

Cabinet

Date: 16 October 2017

Subject: Financial Report 2017/18 – August 2017

Lead officer: Roger Kershaw

Lead member: Mark Allison

Recommendations:

A. That Cabinet note the financial reporting data relating to revenue budgetary control, showing a forecast net overspend at year end of £1.9million, 0.4% of the gross budget.

B. That Cabinet note the adjustments to the Capital Programme contained in Appendix 5b

That Cabinet (Council approval also required) approve the following adjustments to the Capital Programme

Scheme	2017/18 Budget	2018/19 Budget	2019/20 Budget	Narrative
Council and Cabinet Approval				
Capital Bidding Fund	(560,100)	0		Virement
Parks - Canons Parks for the People	180,450	1,117,470	195,540	HLF Funding
Mitcham Area Regeneration - Parks for the People	638,780	2,032,100	301,040	HLF Funding & Virement
Total	259,130	3,149,570	496,580	

That Cabinet approve the following adjustments to the Capital Programme

Scheme	2017/18 Budget	Narrative
Cabinet Only Approval		
Morden Park House Courtyard	125,000	£48k Donation and £77k Revenue Contribution
Total	125,000	

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

1.1 This is the financial monitoring report for period 5, 31st August 2017 presented in line with the financial reporting timetable.

This financial monitoring report provides:-

- The income and expenditure at period 5 and a full year forecast projection.
- An update on the capital programme and detailed monitoring information;
- An update on Corporate Items in the budget 2017/18;
- Progress on the delivery of the 2017/18 revenue savings

2. THE FINANCIAL REPORTING PROCESS

2.1 The budget monitoring process in 2017/18 will continue to focus on adult social care and children's social care as these areas overspent in 2016/17 and continue to have budget pressures.

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 underspent, 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 is not sustainable longer term.

2.3 2017/18 FORECAST OUTTURN BASED UPON LATEST AVAILABLE DATA

Executive summary – At period 5 to 31st August 2017 the year end forecast is a net £1.9m overspend compared to the current budget or 0.4% of the gross budget.

Summary Position as at 31st August 2017

	Current Budget 2017/18 £000s	Full Year Forecast (Aug) £000s	Forecast Variance at year end (Aug) £000s	Forecast Variance at year end (July) £000s	Outturn variance 2016/17 £000s
Department					
3A. Corporate Services	26,507	26,142	(365)	(369)	(1,287)
3B. Children, Schools and Families	48,735	49,735	1,001	1,040	1,154
3C. Community and Housing	60,120	62,060	1,940	818	10,124
3D. Public Health	0	(7)	(7)	48	16
3E. Environment & Regeneration	17,952	17,663	(289)	51	1,011
Overheads	0	0	0	0	12
NET SERVICE EXPENDITURE	153,313	155,593	2,280	1,588	11,030
3E. Corporate Items					
Impact of Capital on revenue budget	13,415	13,265	(150)	(150)	193
Other Central budgets	(21,035)	(21,266)	(231)	(14)	(8,329)
Levies	933	933	0	0	0
TOTAL CORPORATE PROVISIONS	(6,687)	(7,068)	(381)	(164)	(8,136)
Less corporate overheads	(556)	(556)			
TOTAL GENERAL FUND	146,070	147,969	1,899	1,424	2,894
FUNDING					
Revenue Support Grant	(15,520)	(15,520)	0	0	0
Business Rates	(35,483)	(35,483)	0	0	0
Other Grants	(10,733)	(10,733)	0	0	(537)
Council Tax and Collection Fund	(84,329)	(84,329)	0	0	0
FUNDING	(146,065)	(146,065)	0	0	(537)
					0
NET	5	1,904	1,899	1,424	2,357

The current level of GF balances is £12.778m and the minimum level reported to Council for this is £12.27m. This means that another reserve or further savings will need to be found to offset the remaining £1.4m overspend.

3. DEPARTMENTAL SUMMARY OF CURRENT POSITION

Corporate Services

	2017/18 Current Budget	Full year Forecast August	Forecast variance at year end August	Forecast variance at year end July	2016/17 Outturn Variance
	£000	£000	£000	£000	£000
Business Improvement	2,973	2,836	-137	-134	-54
Infrastructure & Transactions	9,355	9,429	74	68	-431
Resources	6,430	6,604	174	160	-314
Human Resources	1,948	1,841	-107	-105	-34
Corporate Governance	2,491	2,412	-79	-76	-330
Customer Services	2,308	2,038	-270	-192	-164
Corporate Items including redundancy costs	1002	982	-20	-90	40
Total (controllable)	26,507	26,142	-365	-368	-1,287

Overview

At the end period 5 (August) the Corporate Services (CS) department is forecasting an underspend of £365k at year end

Business Improvement - £137k under

The systems and projects team are forecasting an underspend on staffing. This is due to vacant posts and staff recharges to projects and CHAS 2013 Limited. This is offset by a projected shortfall on saving CSD42 which is not expected to be fully achieved in 17/18.

Infrastructure & Transactions - £74k over

There are budget pressures in several teams.

The professional development centre (Chaucer Centre) is expected to under-achieve on income by £110k. Bookings year to date are lower than previous years. As budgets are reduced, customers are choosing the Civic Centre non-chargeable rooms over the Chaucer Centre's chargeable rooms. Rental income is also lower and there is a delay with agreed office renters now not taking residence at the centre until November.

The transactional services team are forecasting an overspend of £70k mainly because saving CS70 which is to charge for paper copies of invoices is unachievable due to delays in the implementation of e5, SharePoint and EDRMS.

The Garth Road income target is forecast to under-achieve by approximately £60k and there is a projected overspend in the Commercial Services team on staffing costs of £80k. This team is essential in driving and delivering procurement savings across the Council.

These forecast overspends are partly offset by over-achievement of income on printing and the rental agreement with CHAS 2013 Limited for occupancy of half of the 14th floor in the Civic Centre.

Resources - £174k over

The division is forecasting to overspend due to staffing, including one case of long term sickness.

There were some additional costs for the external audit which were due to the implementation of the new financial system, as discussed at the Standards & General Purposes Committee in September. There are also ongoing development costs of e5 being funded within the division.

The closing of accounts process for 2016/17 and the external audit have highlighted a few areas of concern in meeting the early closure deadlines for next year. Some additional resources will be required to address these issues and a project plan will be developed.

Human Resources – £108k under

The reason for the underspend is a number of vacant posts within the division. This is partly offset by the expected shortfall on schools buy back income of £78k.

There are budget pressures on the payroll contract with Agilisys which are being reviewed.

Corporate Governance - £79k under

The forecast underspend is partly due to a £27k underspend in Internal Audit and £23k in Benefits Investigation where a 18/19 saving has been captured early.

There are other forecast underspends on non salary budgets across the division.

The South London legal partnership (SLLp) has budget pressures on staffing costs but is being recovered by hard charging to the five boroughs in the partnership. There are numerous agency staff as recruitment is becoming increasingly difficult in certain teams. This will be closely monitored and is reported to all partnership boroughs.

Customer Services - £270k under

The Merton Bailiff Service is forecasting over-achieving income by £300k but this is offset by a forecast £70k under-achievement of income in the Shared Bailiff Service.

Translations services are forecasting to overachieve income by £65k.

The Communications Service is under-achieving on advertising the income target which is partially offset by underspends elsewhere in the service. The team are working to address the likely failure to achieve income targets through a review of the strategy. A task and finish group has been established to take this forward with the aim of a refreshed strategy and agreed targets being drafted by the autumn.

Corporate Items - £20k under

Redundancy costs are forecast to be approximately £500k over budget based on year to date actuals.

This is being offset by a reduction in the housing benefit provision.

£45k forecast spend is projected to address cyber security issues following recent security threats. Credit card charges which are currently passed on to customers will also cease in January 2018 and the forecast costs are approx. £25k.

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

Environment & Regeneration

Environment & Regeneration	2017/18 Current Budget	Full year Forecast (August)	Forecast Variance at year end (August)	Forecast Variance at year end (July)	2016/17 Outturn Variance
	£000	£000	£000	£000	£000
Public Protection	(10,514)	(11,602)	(1,088)	(1,038)	1,290
Public Space	15,232	15,851	619	667	510
Senior Management	1,015	986	(29)	(31)	(44)
Sustainable Communities	12,220	12,429	209	452	(745)
Total (Controllable)	17,953	17,664	(289)	50	1,011

Description	2016/17 Current Budget	Forecast Variance at year end (August)	Forecast Variance at year end (July)	2016/17 Variance at year end
	£000	£000	£000	£000
Overspend within Regulatory Services	627	209	207	(34)
Underspend within Parking & CCTV Services	(11,617)	(1,235)	(1,200)	1,442
Underspend within Safer Merton	476	(62)	(45)	(118)
Total for Public Protection	(10,514)	(1,088)	(1,038)	1,290
Overspend within Waste Services	13,979	331	224	168
Underspend within Leisure & Culture	898	(105)	(105)	(72)
Overspend within Greenspaces	1,307	234	373	206
Overspend within Transport Services	(952)	159	175	342
Total for Public Space	15,232	619	667	510
Underspend within Senior Management & Support	1,015	(29)	(31)	(44)
Total for Senior Management	1,015	(29)	(31)	(44)
Underspend within Property Management	(2,605)	(95)	(87)	(564)
Overspend within Building & Development Control	(332)	285	380	(157)
Overspend within Future Merton	15,157	19	159	(158)
Total for Sustainable Communities	12,220	209	452	(789)
Total Excluding Overheads	17,953	(289)	50	1,011

Overview

The department is currently forecasting an underspend of £289k at year end. The main areas of variance are Regulatory Services, Parking Services, Waste Services, Greenspaces, Transport Services, and Building & Development Control.

