	Spend To January 2017	Variance 2013 to 2017	Variance 2014 to 2017	Variance 2015 to 2017	Variance 2016 to 2017
<b>C&amp;H</b>	901	1,068	520	713	547	(354)	(521)	27	(166)
<b>CS</b>	1,735	3,075	1,404	1,345	1,606	(129)	(1,469)	202	261
<b>CSF</b>	21,401	7,912	16,438	11,159	10,623	(10,778)	2,711	(5,815)	(536)
<b>E&amp;R</b>	7,092	7,321	3,492	5,553	9,128	2,036	1,807	5,635	3,575
<b>Total Capital</b>	<b>31,129</b>	<b>19,376</b>	<b>21,854</b>	<b>18,770</b>	<b>21,904</b>	<b>(9,225)</b>	<b>2,528</b>	<b>50</b>	<b>3,134</b>

Outturn £000s	40,487	31,564	36,869	29,327	
Budget £000s					38,465
Projected Spend December 2016 £000s					34,594
Percentage Spend to Budget					56.94%
% Spend to Outturn/Projection	76.89%	61.39%	59.27%	64.00%	63.32%
Monthly Spend to Achieve Projected Outturn £					6,345

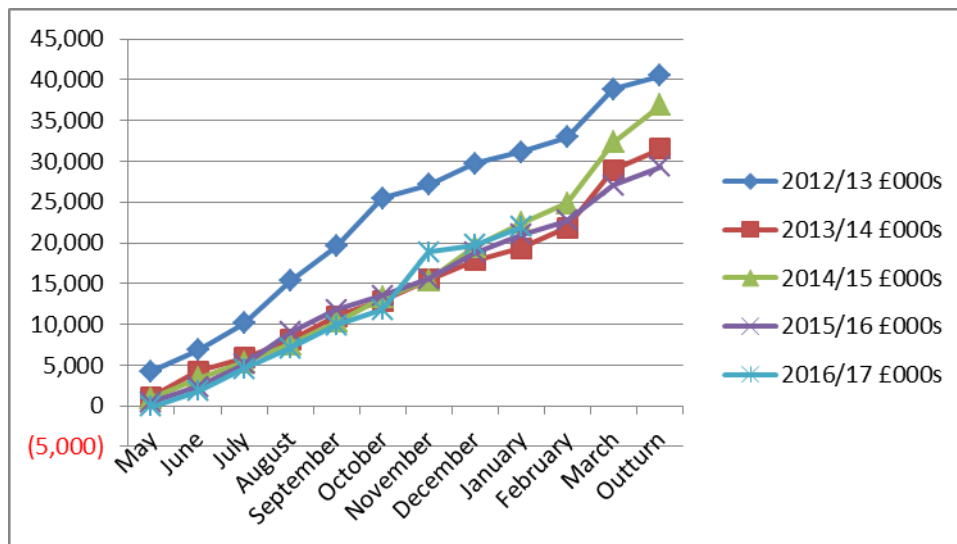
4.5 January is 10 months into the financial year. Although the £7.5 million spend in November boosted the current year spend compared to previous years, the table below shows that officers spent just under £0.5 million in January 2017.

#### Spend During January 2017

Department	Spend To December 2016 £000s	Spend To January 2017 £000s	Increase £000s
<b>C&amp;H</b>	368	547	180
<b>CS</b>	1,474	1,606	132
<b>CSF</b>	10,004	10,623	619
<b>E&amp;R</b>	7,880	9,128	1,248
<b>Total Capital</b>	<b>19,725</b>	<b>21,904</b>	<b>2,178</b>

4.6 The table below summarises the capital spend patterns for the financial years from 2012/13.

**Spend Data from 2012/13 to Present**



4.7 The accumulation of budget manager returns above shows a projected outturn of just under £33.7 million. Utilising this spend information officers project that outturn will be around £31.5 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

Department	Target Savings 2016/17	Projected Savings 2016/17	Period 10 Forecast Shortfall	Period 10 Forecast Shortfall	Period 9 Forecast Shortfall	Period 9 Forecast Shortfall	2017/18 Expected shortfall
	£000's	£000's	£000's	%	£000's	%	£000's
Corporate Services	2,316	2,028	288	12.4%	288	12.4%	0
Children Schools and Families	2,191	2,191	0	0.0%	0	0.0%	0
Community and Housing	5,379	3,766	1,614	30.0%	1,667	31.0%	1,592
Environment and Regeneration	4,771	2,409	2,362	49.5%	2,362	49.5%	0
<b>Total</b>	<b>14,657</b>	<b>10,394</b>	<b>4,264</b>	<b>29.1%</b>	<b>4,317</b>	<b>29.5%</b>	<b>1,592</b>

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

### Progress on savings 2015/16

	Target Savings 2015/16	2015/16 shortfall	2016/17 projected shortfall	2017/18 projected shortfall
	£000's	£000's	£000's	£000's
Corporate Services	1,170	0	0	0
Children Schools and Families	781	0	0	0
Community and Housing	2,154	14	14	14



Environment and Regeneration	4,192	3,493	28	0
<b>Total</b>	<b>8,297</b>	<b>3,507</b>	<b>42</b>	<b>14</b>

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

### Progress on savings 2014/15

Department	Target Savings 2014/15	2014/15 shortfall	2015/16 shortfall	2016/17 projected shortfall	2017/18 projected shortfall
	£000's	£000's	£000's	£000's	£000's
Corporate Services	1,650	0	0	0	0
Children Schools and Families	860	40	0	0	0
Community and Housing	2,465	1,339	1,339	834	834
Environment and Regeneration	3,338	129	125	125	0
<b>Total</b>	<b>8,313</b>	<b>1,508</b>	<b>1,464</b>	<b>959</b>	<b>834</b>

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

## 6. CONSULTATION UNDERTAKEN OR PROPOSED

6.1 All relevant bodies have been consulted.

## 7. TIMETABLE

7.1 In accordance with current financial reporting timetables.

## 8. FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

8.1 All relevant implications have been addressed in the report.

## 9. LEGAL AND STATUTORY IMPLICATIONS

9.1 All relevant implications have been addressed in the report.

## 10. HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

10.1 Not applicable

## 11. CRIME AND DISORDER IMPLICATIONS

11.1 Not applicable

## 12. RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

12.1 The emphasis placed on the delivery of revenue savings within the financial monitoring report will be enhanced during 2016/17, the risk of part non-delivery of savings is already contained on the key strategic risk register and will be kept under review.

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

- Appendix 1- Detailed position table
- Appendix 2 – Detailed Corporate Items table
- Appendix 3 – Pay and Price Inflation
- Appendix 4 – Treasury Management: Outlook
- Appendix 5 – Current Capital Programme 2016/17
- 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 January 2017

	Original Budget 2015/16 £000s	Current Budget 2016/17 £000s	Year to Date Budget (Oct) £000s	Year to Date Actual (Oct) £000s	Full Year Forecast (Dec) £000s	Forecast Variance at year end (Jan) £000s	Forecast Variance at year end (Dec) £000s	Outurn variance 2015/16 £000s
<u>Department</u>								

3A. Corporate Services	14,025	11,800	22,869	22,745	10,936	(864)	(724)	(373)
3B. Children, Schools and Families	50,894	51,304	30,204	30,587	52,468	1,164	1,343	(7)
3C. Community and Housing	61,400	56,764	45,357	49,795	66,153	9,389	9,218	940
3D. Public Health	320	43	(1,916)	(3,482)	43	(0)	0	(7)
3E. Environment & Regeneration	23,986	22,457	5,885	4,226	23,285	828	740	3,632
Overheads		0			0	0	0	272
<b>NET SERVICE EXPENDITURE</b>	<b>150,624</b>	<b>142,369</b>	<b>102,399</b>	<b>103,871</b>	<b>152,886</b>	<b>10,518</b>	<b>10,576</b>	<b>4,457</b>
<b>3E. Corporate Items</b>								
Impact of Capital on revenue budget	14,117	13,643	5,022	5,199	13,649	6	6	49
Central budgets	(10,651)	(9,327)	4,406	4,937	(12,744)	(3,417)	(3,355)	(2,846)
Levies	926	928	837	837	928	0	0	0
<b>TOTAL CORPORATE PROVISIONS</b>	<b>4,392</b>	<b>5,244</b>	<b>10,265</b>	<b>10,974</b>	<b>1,833</b>	<b>(3,411)</b>	<b>(3,349)</b>	<b>(2,797)</b>
<b>TOTAL GENERAL FUND</b>	<b>155,016</b>	<b>147,612</b>	<b>112,664</b>	<b>114,845</b>	<b>154,719</b>	<b>7,107</b>	<b>7,228</b>	<b>1,660</b>
<b>FUNDING</b>								
Revenue Support Grant	(30,425)	(23,156)	(19,448)	(19,448)	(23,156)	0	0	0
Business Rates	(33,686)	(34,230)	(6,634)	(6,634)	(34,230)	0	0	0
Other Grants	(9,434)	(9,811)	(8,915)	(8,915)	(10,353)	(542)	(542)	(954)
Council Tax and Collection Fund	(81,471)	(80,399)	0	0	(80,399)	0	0	(6)
<b>FUNDING</b>	<b>(155,016)</b>	<b>(147,597)</b>	<b>(34,996)</b>	<b>(34,996)</b>	<b>(148,139)</b>	<b>(542)</b>	<b>(542)</b>	<b>(960)</b>
Appropriation from reserves					(665)	(665)	(665)	0
<b>NET</b>	<b>0</b>	<b>16</b>			<b>5,916</b>	<b>5,901</b>	<b>6,021</b>	<b>699</b>

	Current Budget 2016/17	Year to Date Budget (Jan)	Year to Date Actual (Jan)	Full Year Forecast at (Jan)	Forecast Variance at year end (Jan)	Forecast Variance at year end (Dec)
<b>Expenditure</b>	£000	£000	£000	£000	£000	£000
Employees	94,025	78,135	79,946	95,305	1,280	1,214
Premises Related Expenditure	8,530	7,476	5,901	8,126	-404	-537
Transport Related Expenditure	14,508	12,021	12,270	15,733	1,225	971
Supplies and Services	168,697	136,505	133,603	167,546	-1,152	-685
Third Party Payments	89,654	71,768	77,432	102,227	12,572	12,302
Transfer Payments	104,225	85,787	80,985	99,854	-4,371	-9,042
Support Services	32,135	0	0	32,135	-0	-0
Depreciation and Impairment Losses	17,637	13	0	17,637	0	-0
<b>GROSS EXPENDITURE</b>	<b>529,412</b>	<b>391,705</b>	<b>390,138</b>	<b>538,563</b>	<b>9,151</b>	<b>4,223</b>
<b>Income</b>						
Government Grants	-265,779	-221,698	-216,287	-260,675	5,103	9,632
Other Grants, Reimbursements and Contribs	-24,779	-15,197	-17,742	-28,059	-3,280	-3,097
Customer and Client Receipts	-63,488	-52,009	-52,042	-63,537	-49	206
Interest	-46	-38	0	-16	30	30
Recharges	-32,519	0	0	-32,519	0	0
Balances	-433	-364	-195	-871	-438	-417
<b>GROSS INCOME</b>	<b>-387,043</b>	<b>-289,306</b>	<b>-286,267</b>	<b>-385,676</b>	<b>1,367</b>	<b>6,354</b>
<b>NET EXPENDITURE</b>	<b>142,369</b>	<b>102,399</b>	<b>103,871</b>	<b>152,886</b>	<b>10,518</b>	<b>10,576</b>

3E. Corporate Items	Council 2016/17 £000s	Original Budget 2016/17 £000s	Current Budget 2016/17 £000s	Year to Date Budget (Jan.) £000s	Year to Date Actual (Jan.) £000s	Full Year Forecast (Jan.) £000s	Forecast Variance at year end (Jan.) £000s	Forecast Variance at year end (Dec.) £000s	Outturn Variance 2015/16 £000s
Cost of Borrowing Use for Capital Programme	13,643	13,643	13,643	5,022	5,199	13,649	6 0	6 0	49 0
<b>Impact of Capital on revenue budget</b>	<b>13,643</b>	<b>13,643</b>	<b>13,643</b>	<b>5,022</b>	<b>5,199</b>	<b>13,649</b>	<b>6</b>	<b>6</b>	<b>49</b>
<b>Investment Income</b>	<b>(739)</b>	<b>(739)</b>	<b>(739)</b>	<b>(554)</b>	<b>(966)</b>	<b>(1,262)</b>	<b>(523)</b>	<b>(421)</b>	<b>(613)</b>
<b>Pension Fund</b>	<b>5,232</b>	<b>5,232</b>	<b>5,232</b>	<b>4,395</b>	<b>5,197</b>	<b>4,932</b>	<b>(300)</b>	<b>(300)</b>	<b>(616)</b>
Corporate Provision - Pay Award	883	883	0	0	0	0	0	0	(92)
Provision for excess inflation	540	540	439	0	0	20	(419)	(419)	(475)
Utilities Inflation Provision	300	300	300	0	0	100	(200)	(200)	(87)
<b>Pay and Price Inflation</b>	<b>1,723</b>	<b>1,723</b>	<b>739</b>	<b>0</b>	<b>0</b>	<b>120</b>	<b>(619)</b>	<b>(619)</b>	<b>(654)</b>
Contingency	1,500	1,500	1,035	0	441	441	(594)	(594)	(725)
Single Status/Equal Pay	100	100	100	0	25	40	(60)	(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)	(400)	(400)
Loss of HB Admin grant	200	200	200		0	179	(21)	(21)	0
MAE 1st year redundancies	600	600	600		0	600	0	0	0
Revenuisation and miscellaneous	1,414	1,414	1,127	0	0	377	(750)	(750)	(1,503)
<b>Contingencies and provisions</b>	<b>4,714</b>	<b>4,714</b>	<b>3,962</b>	<b>0</b>	<b>466</b>	<b>2,137</b>	<b>(1,825)</b>	<b>(1,865)</b>	<b>(2,716)</b>
Local Services Support Grant	204	204	204	68	0	54	(150)	(150)	(41)
Other	(1,152)	(1,152)	(1,152)	0	(202)	(1,152)	0	0	(626)
<b>Income items</b>	<b>(948)</b>	<b>(948)</b>	<b>(948)</b>	<b>68</b>	<b>(202)</b>	<b>(1,098)</b>	<b>(150)</b>	<b>(150)</b>	<b>(667)</b>
Appropriations: CS Reserves	(1,371)	(1,371)	(1,950)	0	0	(1,950)	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	1,300	1,300	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
<b>Appropriations/Transfers</b>	<b>1,693</b>	<b>1,693</b>	<b>65</b>	<b>497</b>	<b>442</b>	<b>65</b>	<b>0</b>	<b>0</b>	<b>1,727</b>
<b>Depreciation and Impairment</b>	<b>(17,638)</b>	<b>(17,638)</b>	<b>(17,638)</b>	<b>0</b>	<b>0</b>	<b>(17,638)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Central Items</b>	<b>7,681</b>	<b>7,681</b>	<b>4,316</b>	<b>9,428</b>	<b>10,136</b>	<b>905</b>	<b>(3,411)</b>	<b>(3,349)</b>	<b>(3,491)</b>
<b>Levies</b>	<b>928</b>	<b>928</b>	<b>928</b>	<b>837</b>	<b>837</b>	<b>928</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL CORPORATE PROVISIONS</b>	<b>8,608</b>	<b>8,608</b>	<b>5,244</b>	<b>10,265</b>	<b>10,974</b>	<b>1,833</b>	<b>(3,411)</b>	<b>(3,349)</b>	<b>(3,491)</b>

**Pay and Price Inflation as at January 2017**

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 1.8% in the year to January 2017, compared with a 1.6% rise in the year to December 2016. The rate in January 2017 was the highest since June 2014. The main contributors to the increase in the rate were rising prices for motor fuels and to a lesser extent food prices, which were unchanged between December 2016 and January 2017, having fallen a year ago. These upward pressures were partially offset by prices for clothing and footwear, which fell by more than they did a year ago.