Public Protection

Regulatory Services overspend of £209k

The forecast overspend is as a result of a few factors. Firstly, a 2017/18 saving (E&R14) of £100k relating to further expansion of the Regulatory Services Partnership will not be achieved this year, as it is expected that the expansion will not commence until April 2018/19. Secondly, the Partnership has utilised the services of a project manager in order to achieve the aforementioned saving, and Merton's share of this is expected to be around £33k. Thirdly, an underachievement of Licensing income of £47k is forecast, which is associated with a 2016/17 saving (E&R13) of £50k. Finally, the section is liable for any Mortuary costs, which is not within their control. An overspend of £27k related to this service is being forecast.

Parking & CCTV Services underspend of £1,235k

The underspend is mainly as a result of the protracted timeframe for the implementation of the ANPR system across the borough. The section did not have a fully functional system during 2016/17, but the necessary upgrades and camera performance reviews conducted by the contractor and officers from the team have now been completed. The positive effects of this e.g. improved traffic flow are expected to be realised during the year. The later start of the ANPR enforcement has resulted in a delay in motorist compliance with traffic regulations and the revenue generated reflecting this. It is difficult to predict when compliance will begin to set in and how this will affect revenue but this will be closely monitored and future forecasts amended accordingly.

Included within this forecast is an employee related overspend of c£460k due to a combination of savings not yet implemented and increased demand. Due to the implementation of the diesel surcharge and the delay in fully implementing ANPR the section has been forced to delay implementing certain savings, whilst needing to recruit additional agency staff to manage PCN and permit demands. This pressure is being offset by an over-recovery in permit revenue (£377k).

Public Space

Waste Services overspend of £331k

The forecast overspend relates mainly to the Phase C contract (£562k), which has been rolled out successfully delivering in excess of £1.3m savings. However, as part of the approved MTFS savings, the budget has been reduced by in excess of £1.9m. This budget pressure is mitigated next year when the new wheelie bin service is rolled out along with reduced frequency of collection, which will deliver additional savings in the contract cost for the service.

An update report was provided to Sustainable Communities O&S Panel on 4th July with a further update in November. The latter paper will include a summary of all the savings achieved through the procurement of these contracts. Robust contract management is in place ensuring full contractual compliance.

This overspend is being partially mitigated from in-year underspends on disposal costs (£345k).

Greenspaces overspend of £234k

Although significant savings have already been realised, the section is forecasting to overspend on its Phase C contract by around £145k. This overspend is not expected to repeat next year.

In addition, the Authority has been required to continue contracting out arboriculture related work leading to a forecast overspend of c£144k. From April next year, this work is expected to be carried out by IDVerde and will benefit from the lower rates available through the Phase C arrangements..

The section is also currently forecasting to underachieve on its income expectations in the following areas. Firstly, on events related income (£62k), whereby related savings of £170k have been implemented in the last two years, and whilst one event boosted the income, work continues to identify how income from events in parks, including developing working partnerships with external event production companies, can be generated.

Secondly, due to a delay in the implementation of 2016/17 saving E&R26 (£60k) i.e. P&D within certain parks. This is due to be partially implemented this autumn leading to an expectation that only £5k of the associated saving will be achieved this year. Finally, the service is forecasting an under-achievement of rental income of £22k. Work continues with reviewing current rental arrangements as well as identifying new letting opportunities to address this pressure.

These forecast overspends are being partially mitigated from other grants and contributions.

Transport services overspend of 159k

The overspend relates to the Operations and Workshop side of the section. Within Transport Operations, an employee overspend of £74k is forecast mainly as a result of additional agency and overtime requirements due to covering sick leave and vacancies. This also causes a knock on effect for covering core routes, whereby, the only option on occasions is to utilise third party transport providers to cover the routes, which results in further unrecoverable costs (£62k).

Within the Workshop section, the overspend (£69k) relates to invoices for payment relating to good/services received prior to 1st April, at which point the workshop was transferred to Veolia.

Sustainable Communities

Building & Development Control overspend of £285k

The section is forecasting to underachieve on income by £426k, in particular within building Control. This reflects the continued reduction in the Authority's market share. This downward trend has also impacted on the section's ability to meet some of its associated 2017/18 savings, notably ENV20, D&BC1, D&BC2, D&BC3, D&BC5, and D&BC6 i.e. Increased income from building control services, fast tracking of householder applications, commercialisation of the service, and removal of the Planning Duty service.

The section is also forecasting a reduction, when compared to 2016/17, in development control income of around £389k due to a downturn of around 10% in planning applications so far this year. This still results in an underachievement against budget of only £3k, but is a considerable decrease in expected income levels.

Children Schools and Families

Children, Schools and Families	2017/18 Current Budget £000	Full year Forecast (Aug) £000	Forecast Variance at year end (Aug) £000	Forecast Variance at year end (Jul) £000	2016/17 Variance at year end £000
Cross Department budgets	1,668	1,614	(54)	(97)	(271)
Education	16,285	15,898	(387)	(353)	(874)
Social Care and Youth Inclusion	20,783	22,405	1,622	1,670	3,259
PFI	7,916	7,736	(180)	(180)	(549)
Redundancy costs	2,083	2,083	0	0	(411)
Total (controllable)	48,735	49,736	1,001	1,040	1,154

Overview

At the end of August Children Schools and Families had a forecast overspend of £1.001m on local authority funded services. Although the department received £1m growth which was allocated against placement budgets, there were pressures over and above the growth allocated to the department some of which were offset by planned underspends and management action in year. Whilst some planned underspends will continue, the majority of the underspend used to offset cost pressures last year were either non-recurrent management action or one-off windfalls which are not guaranteed or expected in the current financial year.

The forecast overspend also includes the cost for agency staff which was funded from the Corporate Contingency for the last three years (£480k) to enable the department to maintain safe caseloads as part of our agreed approach and service model.

Due to the volatile nature of placement and SEN transport budgets and the current volume of CSC activity and EHC requests we are exercising appropriate demand management balancing our education and social care statutory duties with careful and considered oversight of spend.

Local Authority Funded Services

Significant cost pressures and underspends identified to date are detailed below:

Description	Budget £000	Aug £000	Jul £000	2016/17 £000
MOSAIC implementation support	0	63	0	0
Small over and underspends	1,668	(117)	(97)	(271)
Subtotal Cross Department budgets	1,668	(54)	(97)	(271)
Procurement & School organisation	592	(342)	(342)	(448)
SEN transport	4,131	435	435	394
Early achievement of savings	200	(200)	(200)	0
SEN statement support team	394	(119)	(86)	(7)
Other small over and underspends	10,968	(161)	(160)	(813)
Subtotal Education	16,285	(387)	(353)	(874)
Fostering and residential placements (ART)	5,226	(68)	17	611
Supported lodgings/housing	1,645	131	169	1,110
Un-accompanied asylum seeking children (UASC)	61	624	655	579
No Recourse to Public Funds (NRPF)	21	385	379	484
Social Work staffing	4,173	517	446	282
Family and Adolescent Services	43	17	37	0
Other small over and underspends	9,614	16	(33)	288
Subtotal Children's Social Care and Youth Inclusion	20,783	1,622	1,670	3,259

Cross Department budgets

This budget includes the departmental business support, senior management and joint commissioning services.

Following the implementation of MOSAIC, some changes and service support is still required which is now funded from the departmental budgets rather than from the project. The support is currently forecast to be required until the end of October at an estimated cost of £63k.

There are various other small over and underspends forecast across the division netting to a £117k underspend. These combine with the item described above to arrive at the total reported divisional underspend of £54k.

Education Division

Procurement and school organisation budgets are forecast to underspend by £342k as a result of lower spend on re-venueisation budgets. This budget relates to construction projects that cannot be classified as capital. The majority of this is required for temporary classrooms due to rising pupil demand when it is not viable to provide permanent buildings.

The SEN transport budget is forecasting to overspend by £430k at the end of the financial year. Due to time required for the new ADAM system to be imbedded, the expected cost reductions have not yet been realised. The annual review of new routes was undertaken over the summer holidays and the process for re-procurement of existing routes will be accelerated in the autumn term.

Education savings was brought forward by a year which will result in a one-off in-year underspend of £200k.

The SEN support team is forecasting a £119k underspend on staffing due to difficulties in recruiting appropriate staff to vacancies. Recruitment continues to ensure we can meet our statutory duties in relation to EHCP timeliness which means that this underspend might reduce towards the end of the financial year.

There are various other small over and underspends forecast across the division netting to a £161k underspend. These combine with the items described above to arrive at the total reported divisional underspend of £387k.

Children's Social Care and Youth Inclusion Division

While the numbers of Looked After Children (LAC) remain relatively stable, and indeed Merton maintains relatively low levels of children in care, the complexity of a significant proportion of cases is causing cost pressures as detailed below. Placement costs are reviewed on a monthly basis and assumptions reviewed quarterly to ensure that projections of spend are as accurate as possible.