CPIH, a measure of UK consumer price inflation that includes owner occupiers' housing costs, rose by 2.0% in the year to January 2017, compared with a 1.7% rise in the year to December 2016.

The RPI 12-month rate for January 2017 stood at 2.6%, up from 2.5% in December 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 1 February 2017, the MPC voted unanimously to maintain Bank Rate at 0.25%. The MPC voted unanimously to continue with the programme of sterling non-financial investment-grade corporate bond purchases, financed by the issuance of central bank reserves, totalling up to £10 billion. The MPC also voted unanimously to maintain the stock of UK government bond purchases, financed by the issuance of central bank reserves, at £435 billion. The MPC's latest economic projections are contained in the February Inflation Report. The MPC has increased its central expectation for growth in 2017 to 2.0% and expects growth of 1.6% in 2018 and 1.7% in 2019.

CPI inflation rose to 1.6% in December and further substantial increases are very likely over the coming months. In the central projection, conditioned on market yields that are somewhat higher than in November, inflation is expected to increase to 2.8% in the first half of 2018, before falling back gradually to 2.4% in three years' time. Inflation is judged likely to return to close to the target over the subsequent year. Measures of inflation compensation derived from financial markets have stabilised at around average historical levels, having increased during late 2016 as concerns about a period of unusually low inflation faded.

As the MPC has previously noted, however, there are limits to the extent that above-target inflation

can be tolerated. The continuing suitability of the current policy stance depends on the trade-off between above-target inflation and slack in the economy. The projections described in the Inflation Report depend in good part on three main judgements: that the lower level of sterling continues to boost consumer prices broadly as expected, and without adverse consequences for expectations of inflation further ahead; that regular pay growth does indeed remain modest, consistent with the MPC's updated assessment of the remaining degree of slack in the labour market; and that the hitherto resilient rates of household spending growth slow as real income gains weaken.

UK economic activity remained resilient in the second half of 2016. Growth is likely to slow over 2017 as households adjust their spending to lower real income growth resulting in large part from the 18% fall in sterling since late 2015. That fall in sterling will raise CPI inflation, which is likely to return to around the 2% target by February and then rise above it over the following months. Conditioned on a market path for Bank Rate that rises to just under 0.75% by early 2020, The MPC projects CPI inflation to fall back gradually from the middle of 2018. Continued pass-through of higher import prices means, however, that inflation is projected to remain somewhat above the 2% target at the end of the MPC's three-year forecast period.

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

**Table 11: Forecasts for the UK Economy**

Source: HM Treasury - Forecasts for the UK Economy (February 2017)			
	Lowest %	Highest %	Average %
2017 (Quarter 4)			
CPI	1.7	3.7	2.9
RPI	2.3	5.1	3.6
LFS Unemployment Rate	4.5	5.7	5.2
2018 (Quarter 4)			
CPI	1.9	3.1	2.6
RPI	2.4	3.6	3.3
LFS Unemployment Rate	4.1	6.0	5.3

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 2017 to 2021 are summarised in the following table:-

Source: HM Treasury - Forecasts for the UK Economy (February 2017)					
	2017	2018	2019	2020	2021
	%	%	%	%	%
CPI	2.6	2.8	2.3	2.1	1.9
RPI	3.5	3.4	3.2	3.2	3.3
LFS Unemployment Rate	5.0	5.2	5.2	5.2	4.6

## Treasury Management: Outlook

As previously advised, the Bank of England has reduced the number of times the MPC will meet to discuss the Bank Base Rate to 8 meetings per year, and therefore there will not be a meeting in January 2017. The next MPC meeting will end on 1 February 2017.

At its meeting ending on 1 February 2017, the MPC voted unanimously to maintain Bank Rate at 0.25%. The MPC voted unanimously to continue with the programme of sterling non-financial investment-grade corporate bond purchases, financed by the issuance of central bank reserves, totalling up to £10 billion. The MPC also voted unanimously to maintain the stock of UK government bond purchases, financed by the issuance of central bank reserves, at £435 billion. The MPC's latest economic projections are contained in the February Inflation Report. The MPC has increased its central expectation for growth in 2017 to 2.0% and expects growth of 1.6% in 2018 and 1.7% in 2019.

In reaching the decision to keep the strategy unchanged at present the MPC concluded that "Monetary policy cannot prevent either the real adjustment that is necessary as the UK moves towards its new international trading arrangements or the weaker real income growth that is likely to accompany it over the next few years. Attempting to offset fully the effect of weaker sterling on inflation would be achievable only at the cost of higher unemployment and, in all likelihood, even weaker income growth. For this reason, the MPC's remit specifies that in such exceptional circumstances the Committee must balance the trade-off between the speed with which it intends to return inflation to the target and the support that monetary policy provides to jobs and activity. At its February meeting, the MPC continued to judge that it remained appropriate to seek to return inflation to the target over a somewhat longer period than usual, and that the current stance of monetary policy remained appropriate to balance the demands of the Committee's remit.

As the Committee has previously noted, however, there are limits to the extent that above-target inflation can be tolerated. The continuing suitability of the current policy stance depends on the trade-off between above-target inflation and slack in the economy. The projections described in the Inflation Report depend in good part on three main judgements: that the lower level of sterling continues to boost consumer prices broadly as expected, and without adverse consequences for expectations of inflation further ahead; that regular pay growth does indeed remain modest, consistent with the Committee's updated assessment of the remaining degree of slack in the labour market; and that the hitherto resilient rates of household spending growth slow as real income gains weaken. In judging the appropriate policy stance, the Committee will be monitoring closely the incoming evidence regarding these and other factors. For instance, if spending growth slows more abruptly than expected, there is scope for monetary policy to be loosened. If, on the other hand, pay growth picks up by more than anticipated, monetary policy may need to be tightened to a greater degree than the gently rising path implied by market yields. Monetary policy can respond, in either direction, to changes to the economic outlook as they unfold to ensure a sustainable return of inflation to the 2% target."

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.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	End Q.1 2020
Feb'17	0.2	0.2	0.3	0.3	0.3	0.4	0.4	0.4	0.5	0.5	0.6	0.6	0.7
Nov.'16	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	0.2	0.2	0.2	0.2		
May '16	0.4	0.5	0.5	0.5	0.6	0.6	0.6	0.7	0.7	0.8			
Feb. '16	0.5	0.6	0.7	0.8	0.8	0.9	1.0	1.0	1.1				
Nov '15	0.7	0.8	0.9	1.0	1.1	1.1	1.2	1.3					
Aug.'15	1.2	1.3	1.4	1.5	1.6	1.7	1.7						
May '15	1.0	1.1	1.2	1.3	1.3	1.4							
Feb.'15	0.9	1.0	1.0	1.1	1.1								
Nov '14	1.5	1.5	1.7	1.7									
Aug.'14	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.



## Community &amp; Housing Summary Capital Report - January 2017 Monitoring

Scheme Description	Revised Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance
Adult Social Care	52,410	34,352	(43,192)	77,544	52,410	0
Libraries	94,970	(14,039)	94,970	(109,009)	94,970	0
<b>Housing</b>						
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	531,492	325,492	92,156	600,000	(443,170)
<b>Community and Housing Total</b>	<b>1,950,550</b>	<b>547,434</b>	<b>757,270</b>	<b>(323,680)</b>	<b>1,507,380</b>	<b>(443,170)</b>

## Corporate Services Summary Capital Report - January 2017 Monitoring

Scheme Description	Revised Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance
Business Improvement	2,100,380	88,500	1,344,512	(1,256,012)	2,100,380	0
Corporate Items	3,372,300	161,122	0	161,122	161,122	(3,211,178)
Facilities Management	1,422,020	496,548	1,057,856	(561,308)	1,422,020	0
IT Total	1,523,800	558,731	986,816	(428,085)	1,523,797	(3)
Resources	556,160	300,935	467,230	(166,295)	556,160	0
<b>Corporate Services Total</b>	<b>8,974,660</b>	<b>1,605,836</b>	<b>3,856,414</b>	<b>(2,250,578)</b>	<b>5,763,479</b>	<b>(3,211,181)</b>

## Children, Schools &amp; Families Summary Capital Report - January 2017 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	(1,995)	(23,684)	21,689	0	0
Pelham School Expansion*	10,660	(8,117)	(8,117)	0	10,660	0
Dundonald expansion	2,664,410	2,283,289	2,574,410	(291,121)	2,664,410	0
Poplar Permanent Expansion*	1,000	(49,144)	(49,144)	0	1,000	0
Singlegate expansion	1,014,020	826,509	863,020	(36,511)	969,020	(45,000)
Primary School Exp. Overspen Provision*	61,490	(262,872)	(344,131)	81,259	61,490	0
Wimbledon Park expansion*	0	(27,000)	(27,000)	0	0	0
<b>Primary Expansion</b>	<b>3,758,390</b>	<b>2,636,848</b>	<b>2,884,502</b>	<b>(247,654)</b>	<b>3,713,390</b>	<b>(45,000)</b>

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

## Children, Schools &amp; Families Summary Capital Report - January 2017 Monitoring Continued ...

Scheme Description	Revised Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance
New School	6,764,500	6,482,722	6,439,500	43,222	6,764,500	0
Harris Merton Expansion	1,033,440	414,559	459,730	(45,171)	800,000	(233,440)
<b>Secondary Expansion</b>	<b>7,797,940</b>	<b>6,897,281</b>	<b>6,899,230</b>	<b>(1,949)</b>	<b>7,564,500</b>	<b>(233,440)</b>
Cricket Green Site	1,560	495	(1,200)	1,695	1,560	0
Primary school autism unit	40,730	24,234	5,947	18,287	40,730	0
Perseid	150,000	(63,440)	(50,805)	(12,635)	150,000	0
Futher SEN Units	165,320	12,296	47,000	(34,704)	165,320	0
<b>SEN Expansion</b>	<b>357,610</b>	<b>(26,415)</b>	<b>942</b>	<b>(27,357)</b>	<b>357,610</b>	<b>0</b>
Devolved Formula Capital	367,820	306,530	306,530	0	367,820	0
Free School Meals	0	0	(24,126)	24,126	0	0
B698 St Catherines Fields Fencing	24,100	20,250	24,100	(3,850)	20,250	(3,850)
Schs Cap Maint & Accessibility	985,900	788,275	894,000	(105,725)	985,900	0
Schools Equipment Loans	104,450	0	0	0	0	(104,450)
<b>Other</b>	<b>1,482,270</b>	<b>1,115,055</b>	<b>1,200,504</b>	<b>(85,449)</b>	<b>1,373,970</b>	<b>(108,300)</b>
<b>Children Schools and Families</b>	<b>13,396,210</b>	<b>10,622,769</b>	<b>10,985,178</b>	<b>(362,409)</b>	<b>13,009,470</b>	<b>(386,740)</b>

## Environment &amp; Regeneration Summary Capital Report - January 2017 Monitoring

Scheme Description	Revised Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance
Footways Planned Works	1,000,000	942,427	800,000	142,427	1,000,000	0
Greenspaces	722,560	623,738	324,360	299,378	722,560	0
Highways General Planned Works	435,860	151,884	247,500	(95,616)	435,860	0
Highways Planned Road Works	1,500,000	1,434,380	1,485,000	(50,620)	1,500,000	0
Leisure Centres	1,972,540	653,747	1,336,305	(682,558)	1,359,718	(612,822)
Other E&R	193,020	81,896	113,667	(31,771)	192,907	(113)
On and Off Street Parking	9,900	0	0	0	0	(9,900)
Regeneration Partnerships	3,535,210	2,294,249	2,357,658	(63,409)	3,541,207	5,997
Street Lighting	662,000	666,135	614,135	52,000	662,000	0
Street Scene	105,950	68,601	61,072	7,529	105,820	(130)
Transport for London	2,552,620	1,232,191	1,896,051	(663,860)	2,501,620	(51,000)
Traffic and Parking Management	920,070	627,870	756,150	(128,280)	850,070	(70,000)
Transport and Plant	488,000	323,739	372,477	(48,738)	485,000	(3,000)
Waste Operations	45,500	26,776	37,916	(11,140)	45,500	0
<b>Environment and Regeneration</b>	<b>14,143,230</b>	<b>9,127,633</b>	<b>10,402,291</b>	<b>(1,274,658)</b>	<b>13,402,262</b>	<b>(740,968)</b>

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

Ref	Description of Saving	2016/17 Savings Required £000	2016/17 Expected Savings £000	Shortfall £000	RAG	2017/18 Savings Expected £000	2017/18 Expected Shortfall £000	17/18 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend ? Y/N
	<b>Adult Social Care</b>										
CH02	<b>Promoting Independence</b> - Public Value Review - Efficiencies to be found in hospital discharge process and by enabling customers to regain and maintain independence	100	79	22	R	100	42	G	David Slark	Some savings achieved through provider negotiations	Y
CH29	<b>Older People - Managing Crisis (including hospital discharge) admissions to residential care.</b> This would include a number of activities designed to reduce admissions to residential care placements. We would be looking to families to continue to support people at home for longer. This would fit in with our overall approach to enable independence.	125	0	125	R	125	125	R	Kim Carey	We continue to manage to target the number of admissions to residential care, but this is having a knock-on to the cost of care in the home. Arrangements are now in place to mitigate the cost of double handed care using proactive OT engagement in these packages.	Y
CH34	<b>Substance Misuse Placements - Actively manage throughput in residential rehab placements</b> - A reduction in the placements available for Substance misuse clients	6	6	0	G	6	0	G	Henrietta Brown		Y
CH05	<b>Realise benefits of new prevention programme in terms of reduced demand for statutory services, or alternatively if these benefits have not occurred then to reduce investment in the prevention programme through reduced grants to Voluntary Organisations.</b> -Reduced demand for statutory services or reduced level of preventative services. In the latter case people would lose some of the services which make their life fuller.	500	500	0	G	500	0	G	Richard Ellis		Y
CH04	<b>Reduce Management costs and reduction in staffing costs Access &amp; Assessment-</b> Staffing restructure to deliver efficient processes, and building on planned shift of some customers to manage their own processes.	100	75	25	A	100	25	G	Kim Carey	Due to the delays in submitting the staff re-structure Business Case and subsequent staff consultation this saving will not be fully realised.	Y
CH20	<b>Access and Assessment Employees - Staff Savings</b> 12 FTE to be deleted in 2016/17 12 FTE in 17/18, 12 FTE in 18/19 - These savings will come from across Access and Assessment, covering all service areas. - Reduction in the ability to carry out assessments and reviews, social work support, safeguarding activities, DOLs responsibilities and financial assessments. (CH20)	511	468	43	A	511	43	G	Kim Carey	Due to the delays in submitting the staff re-structure Business Case and subsequent staff consultation this saving may not be fully realised in year.	Y