Service	Budget £000	Forecast spend £000	Variance		Placements	
			Aug £000	Jul £000	Aug Nr	Jul Nr
Residential Placements	2,239	1,995	(244)	(193)	11	13
Independent Agency Fostering	1,789	1,731	(58)	(41)	41	41
In-house Fostering	964	1,148	184	211	50	49
Secure accommodation	134	0	(134)	(134)	0	0
Mother and baby	100	284	184	174	2	2
Total	5,226	5,158	(68)	17	104	105

The ART service seeks to make placements with in-house foster carers wherever possible and in line with presenting needs, however, the needs of some looked after children mean that placements with residential care providers or independent fostering agencies are required. Some specific provision is mandated by the courts.

- The residential placement expenditure is forecast to underspend by £244k. This change is due two young people moving from residential placements.
- The agency fostering placement expenditure is expected to underspend by £58k. Two placements ended and were replaced by two new cases. The cost of another case reduced as we know the person will be leaving soon. This is a very volatile budget and therefore subject to fluctuation during the year.
- The in-house foster carer expenditure is forecast to overspend by £184k. We had 4 new children placed. Three placements ended. Two placements were projected for a shorter period.
- We are not aware of any secure accommodation placements at this stage and will review throughout the year.
- There are now two remaining Mother and Baby placements which are expected to overspend by £184k due to additional expenses.

The budget for semi-independent and supported lodgings/housing placements are estimated to overspend by £131k. Despite the increase in number of cases by 2, 5 new cases and three leavers, the overall overspend reduced as a result of a net reduction in forecast adjustments. 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 (older in exceptional circumstances), as part of our statutory duties. There were 61 semi-independent placements for non-UASC young people at the end of August 2017.

The UASC supported lodgings/housing placements for post 18 children that became eligible for leaving care support is expected to overspend by £624k this year. This is lower than last month due to a reduction in caseload. At the end of August there were 27 placements for young people aged 18+ with no recourse to public funds in semi-independent accommodation- one less than last month. One young person is predicted to leave in September.

The NRPF budget is expected to overspend by £385k in the current financial year. The NRPF worker is working closely with housing colleagues to manage cases as they arise and is also reviewing historic cases to identify ones where claimant circumstances has changed and can therefore be stepped down from services. 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, First Response, CASA and Bond Road team's staffing costs are expected to overspend by £517k. The majority of this is due to additional social work capacity required to manage safe caseloads, previously funded by the council's contingency, and are kept under regular review as they are covered by agency. 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. We continue with our proactive recruitment and retention campaigns and have a number of permanent staff starting in September and October.

The Family and Adolescent Services staffing budget is expected to overspend by £17k. This is due to the head of service post which has been deleted as part of the 2017/18 savings is being covered by an agency member of staff due to short term service requirements. These arrangements will cease in the autumn.

There are various other small over and underspends forecast across the division netting to a £16k overspend. These combine with the items described above to arrive at the total reported divisional overspend of £1,622k.

Dedicated Schools Grant

DSG funded services is forecast to overspend by £1.504m. These budgets are not within the council's general fund and cannot be offset against the local authority funded budgets. Any overspend will be funded from the DSG reserve and applied after consultation with Schools Forum. Variances between individual subjectives have been shown in the overall departmental analyses.

The main reasons for the forecast relates to an estimated overspend of £970k on Independent Day School provision and £521k on additional school business rate adjustments primarily due to the revaluation of properties in the beginning of 2017.

There are various other smaller over and underspends forecast across the DSG netting to a £13k overspend which, combined with the items above, equates to the net overspend of £1.504m.

Management Action

New burdens

There are a number of duties placed on the Local Authority which have not been fully funded or not funded at all through additional burdens funding from Central Government. £1m growth was added by the council in 2017/18 to the supported housing/lodgings budget. Excluding the cost of these duties would leave a net departmental underspend of £139k, however that figure masks substantial once off windfalls and non-recurrent and recurrent management action. The table below highlights the continued estimated overspends relating to these unfunded duties:

Description	Budget £000	Aug overspend forecast £000	Jul overspend forecast £000
Supported lodgings/housing	1,645	131	169
Un-accompanied asylum seeking children (UASC)	61	624	655
No Recourse to Public Funds (NRPF)	21	385	379
Total	1,727	1,140	1,203

Staffing

Agency cost continues to be a cost pressure for the department as permanent social worker recruitment continues to be challenging. We are operating, however at our lowest level of agency staff in 3 years. The continued recruitment drive including recruitment of NQSWs, temporary to permanent initiatives and retention payments will all have a positive impact on the current financial year and we will continue to take action to bring down anticipated overspends on agency/staffing costs.

Placements

Our strong management oversight enables us to ensure that an appropriate entry to care threshold is well-maintained. The impact of increased numbers of UASC is in particular affecting our LAC and care leaver numbers and we remain in the lowest rate of care range in London.

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

Our ART Fostering Recruitment and Assessment team is continuing to recruit new foster carers who will offer locally based placements. This continues to enable a reduction in more expensive agency foster placements, but there is a time lag.

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.

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 to bring our anticipated spend in line with available budgets.

Community and Housing Current Summary Position

Community and Housing is now forecasting an over spend of £1.9m as at August 2017.

The main variances are in Housing £443k and £1.6m in Adult Social Care division of Access & Assessment. This is supported by other under spends in Adult Social Care and Merton Adult Education.

Adult Social Care received £9.3m in growth to support the identifiable pressures and challenges faced by the department. The service has allocated growth to the placements and deprivation of liberty budgets in line with the budget pressures identified in the budget setting report.

The 2017/18 budget was set on the basis of period 9 2016/17 budget forecast. Between period 9 and the year end, placements expenditure increased by £700k against the forecast. This was mainly due to the amount of older people being discharged from hospital but also a one-off charge of £350k.

In addition, the service was hit with a late clawback of Better Care Fund (BCF) monies due to the late reporting of performance on the main factor in the BCF risk share agreement. The service therefore has a financial hit of £275k in 2017/18.

The service therefore started 2017/18 £625k worse off than the budget plan.

Community and Housing	2017/18 Current Budget	Full Year Forecast (Aug)	Forecast Variance (Aug)	Forecast Variance (July)	2016/17 Outturn Variance
	£'000	£'000	£'000	£'000	£'000
Access and Assessment	46,870	48,485	1,615	532	9,432
Commissioning	4,162	4,121	(41)	(32)	67
Direct Provision	4,373	4,303	(70)	(36)	(169)
Directorate	755	814	59	30	(274)
Adult Social Care	56,160	57,723	1,563	494	9,056
Libraries and Heritage	1975	2,005	30	33	(88)
Merton Adult Education	0	0	0	0	501
Merton Adult Education- Commissioning Model	48	(48)	(96)	(96)	0
Housing General Fund	1,937	2,380	443	387	655

Total	60,120	62,060	1,940	818	10,124
Public Health	0	(7)	(7)	48	16

Adult Social Care

Unusually the summer has been a very busy period for our hospital team. A higher than usual number of discharges have happened, which has stretched the re-ablement team, home care and residential care capacity. A number of placements have had to be made in higher cost residential and nursing homes as we were unable to provide the usual cost alternative.

We have also seen a number of complex, and therefore expensive, learning disability packages emerge from the transition from childhood. It is not unusual for placements to cost £150,000 per year each. However, this has been mitigated in part by health funding. This has resulted in period 5 budget forecast overspend of £1.6m for adult social care. Management actions are in place to pull this back, which are set out below.

Access & Assessment - £1.6m Overspend

This section is forecasting an over spend which made up of under and overspends as follows:-

Access & Assessment	Forecast Variances (Aug) £00	Forecast Variances (July) £000
Underspend on Concessionary Fares	(71)	(71)
Overspend on Better Care Fund Risk Share for 2016/17	275	275
Other	(23)	114
Placements*	3,254	2,034
Income*	(1,820)	(1,820)
Total	1,615	532

*Based on estimated data.

The table above shows an increase in placement forecast since July.

Homecare

The market for home care is very limited, which is why we are currently commissioning a new model of service. In the meantime, it is difficult to find carers. Unfortunately this has been exacerbated by a number of systems problems.

In particular, our call monitoring system is not working as it should. This system allows us to pay for care actually delivered, rather than what we commission included missed or cancelled calls. Payments for the first few months of the year were made on the gross amount, at a cost of £80k per calendar month. Since then some have been paid on gross and some on actuals. Work is going on to rectify the issues and to mitigate the cost.

This represents a £960k pressure on the budget, which is based on a prudent assumption that the problems continue for the whole year. However, the problems have now been identified and actions are being taken to rectify the issues. This means that we should be able to go back to paying on actuals, and have the right to clawback previous overpayments, which the providers are used to us doing, once the system is working and payments are up to date. We will update the forecast for period 6 budget monitoring once we have been able to test the fixes.

System issues

We are four months into the implementation of the new care system. Whilst the new system is already providing some additional discipline to the core processes, we are also experiencing some problems. New processes have been introduced, for example, every packages of care has to be approved by a manager, and it is then further scrutinised by the brokerage team before a commitment is made. Higher costs packages are automatically escalated to service manager or heads of service for approval.

However, at present we are still working through issues that are hampering full effectiveness, including:

- The need to cancel and re-purchase a high volume of care packages of care on the system to correct data migration and other issues. This is diverting management and brokerage time and means that activity data is skewed. 11% of cases need further review and amendment. Spend data has been subject to detailed manual scrutiny.
- The system is not recording health contributions to care, which have to be calculated manually.
- The system is not netting off health funded nursing care.
- The client income functionality has a number of issues, which is slowing down financial assessments and making it difficult to report on income at present. Period 5 client income is therefore based on previous year's data.

Commissioning - £41k underspend

Current underspend in this area has increased by £9k. This is due to reduced predicted expenditure on conferences and other minor budget lines.

Direct Provision - £69k underspend

Direct Provision service is currently forecasting an under spend as at August 2017. This is due to two members of staff going on flexible retirement in September, after allowing for the associated cost with this and additional out of borough client income at the High Path Day Centre.

Directorate - £58k overspend

The directors budget overspend is due to increased salary costs due to extension of the Head of Commissioning contract to allow for handover to the new assistant director starting in October 2017.

Adult Social Care: other management action 2017/18

A refreshed action plan is in place. Highlight reports are updated and reviewed each Monday by the Director at the weekly budget meeting.

Vacancy management

Current and upcoming vacancies have been identified which will be held, which will reduce salaries costs for the year by £170k.

Home Care

The priority at present is to get the call monitoring system working properly again, so we can pay all providers based on actuals. Once this is in place we can review earlier payments and seek to clawback over payments. At 80% recovery rate, this would reduce the over spend by £768k.

MASCOT efficiencies

The plan to develop a handy person scheme in MASCOT funded from the disabled facilities grant will provide an enhanced service to residents and generate cost efficiencies of £25k.

Overall, the actions identified so far would reduce the forecast overspend by £963k.

Adult Social Care Management Actions	£'000
Forecast variance August	1,593
Vacancy management	-170
Home Care clawback (@80%)	-768
MASCOT	-25
Subtotal	630
Total	963

Other actions being taken include the new outcomes panel, which will be lead by the incoming assistant director and will review support planning practice case-by-case to ensure that we are exploring the best options to meet people's needs. We are also opening new in-borough respite and transitions beds, to reduce the dependence on a single provider and out of borough placements.

Medium term sustainability planning is focussing on three key areas:

- Further integration with community health and closer working with St George's hospital to better manage the demand that flows from hospital and reduce delayed transfers of care.
- Developing a new community 'front door' for Community & Housing with voluntary sector and health partners, so that we can provide earlier and more holistic support to vulnerable people and families who are struggling before a crisis develops. This will also include an even larger role for our libraries.
- A supported review of our learning disability offer to agree a set of fair and affordable outcomes, and develop a better in-borough offer to reduce dependency on expensive and poorly performing out of borough provisions. This will include further development of housing options and in-reach support from adult education into local provisions.

C&H-Other Services

Libraries- £30k overspend

This service is forecasting a £30k overspend as at August 2017, this is a reduction of £3k since July. Libraries overspend continues to reduced but there is still an issue around income and staffing. The service is currently working to reduce overspend.

Merton Adult Education - £96k underspend

No change from July's for Merton Adult Education Commissioning. Under spend is due to the under delivery by providers on commissioned contracts.

Housing - £443k overspend

This service overspend has increased since period 4 (July) by £56k. This is due to a revision in expected contribution from clients.

Universal Credit is having a negative impact on the ability of this service to seek client contributions. Payments under Universal Credit are often delayed, and the recipients are in debt by the time they receive their first payment. This reduces our capacity to collect income from them.

Housing	Forecast Variances (Aug) £000	Forecast Variances (July) £000
Temporary Accommodation-Expenditure	1,204	1,204
Temporary Accommodation-Client Contribution	(560)	(617)
Temporary Accommodation-Housing Benefit Income	(450)	(450)
Temporary Accommodation-Subsidy Shortfall	633	633
Temporary Accommodation- Grant	(406)	(406)
Total Temporary Accommodation	421	364
Housing Other- Over(under)spends	22	23
Total	443	387

Public Health - £7k underspend

Public Health is now showing an improved position £7k under spend as at August 2017. This is mainly due to the low activity levels on the Tier 4 Detox service.

Corporate Items

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

Corporate Items	Current Budget 2017/18 £000s	Full Year Forecast (Aug.) £000s	Forecast Variance at year end (Aug.) £000s	Forecast Variance at year end (July) £000s	2016/17 Year end Variance £000s
Impact of Capital on revenue budget	13,415	13,265	(150)	(150)	193
Investment Income	(1,186)	(667)	519	590	(176)
Pension Fund	3,350	3,350	0	0	(498)
Pay and Price Inflation	736	736	0	0	(739)
Contingencies and provisions	4,426	3,676	(750)	(650)	(3,495)
Income Items	(1,152)	(1,152)	0	0	(330)
Appropriations/Transfers	(4,891)	(4,891)	0	0	(3,091)
Central Items	1,283	1,052	(231)	(60)	(8,329)
Levies	933	933	0	0	0
Depreciation and Impairment	(22,318)	(22,318)	0	0	0
TOTAL CORPORATE PROVISIONS	(6,687)	(7,068)	(381)	(210)	(8,136)

The July position was for a net underspend of £0.210m. This has been updated to a net underspend of £0.381m based on August. The reasons for the change in forecast are :-

- The forecast for investment income has been reviewed and it is estimated that investment come will be £0.667m in 2017/18, an improvement of £0.71k on the July forecast.
- The forecast underspend in contingencies and provisions has increased by £100k. This is due to the forecast loss of Housing Benefit Administration grant being less than anticipated.

4. CAPITAL PROGRAMME 2017-21

4.1 The Table below shows the movement in the 2017/21 corporate capital programme since the last meeting of Cabinet:

Depts	Current Budget 17/18	Variance	Revised Budget 17/18	Current Budget 18/19	Variance	Revised Budget 18/19	Revised Budget 19/20	Variance	Revised Budget 19/20	Revised Budget 20/21	Variance	Revised Budget 20/21
CS	25,890	(435)	25,455	16,798	0	16,798	10,626	0	10,626	2,135	0	2,135
C&H	1,445	0	1,445	629	0	629	480	0	480	630	0	630
CSF	8,230	0	8,230	16,905	0	16,905	7,536	0	7,536	650	0	650
E&R	19,121	839	19,960	20,681	3,150	23,830	7,241	497	7,738	5,017	0	5,017
TOTAL	54,686	404	55,090	55,013	3,150	58,162	25,883	497	26,380	8,432	0	8,432

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

Merton Summary Capital Report – August 2017 Monitoring

Department	2017/18 Year to Date			2017-18	Full Year Forecast	
	Actuals	Profiled Budget	Variance	Final Budget	Final Forecast	Full Year Variance
Corporate Services	713,999	667,306	46,693	25,454,950	18,245,066	(7,209,884)
Community and Housing	173,751	335,023	(161,272)	1,444,770	982,280	(462,490)
Children Schools & Families	1,213,417	4,354,930	(3,141,513)	8,230,360	8,275,084	44,724
Environment and Regeneration	3,368,165	7,524,051	(4,155,886)	19,960,370	19,661,112	(299,258)
Capital	5,469,332	12,881,310	(7,411,978)	55,090,450	47,163,542	(7,926,908)

- a) Corporate Services – Currently officers are projecting an overall underspend of £7.2 million. This comprises two projected overspends on Customer Contact /EDRMS of £350k and Social Care IT System £123k in total, officers are currently trying to mitigate these overspends and finalise the split between capital and revenue budgets; and three projected underspends the Acquisitions Budget £6.4 million, the Bidding Fund £1.25 million and BI It systems projects £64k. One new scheme has been added for £125k for Morden Park Courtyard, this will be funded by a £48k donation and a £77k Revenue Contribution.
- b) Community and Housing – All schemes are projecting full spend apart from Disabled Facilities Grants which are currently projecting a £462k underspend.
- c) Children, Schools and Families – **Currently project £195k overspend on Primary Scheme because school contributions have not been added – school contributions will be tabled at the meeting.** Officers are currently projecting underspends on three secondary schools totalling £155k (Harris Academy Merton £22k Harris Academy Wimbledon £126k and Rutlish £8k) – these are in year projected underspends and officers are currently finalising the multi-year profile of these schemes. Officers are also projecting a £4k on Perseid special school, again it is envisaged that this is a timing delay.
- d) Environment and Regeneration – Officers are currently projecting a £299k underspend against budget, this is mainly caused by the projected underspend on Industrial Estates – the utilisation of this budget is currently under review. A Heritage Lottery Fund Project is being added to the Programme totalling £4,465k in 2017-20, this is being funded by a £560k (being re-profiled from 2017/18) contribution from the bidding fund and £3,905 HLF capital funding.