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

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	<b>Commissioning Employees- Staff Savings- 4 FTE to be deleted-</b> Reduced capacity to monitor quality within provider services, reduced capacity to monitor performance within services and a reduced capacity to proactively work to sustain and develop a local provider market.	156	151	5	A	156	5	G	Richard Ellis	Due to the delays in submitting the staff re-structure Business Case and subsequent staff consultation this saving will not be fully realised.	Y
CH21	<b>Direct Provision Employees - Staff Savings 11FTE to be deleted-</b> Less activities available both at day centres and in the community. Clients would spend more time in larger congregated settings with less choice of activities. These savings would be made across the three LD and PD day centres.	274	274	0	G	274	0	G	Andy Ottaway-Searle		Y
CH59	<b>Direct Provision Residential and supported living management -staff reductions-</b> We would expect to keep front line support staff but reduce management. This would mean less resource to provide outreach and the emphasis would primarily on providing core services (Bring forward savings -CH37) 2 FTE's	100	100	0	G	100	0	G	Andy Ottaway-Searle		Y
CH23	<b>Directorate- Staff Savings - 0.46 FTE to be deleted-None, post now funded by Public Health</b>	21	21	0	G	21	0	G	Richard Ellis	Saving achieved as change of funding	Y
CH64	<b>Directorate- Staff Savings - (Budget contribution to Joint Public Health consultant post to be deleted)-None, post now funded by Public Health</b>	30	30	0	G	30	0	G	Richard Ellis	Saving achieved as change of funding	Y
CH24	<b>Learning Disabilities- High Cost Packages - Review of High Cost Packages with a view to promoting independence</b> This would be a holistic review of 17 identified high cost placements (i.e. those receiving packages of care over £1,500 per week and not health funded). We will use promoting Independence as the basis of these reviews. We are designing these figures based on a 6% reduction in support for the identified client group.	100	100	0	G	100	0	G	Kim Carey	This is a priority for reviews. Clients have been identified where there is potential for more cost effective solutions.	Y

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

Ref	Description of Saving	2016/17 Savings Required £000	2016/17 Expected Savings £000	Shortfall £000	RAG	2017/18 Savings Expected £000	2017/18 Expected Shortfall £000	17/18 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend ? Y/N
CH25	<b>Learning Disabilities- Medium Cost Packages- Review of medium cost packages with a view of promoting independence</b> -This would be a holistic review of identified medium cost placements of care of between £400 -£1,500 per week and not health funded). We will use the promoting independence model as the basis for these reviews. We are designing these figures based on a 10% reduction in support for the relevant clients within the identified group.	400	302	98	R	400	127	A	Kim Carey	These cases are taking a lower priority due to the opportunity afforded by addressing the high cost packages first.	Y
CH26	<b>Learning Disabilities - Direct Payments-</b> Review of all Direct Payments in Learning Disabilities with a view to promoting independence .We will review the Direct Payments received by clients to assess whether it is still set at the appropriate level for their needs and whether the full payment is being utilised. We will use the promoting independence model as the basis of these reviews. We anticipate this being a reduction of 7% for the individual support packages within this client group. There are currently 98 packages in this group.	50	0	50	R	50	50	A	Kim Carey	Clients with high DP balances are being prioritised for review.	Y
CH27	<b>Mental Health- Care Packages - Review of support packages within all areas of Mental Health services.</b> - We anticipate this being a reduction of 5% across all support packages and will include a review of Direct Payments within this area. Options include less use of residential placements and quicker reviews as part of a recovery model.	76	0	76	R	76	76	A	Henrietta Brown	Reviews in progress	Y
CH28	<b>Older People- Home Care Review of Home Care within support packages.</b> There are currently 596 Older People within Merton receiving home care within their support packages. This represents an average reduction of 9% in home care support packages.	387	135	252	R	387	256	A	Kim Carey	These cases are being prioritised within the long term team. Priority is being given to clients with double up care packages after leaving hospital to identify potential for recovery and re-ablement	Y
CH30	<b>Older People - Review of Direct Payments support packages</b> -Review of Direct Payments in Older People using the enablement model. We will review the Direct Payments received by clients to assess whether the full payment is being utilised. We will use the enablement model as the basis of these reviews. We anticipate this being an average reduction of 15% for individual support packages within this client group. There are currently 225 packages.	345	0	345	R	345	345	A	Kim Carey	These cases are being prioritised within the long term team. Priority is being given to clients with double up care packages after leaving hospital to identify potential for recovery and re-ablement	Y

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

Ref	Description of Saving	2016/17 Savings Required £000	2016/17 Expected Savings £000	Shortfall £000	RAG	2017/18 Savings Expected £000	2017/18 Expected Shortfall £000	17/18 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend ? Y/N
CH31	<b>Physical Disabilities- Review of all Direct Payments for clients with physical disabilities using promoting independence.</b> -We will review the Direct Payments received by clients to assess whether it is still set at the appropriate level for their needs and whether the full payment is being utilised. We will use the promoting independence model as the basis of these reviews. We anticipate this being a reduction of 10% for the individual support packages within this client group. There are currently 150 packages in this group.	134	0	134	R	134	134	A	Kim Carey	These cases are being prioritised within the long term team. Clients with high DP balances are being prioritised for review.	Y
CH32	<b>Physical Disabilities - Home Care</b> -The saving would be delivered through a review of home care provision within support packages. There are currently 89 Physical Disabilities clients within Merton receiving home care within their support packages. The proposed savings represents an average reduction of 8% in home care for this group.	48	0	48	R	48	48	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	<b>Physical Disabilities- High Cost Packages - Review of PD Residential and 1-1 packages.</b> This saving would be delivered through a targeted review of a small number of PD customers in residential care. These reviews would look at renegotiating unit costs, transferring users to other types of accommodation in the community and reducing or removing 1-1 costs.	60	0	60	R	60	60	A	Kim Carey	These cases are being prioritised within the long term team.	Y
CH60	<b>South Thames Crossroads</b> : Decommission the crossroads service for carers. Replace with domiciliary care service/ Direct Payment offer and commissioned holistic carers support service from voluntary sector.	294	294	0	G	294	0	G	Richard Ellis	Service decommissioned from 31st December 2016.	Y
CH61	<b>Meals on Wheels (Sodexo):</b> 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 in year.	Y
CH62	<b>Supported accommodation mental health</b> : Decommission service as a result of Provider notice to cease service in Merton	106	106	0	G	106	0	G	Richard Ellis	The service has been decommissioned & saving achieved.	Y
CH63	<b>Day support Imagine Independence</b> : Decommission service and recommission cost effective peer led day opportunities for people with mental health	84	84	0	G	84	0	G	Richard Ellis	The tender has been awarded and will commence 4th July (which will achieve the saving)	Y
CH51	<b>NHS Income</b> :Negotiate extra NHS funding for extra costs of Hospital Discharges - Circa £150k on packages, £50k on staff.	200	0	200	R	0	200	R	Richard Ellis	No longer achievable in the light of deficits with the health system	Y
	<b>Library &amp; Heritage Service</b>										