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

Scheme	2017/18 Budget	2018/19 Budget	2019/20 Budget	Funding/Re-profiling
Council and Cabinet Approval				
Capital Bidding Fund	(560,100)	0		Virement
Parks - Canons Parks for the People	180,450	1,117,470	195,540	HLF Funding
Mitcham Area Regeneration - Parks for the People	638,780	2,032,100	301,040	HLF Funding & Virement
Total	259,130	3,149,570	496,580	

Scheme	2017/18 Budget	Funding/Re-profiling
Cabinet Only Approval		
Morden Park House Courtyard	125,000	£48k Donation and £77k Revenue Contribution
Total	125,000	

4.4 Appendix 5c details the impact of all the adjustments to the Capital Programme have on the funding of the programme in 2017/18 and 2018/19. The table below summarises the movement in 2017/18 funding since the July 2017 Monitoring Report:

Depts.	Approved Budget 17/18	Adjustments	New External Funding	New Internal Funding	Re-profiling	Revised Budget 17/18
Corporate Services	25,890	(560)	48	77	0	25,455
Community & Housing	1,445	0	0	0	0	1,445
Children Schools & Families	8,230	0	0	0	0	8,230
Environment and Regeneration	19,121	560	259	20	0	19,960
Total	54,686	0	307	97	0	55,090

4.5 The table below compares capital expenditure (£000s) to August 2017 to that achieved over the last few years:

Depts.	Spend To August 2014	Spend To August 2015	Spend To August 2016	Spend to August 2017	Variance 2014 to 2017	Variance 2015 to 2017	Variance 2016 to 2017
CS	216	431	568	714	498	283	146
C&H	109	23	119	174	65	151	55
CSF	5,854	6,719	2,032	1,213	(4,641)	(5,505)	(819)
E&R	1,396	1,889	4,343	3,368	1,972	1,479	(975)
Total Capital	7,575	9,062	7,062	5,469	(2,106)	(3,593)	(1,593)

Outturn £000s	36,869	29,327	30,626	
Budget £000s				55,090
Projected Spend August 2017 £000s				47,164
Percentage Spend to Budget				9.93%
% Spend to Outturn/Projection	20.55%	30.90%	23.06%	11.60%
Monthly Spend to Achieve Projected Outturn £000s				4,633

4.6 The table shows that spend during August 2017 was considerably below this target. Officers will be undertaking a detailed review of profiles and year end projections as part of September Monitoring to improve in year budget profiling and year end projection:

Department	Spend To July 2017 £000s	Spend To August 2017 £000s	Increase £000s
CS	417	714	297
C&H	114	174	60
CSF	682	1,213	531
E&R	2,642	3,368	727
Total Capital	3,855	5,469	1,615

5. DELIVERY OF SAVINGS FOR 2017/18

Department	Target Savings 2017/18	Projected Savings 2017/18	Period 5 Forecast Shortfall	Period 4 Forecast Shortfall	Period Forecast Shortfall
	£000	£000	£000	£000	%
Corporate Services	1,484	1,288	196	118	8.0%
Children Schools and Families	1,110	1,093	17	37	3.3%
Community and Housing	2,673	1,913	760	642	24%
Environment and Regeneration	3,050	2,148	1,447	902	29.6%
Total	8,317	6,618	2,420	1,699	20.4%

Appendix 6 details the progress on savings for 2017/18 by department. Details of prior year savings shortfall and the full year effect in 17/18 will be reported next month.

Department	Target Savings 2016/17	2016/17 Shortfall	2017/18 Projected shortfall	2018/19 Projected shortfall
	£000's	£000's	£000's	£000's
Corporate Services	2,316	288	30	30
Children Schools and Families	2,191	0	0	0
Community and Housing	5,379	1,727	C&H Savings mitigated by growth received in 17/18	0
Environment and Regeneration	4,771	2,356	612	300
Total	14,657	4,371	642	330

Appendix 7 details the progress on savings for 2016/17 by department and the impact on the current year.

6. CONSULTATION UNDERTAKEN OR PROPOSED

6.1 All relevant bodies have been consulted.

7. TIMETABLE

7.1 In accordance with current financial reporting timetables.

8. FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

8.1 All relevant implications have been addressed in the report.

9. LEGAL AND STATUTORY IMPLICATIONS

9.1 All relevant implications have been addressed in the report.

10. HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

10.1 Not applicable

11. CRIME AND DISORDER IMPLICATIONS

11.1 Not applicable

12. RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

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

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

Appendix 1-	Detailed position table
Appendix 2 –	Detailed Corporate Items table
Appendix 3 –	Pay and Price Inflation
Appendix 4 –	Treasury Management: Outlook
Appendix 5a –	Current Capital Programme 2017/18
Appendix 5b –	Adjustments to the Current Capital Programme 2017/18
Appendix 5c –	Funding Current Capital Programme 2017/18 & 2018/19
Appendix 6 –	Progress on savings 2017/18
Appendix 7 –	Progress on savings 2016/17

14. BACKGROUND PAPERS

14.1 Budgetary Control files held in the Corporate Services department.

15. REPORT AUTHOR

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

	Original Budget 2017/18 £000s	Current Budget 2017/18 £000s	Year to Date Budget (Aug) £000s	Year to Date Actual (Aug) £000s	Full Year Forecast (Aug) £000s	Forecast Variance at year end (Aug) £000s	Forecast Variance at year end (July) £000s	Outturn variance 2016/17 £000
Department	-	-	-	-	-	-	-	-
3A.Corporate Services	10,866	26,507	11,101	13,844	26,142	(365)	(369)	(1,287)
3B.Children, Schools and Families	52,579	48,735	73,082	4,600	49,735	1,001	1,040	1,154
3C.Community and Housing	-	-	-	-	-	-	-	-
Adult Social Care	59,402	56,160	20,889	23,622	57,723	1,563	494	9,056
Libraries & Adult Education	2,691	2,023	958	1,306	1,957	(66)	(63)	413
Housing General Fund	2,224	1,937	654	479	2,380	443	387	655
3D.Public Health	0	0	(920)	(3,559)	(7)	(7)	48	16
3E.Environment & Regeneration	23,184	17,952	7,155	(5,585)	17,663	(289)	51	1,011
Overheads	0	0	0	0	0	0	0	12
NET SERVICE EXPENDITURE	150,946	153,313	112,919	34,707	155,593	2,280	1,588	11,030
3E.Corporate Items	-	-	-	-	-	-	-	-
Impact of Capital on revenue budget	13,415	13,415	2,793	992	13,265	(150)	(150)	193
Other Central items	(19,224)	(21,035)	(5,198)	(19)	(21,266)	(231)	(14)	(8,329)
Levies	933	933	393	393	933	0	0	0
TOTAL CORPORATE PROVISIONS	(4,876)	(6,687)	(2,013)	1,366	(7,068)	(381)	(164)	(8,136)
Less corporate overheads		(556)			(556)			
TOTAL GENERAL FUND	146,070	146,070	110,906	36,073	147,969	1,899	1,424	2,894
Funding	-	-	-	-	-	-	-	-
- Business Rates	(35,483)	(35,483)	0	(79)	(35,483)	0	0	0
- RSG	(15,520)	(15,520)	(7,643)	(7,643)	(15,520)	0	0	0
- Section 31 Grant	(1,035)	(1,035)	(464)	(464)	(1,035)	0	0	5
- New Homes Bonus	(4,150)	(4,150)	(2,114)	(2,114)	(4,150)	0	0	(542)
- PFI Grant	(4,797)	(4,797)	(1,199)	(1,199)	(4,797)	0	0	0
- Adult Social Care Grant 2017/18	(751)	(751)	0	0	(751)	0	0	0
Grants	(61,736)	(61,736)	(11,420)	(11,499)	(61,736)	0	0	(537)
Collection Fund - Council Tax Surplus(-)/Deficit	(1,386)	(1,386)	0	0	(1,386)	0	0	0
Collection Fund - Business Rates Surplus(-)/Deficit	(380)	(380)	0	0	(380)	0	0	0
Council Tax								
- General	(82,244)	(82,244)	0	0	(82,244)	0	0	0
- WPCC	(318)	(318)	0	0	(318)	0	0	0
Council Tax and Collection Fund	(84,329)	(84,329)	0	0	(84,329)	0	0	0
FUNDING	(146,065)	(146,065)	(11,420)	(11,499)	(146,065)	0	0	(537)
NET	5	5	99,486	24,574	1,904	1,899	1,424	2,357

Appendix 2

3E. Corporate Items	Council 2017/18 £000s	Original Budget 2017/18 £000s	Current Budget 2017/18 £000s	Year to Date Budget (Aug.) £000s	Year to Date Actual (Aug.) £000s	Full Year Forecast (Aug.) £000s	Forecast Variance at year end (Aug.) £000s	Forecast Variance at year end (July) £000s	Outturn Variance 2016/17 £000s
Cost of Borrowing Use for Capital Programme	13,415	13,415	13,415	2,793	992	13,265	(150) 0	(150) 0	193 0
Impact of Capital on revenue budget	13,415	13,415	13,415	2,793	992	13,265	(150)	(150)	193
Investment Income	(1,186)	(1,186)	(1,186)	(494)	(164)	(667)	519	590	(176)
Pension Fund	3,350	3,350	3,350	0	0	3,350	0	0	(498)
Provision for excess inflation	451	451	436		0	436	0	0	(439)
Utilities Inflation Provision	300	300	300		0	300	0	0	(300)
Pay and Price Inflation	751	751	736	0	0	736	0	0	(739)
Contingency	1,500	1,500	1,500		0	1,250	(250)	(250)	(821)
Single Status/Equal Pay	100	100	100		1	100	0	0	(60)
Bad Debt Provision	500	500	500		0	500	0	0	(271)
Loss of income arising from P3/P4	400	400	400		0	0	(400)	(400)	(400)
Loss of HB Admin grant	200	200	200		0	100	(100)	0	(200)
Reduction in Education Services Grant	819	819	0		0	0	0	0	0
Apprenticeship Levy	450	450	450	188	192	450	0	0	0
Revenuisation and miscellaneous	889	889	1,276		585	1,276	0	0	(1,743)
Contingencies and provisions	4,858	4,858	4,426	188	778	3,676	(750)	(650)	(3,495)
Other income	0	0	0	0	0	0	0	0	(280)
CHAS IP/Dividend	(1,152)	(1,152)	(1,152)		0	(1,152)	0	0	(50)
Income items	(1,152)	(1,152)	(1,152)	0	0	(1,152)	0	0	(330)
Appropriations: CS Reserves	(667)	(667)	(915)	(915)	(248)	(915)	0	0	0
Appropriations: E&R Reserves	4	4	(450)	(450)	(143)	(450)	0	0	2
Appropriations: CSF Reserves	283	283	117	117	255	117	0	0	0
Appropriations: C&H Reserves	(104)	(104)	(150)	(150)	(46)	(150)	0	0	0
Appropriations: Public Health Reserves	(600)	(600)	(600)	(600)	0	(600)	0	0	0
Appropriations: Corporate Reserves	(2,443)	(2,443)	(2,893)	(2,893)	(450)	(2,893)	0	0	(3,093)
Appropriations/Transfers	(3,528)	(3,528)	(4,891)	(4,891)	(633)	(4,891)	0	0	(3,091)
Depreciation and Impairment	(22,318)	(22,318)	(22,318)	0	0	(22,318)	0	0	0
Other Central Items	(19,224)	(19,224)	(21,035)	(5,198)	(19)	(21,266)	(231)	(60)	(8,329)
Levies	933	933	933	393	393	933	0	0	0
TOTAL CORPORATE PROVISIONS	(4,876)	(4,876)	(6,687)	(2,013)	1,366	(7,068)	(381)	(210)	(8,136)

Pay and Price Inflation as at August 2017

In 2017/18, the budget includes 1% for increases in pay and 1.5% for increases in general prices, with an additional amount of £0.451m which is held to assist services that may experience price increases greatly in excess of the inflation allowance provided when setting the budget. At present it is not anticipated that there will be a significant call on this budget and it will only be released when it is certain that it will not be required.

Pay:

The local government pay award for 2017/18 was agreed last year covering 2016/17 and 2017/18. For the lowest paid (those on spinal points 6-17) this agreed a pay rise of between 6.6% and 1.01% in the first year, and between 3.4% and 1.3% in 2017/18. Those on spinal points 18-49 received 1% in year one and the same again in 2017/18. The offer also included a joint review of the NJC pay spine and term-time working for school support staff. Departmental budgets include provision for the 2017/18 pay award.

Prices:

The Consumer Prices Index (CPI) 12-month rate was 2.9% in August 2017, up from 2.6% in July 2017. Rising prices for clothing and motor fuels were the main contributors to the increase in the rate between July and August 2017. Air fares also rose between July and August but the rise was smaller than between the same two months a year ago and so resulted in a partially offsetting, downward contribution.

CPIH, a measure of UK consumer price inflation that includes owner occupiers' housing costs, 12-month inflation rate was 2.7% in August 2017, up from 2.6% in July.

The RPI 12-month rate for August 2017 stood at 3.9%, up from 3.6% in July 2017.

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 13 September 2017, the Committee voted by a majority of 7-2 to maintain Bank Rate at 0.25%. The Committee voted unanimously to maintain the stock of sterling non-financial investment-grade corporate bond purchases, financed by the issuance of central bank reserves, at £10 billion. The Committee also voted unanimously to maintain the stock of UK government bond purchases, financed by the issuance of central bank reserves, at £435 billion. The August 2017 Inflation Report was published on the 3 August 2017.

In the minutes to its meeting, the MPC noted that "The circumstances since the referendum on EU membership, and the accompanying depreciation of sterling, have been exceptional. Monetary policy cannot prevent either the necessary real adjustment as the United Kingdom moves towards its new international trading arrangements or the weaker real income growth that is likely to accompany that adjustment over the next few years. The MPC's remit specifies that, in such exceptional circumstances, the Committee must balance any trade-off between the speed at which it intends to return inflation sustainably to the target and the support that monetary policy provides to jobs and activity. Recent developments suggest that remaining spare capacity in the economy is being absorbed a little more rapidly than expected at the time of the August Report, and that inflation remains likely to overshoot the 2% target over the next three years."

In the August 2017 quarterly Inflation Report, the MPC sets out its view on the prospects for inflation and the report notes that “Although CPI inflation has been volatile, it has risen over 2017 and was 2.6% in June. It is expected to remain around 2¾% in the near term, boosted by higher import prices as a result of the depreciation in sterling, before easing back towards the 2% target during 2018. Growth in firms’ imported costs appears to have started moderating. Domestically generated inflation appears to have remained relatively subdued and inflation expectations remain consistent with the MPC’s 2% target.” Since the August inflation report, the MPC has met on 13 September and kept the Bank Base Rate at 0.25% but concluded that “there remain considerable risks to the outlook, which include the response of households, businesses and financial markets to developments related to the process of EU withdrawal. The MPC will respond to these developments as they occur insofar as they affect the behaviour of households and businesses, and the outlook for inflation. The Committee will continue to monitor closely the incoming evidence on these and other developments, and stands ready to respond to changes in the economic outlook as they unfold to ensure a sustainable return of inflation to the 2% target.”

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 (September 2017)			
	Lowest %	Highest %	Average %
2017 (Quarter 4)			
CPI	2.6	3.4	2.9
RPI	3.3	4.4	3.8
LFS Unemployment Rate	4.2	5.2	4.6
2018 (Quarter 4)			
CPI	1.6	3.0	2.4
RPI	2.4	3.9	3.2
LFS Unemployment Rate	3.9	5.4	4.7

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 (August 2017)					
	2017	2018	2019	2020	2021
	%	%	%	%	%
CPI	2.7	2.6	2.2	1.9	1.9
RPI	3.5	3.5	3.0	3.0	3.0
LFS Unemployment Rate	4.5	4.7	4.8	4.8	4.8

Treasury Management: Outlook

At its meeting ending on 13 September 2017, the Committee voted by a majority of 7-2 to maintain Bank Rate at 0.25%. The Committee voted unanimously to maintain the stock of sterling non-financial investment-grade corporate bond purchases, financed by the issuance of central bank reserves, at £10 billion. The Committee also voted unanimously to maintain the stock of UK government bond purchases, financed by the issuance of central bank reserves, at £435 billion.

In the Bank of England's quarterly Inflation report for August 2017, the MPC set out its most recent assessment of the outlook for inflation and activity and outlined its view on the long-term outlook for interest rates. The MPC noted that "CPI inflation has remained above the 2% target as rises in import prices following the steep fall in the sterling exchange rate last year continue to pass through to consumer prices.... Overall, given a market-implied path for Bank Rate that rises by around ½ percentage point over the next three years, growth is projected to be modest and unemployment to stay close to its current rate. Import price pressures begin to fade in the second half of the forecast period, but are still keeping inflation above the 2% target at the end."

In the minutes to the MPC meeting ending on 13 September 2017, it was stated that "All MPC members continue to judge that, if the economy follows a path broadly consistent with the August Inflation Report central projection, then monetary policy could need to be tightened by a somewhat greater extent over the forecast period than current market expectations. A majority of MPC members judge that, if the economy continues to follow a path consistent with the prospect of a continued erosion of slack and a gradual rise in underlying inflationary pressure then, with the further lessening in the trade-off that this would imply, some withdrawal of monetary stimulus is likely to be appropriate over the coming months in order to return inflation sustainably to target. All members agree that any prospective increases in Bank Rate would be expected to be at a gradual pace and to a limited extent."

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

	End Q.3 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	End Q.2 2020	End Q.3 2020
Aug.'17	0.2	0.3	0.4	0.4	0.5	0.5	0.5	0.6	0.6	0.7	0.7	0.7	0.8
May '17	0.2	0.2	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.5	0.5	0.5	
Feb'17	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	0.3	0.3	0.3	0.3	0.4	0.4			
Aug.'16	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2				
May '16	0.5	0.5	0.6	0.6	0.6	0.7	0.7	0.8					
Feb. '16	0.7	0.8	0.8	0.9	1.0	1.0	1.1						
Nov. '15	0.9	1.0	1.1	1.1	1.2	1.3							
Aug.'15	1.4	1.5	1.6	1.7	1.7								
May '15	1.2	1.3	1.3	1.4									
Feb.'15	1.0	1.1	1.1										
Nov '14	1.7	1.7											
Aug.'14	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.

Capital Budget Monitoring August 2017

Please note totals are now at the top of activity rather than the bottom

	2017/18 Year to Date			2017-18	Full Year Forecast	
	Actuals	Profiled Budget	Variance	Final Budget	Final Forecast	Full Year Variance
Capital	5,469,332	12,881,310	(7,411,978)	55,090,450	47,163,542	(7,926,908)
Corporate Services	713,999	667,306	46,693	25,454,950	18,245,066	(7,209,884)
Business Improvement	86,879	297,306	(210,427)	1,810,280	2,218,976	408,696
Customer Contact Programme	5,393	0	5,393	1,006,420	1,356,420	350,000
IT Systems Projects	3,905	190,921	(187,016)	405,460	341,260	(64,200)
Social Care IT System	77,582	106,385	(28,803)	398,400	521,296	122,896
Facilities Management Total	176,005	142,500	33,505	4,368,030	4,368,030	0
Works to other buildings	53,373	122,500	(69,127)	457,500	457,500	0
Civic Centre	(47,546)	50,000	(97,546)	275,000	275,000	0
Invest to Save schemes	217,441	(150,000)	367,441	3,188,720	3,188,720	0
Water Safety Works	(28,237)	45,000	(73,237)	153,990	153,990	0
Asbestos Safety Works	(19,026)	75,000	(94,026)	292,820	292,820	0
Infrastructure & Transactions	474,952	260,000	214,952	2,268,190	2,268,190	0
Disaster recovery site	90,952	175,000	(84,048)	513,790	513,790	0
Planned Replacement Programme	383,999	85,000	298,999	1,754,400	1,754,400	0
Resources	(23,837)		(23,837)	165,870	165,870	0
Financial System	(23,837)		(23,837)	18,070	18,070	0
ePayments System			0	106,800	106,800	0
Invoice Scanning SCIS/FIS			0	41,000	41,000	0
Corporate Items		(32,500)	32,500	16,842,580	9,224,000	(7,618,580)
Housing company				9,188,000	9,188,000	
Acquisitions Budget			0	6,372,180	0	(6,372,180)
Capital Bidding Fund		(32,500)	32,500	1,246,400	0	(1,246,400)
Multi Functioning Device (MFD)			0	36,000	36,000	0
Community and Housing	173,751	335,023	(161,272)	1,444,770	982,280	(462,490)
Adult Social Care	8,907	36,594	(27,687)	83,600	83,600	0
ASC IT Equipment	8,907	14,724	(5,817)	39,850	39,850	0
Telehealth		21,870	(21,870)	43,750	43,750	0
Housing	147,065	101,549	45,516	962,490	500,000	(462,490)
Disabled Facilities Grant	165,034	101,549	63,485	962,490	500,000	(462,490)
Major Projects - Social Care H	(17,969)		(17,969)			0
Libraries	17,779	196,880	(179,101)	398,680	398,680	0
Library Enhancement Works	1,897	180,000	(178,103)	200,000	200,000	0
Major Library Projects	15,602	16,880	(1,278)	98,680	98,680	0
Libraries IT	280		280	100,000	100,000	0