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

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.	Y
CH47	Reduction in volunteering contract	20	20	0	G	20	0	G	Anthony Hopkins	Savings achieved	Y
CH48	Reduction in media fund	45	45	0	G	45	0	G	Anthony Hopkins	Savings achieved	Y
	<b>Merton Adult Education</b>										
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
	<b>Housing Needs &amp; Enabling</b>										
CH8	Reduction of Homelessness Prevention Grant:	56	0	56	R	56	56	A	Steve Langley		Y
CH9	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	Savings achieved	Y
CH41	Environmental health Technical officer deletion of 1 FTE:	33	33	0	G	33	0	G	Steve Langley	Savings achieved	Y
CH42	Housing options adviser deletion of 1.5 FTE :	53	53	0	G	53	0	G	Steve Langley	Savings achieved	Y
	<b>Total Community &amp; Housing Department Savings for 2016/17</b>	<b>5,379</b>	<b>3,766</b>	<b>1,614</b>		<b>5,179</b>	<b>1,592</b>				

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

Ref	Description of Saving	2016/17 Savings Required £000	2016/17 Savings Expected £000	Shortfall	16/17 RAG	2017/18 Savings Expected £000	2017/18 Expected Shortfall £000	17/18 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
<b>Commissioning, Strategy and Performance</b>											
CSF2012-04	Reduce expenditure on LAC and SEN placements	50	50	0	R	50	0	A	Paul Ballatt	Although we expect to achieve the savings target, increased cost due to higher and more complex caseload is causing the service area to overspend. Placements are reviewed on a monthly basis and detailed analysis to back up the cost reduction in placement costs through negotiations with providers are reported to DMT every quarter. At the end of the second quarter, this equated to £731k. Third quarter information is expected to be available for the next return.	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 second quarter, this equated to £731k. Third quarter information is expected to be available for the next return.	Y
CSF2014-03	This will be achieved through a combination of reducing our training for facilitators of parenting programmes and decommissioning a service where the commissioned outcomes are not being delivered.	40	40	0	G	40	0	G	Paul Ballatt		
CSF2014-05	Reduction in commissioning of early intervention and prevention services from the VCS.	300	300	0	G	300	0	G	Paul Ballatt		
<b>Children Social Care</b>											
CSF2012-07	Family and Adolescent Services Stream - Transforming Families (TF), Youth Offending Team (YOT) and in Education, Training and Employment (ETE). 2016/17 savings will be achieved by the closure of Insight and deletion of YJ management post.	100	100	0	R	100	0	G	Paul Angeli	Insight was not closed as we were not able to opt out of the lease early. This saving will be delivered in 2017/18 and the short for 2016/17 covered through reduced grant-funded and targeted intervention services.	
CSF2015-01	Serious Case Reviews	77	77	0	G	77	0	G	Paul Angeli		
<b>Early Years</b>											



## 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
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		
CSF2014-09	We are working on the detailed proposals which will in essence reduce the service to paid-for childcare (parents and DSG) with a very limited targeted service for highly vulnerable families.	254	254	0	G	254	0	G	Jane McSherry		
	<b>Youth Service</b>										
CSF2014-06	Young people will be signposted to VCS youth provision. Work continues with RSLs and other possible funders to identify some residual funding.	480	480	0	G	480	0	G	Jane McSherry		
	<b>Public Health</b>										
CSF2014-07	Children's centres deliver the widest outcomes for under fives and getting a good start in life is key to narrowing inequalities in health outcomes.	400	400	0	G	400	0	G	Jane McSherry		
	<b>Schools</b>										
CSF2014-08	Increased income from schools and/or reduced LA service offer to schools.	400	400	0	G	400	0	G	Jane McSherry		
	<b>Cross cutting</b>										
CSF2015-02	Service management review across the CSF dept (2/3 FTE depending on grading of posts )	23	23	0	G	23	0	G	Paul Angeli		
	<b>Total Children, Schools and Families Department Savings for 2015/16</b>	<b>2,191</b>	<b>2,191</b>	<b>0</b>		<b>2,191</b>	<b>0</b>				

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

## DEPARTMENT: CORPORATE SERVICES - PROGRESS ON SAVINGS 16-17

Ref	Description of Saving	2016/17 Savings Required £000	2016/17 Savings Expected £000	Shortfall	16/17 RAG	2017/18 Savings Expected £000	2017/18 Expected Shortfall £000	17/18 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
<b>Customer Services</b>											
CS13	Reduction in discretionary relief (replacement of CS12 and CS13 which had both been deferred until 2016/17)	81	81	0	G	81	0	G	David Keppler/Sean Cunniffe		N
CS36	Re tendering of Cash Collection Contract	10	10	0	G	10	0	G	David Keppler/Sean Cunniffe		N
CS39	Impact of Customer Service Review	30	0	30	R	30	0	A	David Keppler/Sean Cunniffe	Will not be achieved in current year due to delay in Customer Contact Implementation. Will be met this financial year from another source	N
CS61	Dividend income from CHAS 2013 Limited	58	58	0	G	58	0	G			N
CS62	Recharges to Public Health	70	70	0	G	70	0	G			N
CSD9	Ending of e-Capture Service	9	9	0	G	9	0	G	David Keppler/Sean Cunniffe		N
CSD10	Ending of Risk Based Verification	22	22	0	G	22	0	G	David Keppler/Sean Cunniffe		N
CSD11	Terminate the Experian trace and search system contract	10	10	0	G	10	0	G	David Keppler/Sean Cunniffe		N
CSD14	Reduction of 1 FTE Revenues Officer	30	30	0	G	30	0	G	David Keppler/Sean Cunniffe		N
CSD15	Increase in Court Costs (council tax) - Increase from £110.00 to £115.00	40	40	0	G	40	0	G	David Keppler/Sean Cunniffe		N
CSD16	Reduction in discretionary relief	231	231	0	G	231	0	G	David Keppler/Sean Cunniffe		N
CSD18	My Merton and staff reductions - Renegotiate supplier costs for My Merton	32	32	0	G	32	0	G	Sophie Poole		N
CSD19	My Merton and staff reductions - Delete 1 FTE - Communication Asisstant	25	25	0	G	25	0	G	Sophie Poole		N
<b>Business Improvement</b>											
CS5	Review and challenge of the procurement of Support & Maintenance & Licence Contracts	21	21	0	G	21	0	G	Sophie Ellis		N
CS34	Reorganisation of systems development and support arrangements.	88	0	88	R	88	0	G	Sophie Ellis	This was dependent on system changes which have not happened due to delays in implementation	Y
CSD37	PO Restructure	64	64	0	A	64	0	A	Sophie Ellis	At risk as dependent on MIB funding to be agreed.	N
CSD38	Reduction in support budget	5	5	0	G	5	0	G	Sophie Ellis		N
CSD39	Business Systems Team Restructure Phase 2	50	50	0	G	50	0	G	Sophie Ellis		N
CSD40	Secure additional income generated through gazetteer maintenance and street naming and numbering	30	30	0	G	30	0	G	Sophie Ellis		N
CSD41	Consolidation of systems support	20	20	0	A	20	0	A	Sophie Ellis	At risk dependent on additional funding	N
<b>IT Service Delivery</b>											
CS5	Review and challenge of the procurement of Support & Maintenance & Licence Contracts	29	29	0	G	29	0	G	Mark Humphries		N
CS7	Reduction of costs through re-procurement of Mobile Telephones Contract against a number of revenue budgets spread across the Council	20	20	0	G	20	0	G	Mark Humphries		N
CS8	Reduction of costs through re-procurement of Wide Area Network(WAN) Links contract. Savings achieved against a number of revenue budgets spread across the Council	20	20	0	G	20	0	G	Mark Humphries		N
CS10	Outsourcing - Service Desk	20	0	20	R	20	0	G	Mark Humphries	Saving found from supplies budget	N
CS12	Information Governance Vacant Post	37	37	0	G	37	0	G	Mark Humphries		N
CS16	Surrender of remainder of ITSD Overtime budget	35	35	0	G	35	0	G	Mark Humphries		N
CS23	Outsourcing - Building Services & Security Service	50	50	0	G	50	0	G	Mark Humphries		N
CS28	M&E Term Contract (Amalgamation) of Intruder Alarms	20	20	0	G	20	0	G	Mark Humphries		N
CSD2	Energy Savings (Subject to agreed investment of £1.5m)	150	0	150	R	150	0	G	Mark Humphries	Full saving unlikely to be achieved due to delay in implementation. Alternative saving in current year has been identified	N