Capital Budget Monitoring August 2017

Please note totals are now at the top of activity rather than the bottom

	2017/18 Year to Date			2017-18	Full Year Forecast	
	Actuals	Profiled Budget	Variance	Final Budget	Final Forecast	Full Year Variance
Children Schools & Families	1,213,417	4,354,930	(3,141,513)	8,230,360	8,275,084	44,724
Primary Schools	(513,196)	678,500	(1,191,696)	1,030,120	1,225,910	195,790
West Wimbledon		50,000	(50,000)	56,090	50,000	(6,090)
Hatfield	(798)	8,000	(8,798)	21,330	21,330	0
Hillcross	11,134	50,000	(38,866)	50,000	41,000	(9,000)
Joseph Hood	528	40,000	(39,472)	42,720	28,720	(14,000)
Dundonald	(184,764)		(184,764)	96,070	137,070	41,000
Merton Abbey	45		45			0
Merton Park	528	20,000	(19,472)	20,000	11,000	(9,000)
Pelham	(18,780)	65,000	(83,780)	65,000	50,000	(15,000)
Poplar	(8,569)		(8,569)	1,000	1,000	0
Wimbledon Chase		60,000	(60,000)	60,000	80,000	20,000
Wimbledon Park		20,000	(20,000)	20,000	20,000	0
Malmesbury		27,000	(27,000)	27,000	34,000	7,000
Morden		100,000	(100,000)	100,000	110,000	10,000
Liberty		20,000	(20,000)	20,000	17,000	(3,000)
Links	3,845	20,000	(16,155)	20,000	17,000	(3,000)
Singlegate	17,375	45,000	(27,625)	194,290	214,290	20,000
St Marks		70,000	(70,000)	70,000	95,000	25,000
Lonesome	17,602		17,602	61,500	95,000	33,500
Sherwood			0		83,000	83,000
Stanford	1,056	50,000	(48,944)	50,000	50,000	0
William Morris		25,000	(25,000)	26,620	42,000	15,380
Unlocated Primary School Proj	(316,535)		(316,535)			0
St Mary's (RC)	(35,862)	8,500	(44,362)	28,500	28,500	0
Secondary School	1,424,731	2,917,500	(1,492,769)	5,076,630	4,921,604	(155,026)
Harris Academy Morden			0	50,060	50,060	0
Harris Academy Merton	1,271,242	1,737,500	(466,258)	3,127,020	3,105,520	(21,500)
St Mark's Academy			0			0
Rutlish			0	88,000	80,000	(8,000)
Harris Academy Wimbledon	153,489	1,180,000	(1,026,511)	1,811,550	1,686,024	(125,526)
SEN	165,561	678,070	(512,509)	1,654,830	1,658,790	3,960
Perseid	113,636	547,000	(433,364)	1,273,760	1,277,720	3,960
Cricket Green		1,070	(1,070)	1,070	1,070	0
Secondary School Autism Unit			0	30,000	30,000	0
Unlocated SEN	51,926	130,000	(78,074)	350,000	350,000	0
CSF Schemes	151,625	80,860	70,765	468,780	468,780	0
CSF - IT Schemes			0			0
School Equipment Loans			0	104,900	104,900	0
Devolved Formula Capital	151,625	80,860	70,765	363,880	363,880	0

Capital Budget Monitoring August 2017

Please note totals are now at the top of activity rather than the bottom

	2017/18 Year to Date			2017-18	Full Year Forecast	
	Actuals	Profiled Budget	Variance	Final Budget	Final Forecast	Full Year Variance
Environment and Regeneration	3,368,165	7,524,051	(4,155,886)	19,960,370	19,661,112	(299,258)
Public Protection and Developm	139,325	69,022	70,303	203,240	203,240	0
Off Street Parking - P&D			0			0
CCTV Investment	139,325	57,522	81,803	191,740	191,740	0
Public Protection and Developm		11,500	(11,500)	11,500	11,500	0
Street Scene & Waste	(138,871)	1,482,580	(1,621,451)	1,640,080	1,640,080	0
Fleet Vehicles	142,302	380,000	(237,698)	350,000	350,000	0
GPS Vehical Tracking Equipment	13,146	7,990	5,156	159,990	159,990	0
Alley Gating Scheme	22,093	10,000	12,093	40,000	40,000	0
Smart Bin Leases - Street Scen			0	5,500	5,500	0
Waste SLWP	(316,412)	1,084,590	(1,401,002)	1,084,590	1,084,590	0
Sustainable Communities	3,367,711	5,972,449	(2,604,738)	18,117,050	17,817,792	(299,258)
Street Trees	7,656	33,300	(25,644)	60,000	60,000	0
Unallocated Roads Budget (unsp	(33,311)		(33,311)		0	0
Highways & Footways	1,375,149	2,017,269	(642,120)	4,414,750	4,414,750	0
Cycle Route Improvements	315,905	233,154	82,751	859,740	860,100	360
Mitcham Transport Improvements	(170)	112,880	(113,050)	307,880	307,880	0
Electric Vehicle Infrastructur		15,000	(15,000)	15,000	15,000	0
Unallocated Tfl			0		0	0
Tackling Traffic Congestion	240,374	100,824	139,550	410,950	410,950	0
Industrial Estates		26,880	(26,880)	452,750	104,750	(348,000)
Colliers Wood Area Regeneratio	134,699	158,610	(23,911)	188,610	188,610	0
Mitcham Area Regeneration	612,101	257,664	354,437	2,082,260	2,082,260	0
Morden Area Regeneration	8,408		8,408	200,000	200,000	0
Borough Regeneration	110,678	79,870	30,808	79,870	127,870	48,000
Morden Leisure Centre	506,872	3,079,958	(2,573,086)	8,029,540	8,038,295	8,755
Sports Facilities	27,334	20,000	7,334	530,960	524,460	(6,500)
Parks	62,015	(216,850)	278,865	430,850	428,977	(1,873)
Mortuary Provision		53,890	(53,890)	53,890	53,890	0

Virement, Re-profiling and New Funding - August 2017

Appendix 5b

	2017/18 Budget	Virements	Adjusted & New Funding	Reprofiling	Revised 2017/18 Budget	2018/19 Budget	Reprofiling	Revised 2018/19 Budget	Narrative
	£	£	£	£	£	£	£	£	
Corporate Services	-								
Capital Bidding Fund	(2)	1,806,500		(560,100)	1,246,400	0		0	
Morden Park House Courtyard	(1)	0	125,000		125,000				£48k Donation and £77k Revenue Contribution
Environment & Regeneration	-								
Parks - Canons Parks for the People	(2)	15,400	180,450		195,850	0	1,117,470	1,117,470	Virement - Bidding fund (Canons park for people scheme)
Mitcham Area Regeneration - Parks for the People	(2)	0	78,680	560,100	638,780	1,250,000	2,032,100	3,282,100	Virement - Bidding fund (Canons park for people scheme)
Imp PRW Runs Mawson Clse - Kingston Rd		0	20,000		20,000	0		0	Section 106 Funded
Total		1,821,900	404,130	0	2,226,030	1,250,000	3,149,570	4,399,570	

1) Requires Cabinet Approval

2) Requires Council Approval

Virement, Re-profiling and New Funding - August 2017

Appendix 5b

	2019/20 Budget	Reprofiling	Revised 2019/20 Budget	2020/21 Budget	Reprofiling	Revised 2020/21 Budget	Narrative
	£	£	£	£	£	£	
-							
-							
(2)	0	195,540	195,540				
(2)	0	301,040	301,040				
Total	0	496,580	496,580	0	0	0	

Capital Programme Funding Summary 2017/18

	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
Revised Funding - July 2017 Monitoring	41,031	13,655	54,686
<u>Corporate Services</u>			
Morden Park House Courtyard	77	48	125
<u>Environment and Regeneration</u>			
Parks - Canons Parks for the People	0	180	180
Mitcham Area Regeneration - Parks for the People	0	79	79
Imp PRW Runs Mawson Clse - Kingston Rd	20	0	20
Revised Funding - August 2017 Monitoring	41,128	13,962	55,090