## DEPARTMENT: CORPORATE SERVICES - PROGRESS ON SAVINGS 16-17

Ref	Description of Saving	2016/17 Savings Required £000	2016/17 Savings Expected £000	Shortfall	16/17 RAG	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
CSD3	Rationalise IT Service Delivery support & maintenance contracts.	86	86	0	G	86	0	G	Mark Humphries		N
CSD4	Rationalise Facilities Management Building Repairs & Maintenance budgets	15	15	0	G	15	0	G	Mark Humphries		N
CSD5	Increase income generation from external bookings at Chaucer centre	40	40	0	G	40	0	G	Mark Humphries		N
CSD6	Reduction in the number of vehicles operated by Infrastructure & Transactions division from three to two	5	5	0	G	5	0	G	Mark Humphries		N
CSD8	Restructure IT Service Delivery section and delete 1 FTE post.	40	40	0	G	40	0	G	Mark Humphries		N
	<b>Resources</b>										
CS46	Resources -Deletion of 3 Posts within the Division	25	25	0	G	25	0	G	Paul Dale		N
CS64	Reduction of treasury running costs through review, improvement and efficiency	20	20	0	G	20	0	G	Paul Dale		N
CS65	Consolidation of various budgets within Resources division	66	66	0	G	66	0	G	Paul Dale		N
CS67	Reduction in bank and giro charges	12	12	0	G	12	0	G	Paul Dale		N
CSD20	Increased income	16	16	0	G	16	0	G	Paul Dale		N
CSD21	Rephase existing Savings	42	42	0	G	42	0	G	Paul Dale		N
CSD23	Cut running costs budgets	30	30	0	G	30	0	G	Paul Dale		N
CSD24	Consultancy budget	100	100	0	G	100	0	G	Paul Dale		N
CSD25	Increased charge to Pension Fund	20	20	0	G	20	0	G	Paul Dale		N
CSD26	Delete 1 Policy post	50	50	0	G	50	0	G	Paul Dale		N
	<b>Human Resources</b>										
CS44	Introduction of new application tracking system	10	10	0	G	10	0	G	Kim Brown		N
CS50	Occupational Health & Employee Assistance programme	40	40	0	G	40	0	G	Kim Brown		N
CS74	Review of L&D spend	69	69	0	G	69	0	G	Kim Brown		N
CSD32	Review of HR business support (printing and stationery)	5	5	0	G	5	0	G	Kim Brown		N
CSD35	Learning and Development Budget	18	18	0	G	18	0	G	Kim Brown		N
	<b>Corporate Governance</b>										
CS73	Saving from 4 borough shared legal service	60	60	0	G	60	0	G	Paul Evans		N
CSD44	Stop web casting meetings, remove scrutiny support fund and reduce other supplies and services	35	35	0	G	35	0	G	Paul Evans		N
CSD45	Share audit and investigation service	60	60	0	G	60	0	G	Paul Evans		N
	<b>Other</b>										
CSD48	CHAS Dividend	145	145	0	G	145	0	G			N
	<b>Total Corporate Services Department Savings for 2016/17</b>	<b>2,316</b>	<b>2,028</b>	<b>288</b>		<b>2,316</b>	<b>0</b>				

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

Ref	Description of Saving	2016/17 Savings Required £000	2016/17 Savings Expected £000	Shortfall	16/17 RAG	2017/18 Savings Expected £000	2017/18 Expected Shortfall £000	17/18 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
<b>SUSTAINABLE COMMUNITIES</b>											
ER23	Staff savings from 6th month review following the merger of the traffic and highways and the FutureMerton team in to one team and further budget savings/adjustments within the controllable expenditure budgets	130	130	0	G	130	0	G	James McGinlay		N
ER23	Restructure of team to provide more focus on property management and resiliance within the team.	52	0	52	R	52	0	G	James McGinlay	Due to a delay in implementation, it is unlikely that this saving will be achieved this financial year. However, it is being mitigated by an overachievement of commercial rental income.	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 mangement working practices adopted by FutureMerton team.	50	50	0	G	50	0	G	James McGinlay	Income achieved via Estates Regeneration income from CHMP. However, income is not guaranteed for future years.	N
EN45	Further commercialisation and development of sports and allied parks services (eg. increase in fees and charges (3.75%); cost recovery plus; service bundling; sponsorship of bedding plants,etc), aligned to the emerging strategy for sports.	13	0	13	R	13	0	G	James McGinlay	This saving is not currently being achieved. However, it forms part on the ongoing Phase C procurement exercise, and it is envisaged that the final agreement will result in this saving being met in full from 2017/18.	Y
E&R1	Arts Development - further reduce Polka Theatre core grant	5	5	0	G	5	0	G	James McGinlay		N
E&R2	Water sports Centre - Additional income from new business - Marine College & educational activities.	10	10	0	G	10	0	G	James McGinlay		N
E&R6	Reduced costs incurred as a result of sub-leasing Stouthall until 2024.	39	39	0	G	39	0	G	James McGinlay		N
E&R24	Reduction in current levels of staffing in the Greenspaces grounds maintenance and horticulture and sports teams.	130	0	130	R	130	0	G	James McGinlay	This saving is not currently being achieved. However, it forms part on the ongoing Phase C procurement exercise, and it is envisaged that the final agreement will result in this saving being met in full from 2017/18.	Y
E&R26	Introduction of P&D within certain parks responding to demand for the management of parking and controlling excess demand for spaces/ commuter parking	60	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	New and reviewed tenancies are expected to be implemented during 2017/18 that will fully meet this saving.	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

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

Ref	Description of Saving	2016/17 Savings Required £000	2016/17 Savings Expected £000	Shortfall	16/17 RAG	2017/18 Savings Expected £000	2017/18 Expected Shortfall £000	17/18 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
E&R32	Wifi Concessionary Contract-Income from wifi concessionary contract to be let from 2015/16	20	20	0	A	20	0	G	James McGinlay	Phase one has been successfully implemented, and phase two will be implemented in 17/18.	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	Work is being undertaken in order to bring expenditure back in line with the budget. If this is not possible during 2016/17 then it will be mitigated from the 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	Align Vestry Hall income budget with current levels of income being achieved.	20	20	0	G	20	0	G	James McGinlay		N
<b>PUBLIC PROTECTION</b>											
EN02	Introduction of unattended automatic number plate recognition CCTV parking enforcement cameras at fixed locations.	226	226	0	G	226	0	G	John Hill		N
EV11	Increase all pay and display charges for on and off street parking by 10%. it should be noted that no allowance has been made for elasticity of demand this figure could reduce by 25%	125	125	0	G	125	0	G	John Hill		N
E&R7	Due to additional requests from residents, the budget will be adjusted to reflect the demand for and ongoing expansion of Controlled Parking Zone coverage in the borough.	260	260	0	A	260	0	A	John Hill	The current estimates for new CPZ permit income is 170k. 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	60	1,640	R	1700	0	G	John Hill	The ANPR cameras started enforcement of Moving Traffic and Bus Lane parking regulations on the 1st July 2016. Whilst the majority of the ANPR locations went live in July with some initial growth in the number of ANPR PCNs issued, these numbers did not reach the expected forecast. The cause of the problem is the considerable technical issues which need to be resolved before a level of achievable savings and compliance can be measured. We have worked closely with the contractor to try and identify and reduce these issues and this collaborative working is still on going. The contractor is in the second week of a review of all 41 ANPR locations providing us with feedback at weekly meetings.	N

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

Ref	Description of Saving	2016/17 Savings Required £000	2016/17 Savings Expected £000	Shortfall	16/17 RAG	2017/18 Savings Expected £000	2017/18 Expected Shortfall £000	17/18 RAG	Responsible Officer	Comments	R / A Included in Forecast Over/Underspend? Y/N
E&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
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	Order funding of post dedicated to investigating potential recovery of funds under the POCA, to be funded from costs recovered.	50	25	25	R	50	0	A	John Hill	Income is subject to legal process through the courts and defendants' payments. Income forecast for year end is now 25k. Shortfall due to defendants failing to pay, and the Judge imposing the default sentence of 8 years imprisonment as a result.	N
<b>STREET SCENE &amp; WASTE</b>											
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	To contribute to a cleaner borough, enforcement of litter dropping under EPA/ ASB legislation with FPN fines for contraventions.	20	20	0	G	20	0	G	Cormac Stokes		N
E&R21	HRRC Site operations procured to external provider. Contractual savings.	30	0	30	R	30	0	A	Cormac Stokes	Although procurement led to significant cost reduction, it was not sufficient enough to reduce below existing budget level. Therefore, an alternative saving will be presented to Cabinet in due course.	Y
E&R22	Removal of borough wide dog bins including Parks	42	42	0	G	42	0	G	Cormac Stokes		N
<b>Total Environment and Regeneration Savings 2014/15</b>		<b>4,771</b>	<b>2,409</b>	<b>2,362</b>		<b>4,771</b>	<b>0</b>				

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	2017/18 Expected Shortfall £000	17/18 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	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	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	0	G	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	A	0	A	John Hill	Delegated report yet to be drafted - demand for these permits has reduced and thus full year saving may not be as much as expected	N
EV12	Introduction of unattended automatic number plate recognition CCTV parking enforcement cameras at fixed locations.	3,214	0	3,214	R	3,214	0	G	0	G	John Hill	The implementation phase of the contract is under way having started in late June 2016. There has been an initial growth in ANPR PCNs but technical issues need to be resolved before level of achievable savings can be measured.	N
<b>Total Environment and Regeneration Savings 2015/16</b>		<b>3,739</b>	<b>246</b>	<b>3,493</b>		<b>3,711</b>	<b>28</b>		<b>0</b>				

Ref	Description of Saving	2015/16 Savings Required £000	2015/16 Savings Achieved £000	Shortfall £000	RAG	16/17 RAG	2017/18 expected Shortfall £000	17/18 RAG	Responsible Officer	Comments	Budget Manager Comments
DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2015/16											
<u>Libraries</u>											
<u>Merton Adult Education</u>											
CH15	Increased income and some staff reductions	14	0	14	R	R	14	R	Anthony Hopkins		
<u>Housing</u>											
<b>Total Community &amp; Housing Department Savings for 2015/16</b>											
		14	0	14			14				
<u>Scrutiny Panels</u>											
C&YP			Income - increase in current level of charges								
HC&OP			Income - increase arising from expansion of existing service/new service								
SC			Staffing: reduction in costs due to efficiency								
O&SC			Staffing: reduction in costs due to deletion/reduction in service								
			Non - Staffing: reduction in costs due to efficiency								
			Non - Staffing: reduction in costs due to deletion/reduction in service								
			Procurement / Third Party arrangements - efficiency								
			Grants: Existing service funded by new grant								
			Grants: Improved Efficiency of existing service currently funded by unringfenced grant								
			Reduction in Property related costs								

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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: 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: ENVIRONMENT &amp; REGENERATION SAVINGS PROGRESS: 2014-15

Ref		2014/15 Savings Required £000	2014/15 Savings Achieved £000	2014/15 Shortfall £000	2015/16 Savings Achieved £000	2015/16 Shortfall £000	RAG	2016/17 Savings Expected £000	2016/17 Expected Shortfall £000	RAG	2017/18 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	0	G	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	0	G	Cormac Stokes	Improved management of the sickness monitoring is in place. All LTA being seen by HofS.  The technical establishment is expected to be signed off soon. Once done so, it will be reconciled to the use of temporary staff to confirm if this saving has been met.	Y
<b>Total Environment and Regeneration Savings 2014/15</b>		<b>196</b>	<b>67</b>	<b>129</b>	<b>71</b>	<b>125</b>		<b>71</b>	<b>125</b>		<b>0</b>				

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

Ref	Description of Saving	2014/15 Savings Required £000	2014/15 Actuals Savings £000	2014/15 Shortfall £000	2015/16 Savings Achieved £000	2015/16 Shortfall £000	RAG	2016/17 Savings Expected £000	2016/17 Expected Shortfall £000	RAG	2017/18 Savings Expected £000	RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Undersp end? Y/N
<b>Adult Social Care</b>															
ASC13/ASC34	Brokerage Efficiencies	300	118	182	118	182	R	187	113	R	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	159	R	David Stark	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
ASC34	Reduction in Mental Health Placement	50	0	50	0	50	R	0	50	R	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	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	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	0	A	Andy Ottaway-Searle	Assisted technology used with new customers but tracking cost avoidance is difficult to demonstrate as previously these customers have not incurred costs. Work needed to review existing customers to identify if any savings can be made.	Y
CH6	Voluntary Organisation- SLA reduction	150	0	150	0	150	R	150	0	A	0	A	Simon Williams	Work on-going with voluntary sector to review funding to meet savings targets.	Y

Ref	Description of Saving	2014/15 Savings Required £000	2014/15 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	2017/18 Savings Expected £000	RAG	Responsible Officer	Comments	R / A Included in Forecast Over/Underspend? Y/N
ASC53	Meals on wheels contract	50	0	50	0	50	R	0	50	R	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	0	A	Andy Ottaway-Searle	Posts were deleted and budgets reduced at the start of the year, but, increased volumes from 12 to 38 people at our supported living services, plus the need to back fill long term sickness to meet CQC standards led to other staffing budgets overspending. This offset the planned savings. Since increased activity remains unfunded this overspend will only be recouped in 2015-16 if other savings targets are over achieved.	Y
	<b>Merton Adult Education</b> Increase income from commercial courses and café, reduction in staff. Admin & marketing cost.	176	0	176	0	176	R	0	176	R	176	R	Yvonne Tomlin	Saving not delivered due to changes in SFA funding	
	<b>Total Community &amp; Housing Dep't Savings for 2014/15</b>	<b>1,598</b>	<b>259</b>	<b>1,339</b>	<b>259</b>	<b>1,339</b>		<b>764</b>	<b>834</b>		<b>834</b>				

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

Ref	Description of Saving	2014/15 Savings Required £000	2014/15 Savings Achieved £000	2014/15 Shortfall £000	2015/16 Savings Achieved £000	2015/16 Shortfall £000	RAG	2016/17 Savings Expected £000	2016/17 Expected Shortfall £000	RAG	Responsible officer	Comments	R /A Included in Forecast Over/Under spend? Y/N
<b>Education</b>													
CSF2012-08	Introduce new models of fulfilling the council's statutory responsibilities for the provision of SEN transport	140	100	40	140	0	G	140	0	G	Jane McSherry	The full year effect of the travel training programme and the roll-out of personal budgets will result in achieving this saving. During 2015/16 £108k was saved from ITT (£91k in the current year to date). The 32 personal budgets currently provide an annual equivalent saving of £211k. The overall transport budget is expected to overspend due to complexity of caseloads and increased prices. Actions implemented through the transport board has resulted in the forecast variance to reduce during 2016/17.	N

**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

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