Capital Programme Funding Summary 2018/19

	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
Approved Programme - July Monitoring	37,080	17,933	55,013
<u>Environment and Regeneration</u>			
Parks - Canons Parks for the People	0	1,117	1,117
Mitcham Area Regeneration - Parks for the People	0	2,032	2,032
Proposed Programme - August Monitoring	37,080	21,083	58,162

Capital Programme Funding Summary 2019/20

	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
Revised Funding - July 2017	23,537	2,346	25,883
<u>Environment and Regeneration</u>			
Parks - Canons Parks for the People	0	196	196
Mitcham Area Regeneration - Parks for the People	0	301	301
Revised Funding - July 2017	23,537	2,843	26,380

DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2017/18-Aug 2017

Ref	Description of Saving	2017/18 Savings Required £000	2017/18 Expected Savings £000	Shortfall £000	17/18 RAG	2017/18 Mitigated by Growth £000	2018/19 Savings Expected £000	Shortfall	18/19 RAG	Responsible Officer	Comments	R / A Included in Forecast Over/Underspend ? Y/N
CH38, CH1	Adult Social Care Placements (replaces three original savings proposals). Given ongoing market pressures and extensive work already undertaken to review OP packages, the savings can only be achieved by more targeted work to manage demand. There will be a focus on three areas: 1) demand coming through transition into adulthood, 2) maximising reablement opportunities to reduce long term needs, 3) Reviewing equity of access and resource in areas such as 1:1 care, night cover, double-up care, 15 min daytime visits and multiple provisions.	827	827	0	R		827	0	G	Richard Ellis	There is a focus on learning disabilities where package costs tend to be much higher and direct payments. 350 reviews have been carried out. £493k has been achieved to date.	Y
CH20, CH58, CH54, CH 37, CH59	Staff savings: most were brought forward to 2016/17. These represent the residual savings in Direct provision	100	100	0	G		100	0	G	Andy Ottaway-Searle	Achieved	Y
CH57	Staff savings: transfer of savings from housing	50	0	50	R		0	(50)	R	Richard Ellis	Options are currently being considered	Y
CH2, CH3	Contracts: re-commissioning of home care contracts. Moving packages from high cost spot purchased care to contract rate.	215	97	118	R		215	0	G	Richard Ellis	The new contracts will be in place by January 2018. The ability to transfer current spot purchased packages depends on the ability of the new providers to recruit carers.	Y
CH35, CH36, CH52	Supporting People: re-commissioning of former Supporting People contracts. Savings can be achieved by removing funding from community alarms and reducing the capacity for housing support (including single homeless, mental health and young people at risk)	100	0	100	R		0	(100)	R	Richard Ellis	Further work on the options and impacts of reducing out subsidy of community alarms is being considered. The project is therefore deferred to 2018/19.	Y

APPENDIX 6

DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2017/18-Aug 2017

Ref	Description of Saving	2017/18 Savings Required £000	2017/18 Expected Savings £000	Shortfall £000	17/18 RAG	2017/18 Mitigated by Growth £000	2018/19 Savings Expected £000	Shortfall	18/19 RAG	Responsible Officer	Comments	R / A Included in Forecast Over/Underspend ? Y/N
CH35, CH36, CH52	Supporting People: re-commissioning of former Supporting People contracts. Savings can be achieved by removing funding from community alarms and reducing the capacity for housing support (including single homeless, mental health and young people at risk)	356	0	356	A	(356)	356	0	G	Richard Ellis	Contracts do not end until the end of November 2017. This is a challenging sector with a reducing number of providers. Two contracts have been handed back in the last year. The Homelessness Prevention Bill may result in more people coming forward for support, whilst existing provision is already fully utilised. The optimal procurement route means that the process will now take longer than expected and savings will not accrue until 2018/19.	Y
CH53	Vol orgs Grant	600	600	0	G		600	0	G	Richard Ellis	Achieved	Y
Subtotal Adult Social Care		2,248	1,624	624		(356)	2,098	(150)				
Library & Heritage Service												
CH49	Introduce self-serve libraries at off peak times: Smaller libraries to be self-service and supported only by a security guard during off peak times (nb. Saving would be reduced to £45k if Donald Hope and West Barnes libraries are closed). 3.5FTE at risk	90	90	0	A		90	0	G	Anthony Hopkins	These savings were delivered as part of a full organisational review, which has reduced the workforce by approx. 33%. The new delivery model has been in place since 1 May 2017. Current issue with agency spend but working to deliver savings	Y
CH50	Additional staff savings (Deletion of 1.5xFTE)	38	38	0	A		38	0	G	Anthony Hopkins		Y
CH50	Deletion of Projects & Procurement Manager post (Deletion of 0.6xFTE)	22	22	0	A		22	0	G	Anthony Hopkins		Y
CH70	Additional staffing efficiencies and consolidation of branch managers	63	63		A		63	0	G	Anthony Hopkins		
CH71	Reduction in People's Network costs	40	40	0	G		40	0	G	Anthony Hopkins		Y
CH9	Housing Needs & Enabling											
CH9	Rationalisation of admin budget :	36	36	0	G		36	0	G	Steve Langley		Y
CH10	Deletion of one staffing post	36	0	36	R		36	0	G	Steve Langley		Y
CH43	Further Staff reductions. This will represent a reduction in staff from any areas of the HINES & EHH :	100	0	100	R		100	0	G	Steve Langley	Service currently restricting to achieve savings.	Y
Total C & H Savings for 2017/18		2,673	1,913	760		(356)	2,523	(150)				

DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES - PROGRESS ON SAVINGS 17-18

Ref	Description of Saving	2017/18 Savings Required £000	2017/18 Savings Expected £000	Shortfall	17/18 RAG	2018/19 Savings Expected £000	Shortfall	18/19 RAG	Responsible Officer	Comments	R/A Included in Forecast Over/Underspend? Y/N
CSF2016-01	<u>Gross cutting</u> Deletion of Assistant Director, Service Manager and half an admin support posts as part of phased restructure of the department.	224	207	17	A	224	0	G	Paul Angeli	Due to the number of management changes affecting social care and the preparation required for the OFSTED inspection, it is required to provide cover for the Service Manager reduction in the short term. Quantification of this shortfall will be reviewed during the year.	Y
CSF2015-05	<u>Contracts and School Organisation</u> property and contracts 1 FTE.	65	65	0	G	65	0	G	Jane McSherry		
CSF2013-01	<u>Early Years</u> Substantial reduction in EY budgets whilst retaining existing Children's Centres targeted work in areas of higher deprivation (up to 10% reduction overall to Children's Centre services). Reduction in funding and in kind contributions to voluntary sector organisations	250	250	0	G	250	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.	296	296	0	G	296	0	G	Jane McSherry		
CSF2013-02	<u>School Standards and Quality</u> Reduced service offer from School improvement service.	75	75	0	G	75	0	G	Jane McSherry		
CSF2015-03	Schools Increased income from schools and/or reduced LA service offer to schools.	200	200	0	G	200	0	G	Jane McSherry		
	Total Children, Schools and Families Department Savings for 2015/16	1,110	1,093	17		1,110	0				

DEPARTMENT: CORPORATE SERVICES - PROGRESS ON SAVINGS 17-18

Ref	Description of Saving	2017/18 Savings Required £000	2017/18 Savings Expected £000	Shortfall	17/18 RAG	2018/19 Savings Expected £000	2018/19 Expected Shortfall £000	18/19 RAG	Responsible Officer	Comments	R / A Included in Forecast Over/Underspend? Y/N
CS60	Deletion of Assistant Director post	109	109		G	109		G	Caroline Holland		N
CSD17	Reduce Marketing budget - Increase self service by using Panacea - marketing solution software in order to reduce designer costs for smaller marketing jobs	73	73		G	73		G	Sophie Poole		N
CS2015-04	Increase in Registrars income	25	25		G	25		G	Sean Cumniffe/Tomas Dyson		N
CS2016-04	Increase income through Registrars service	15	15		G	15		G	Sean Cumniffe/Tomas Dyson		N
	Business Improvement										
CS63	Reorganisation of systems development and support arrangements.	74	74		G	74		G	Clive Cooke		N
CSD42	Restructure functions, delete 1 AD and other elements of management	170	100	70	Red	100	70	Red	Sophie Ellis		Y
CS2015-08	Staffing support savings	13	0	13	Red	0	13	Red	Sophie Ellis		N
	I & T										
CS70	Apply a £3 administration charge to customers requesting a hard copy paper invoice for services administered by Transactional Services team	35	0	35	Red	0	35	Red	Pam Lamb	Due to delays in implementation of e5, Sharepoint and EDRMS there will be a delay in achieving this. Alternative to be identified within the division.	N
CS71	Delete two in house trainers posts	42	42		G	42		G	Richard Warren		N
CS72	Consolidation of Infrastructure & Transactions revenue budgets	34	34		G	34		G	Tina Dullaway		N
CS2015-09	Restructure of Safety Services & Emergency Planning team	18	18		G	18		G	Adam Vicari		N
CS2015-08	Potential income derived from letting two floors of vacant office space within the Civic centre to external/partner organisations.	90	90		G	90		G	Mark Humphries		N
	CEX										
CS2015-07	Reduction in running cost budgets	28	28		G	28		G	Sophie Jones		N
	Resources										
CS46	Resources -Deletion of 3 Posts within the Division	78	78		G	78		G	R Kershaw		N
CS66	Review recharges of Resources support function to pension fund	47	47		G	47		G	R Kershaw/Paul Audu		N
CSD20	Increased income	16	16		G	16		G	R Kershaw		N
CSD23	Cut running costs budgets	3	3		G	3		G	Bindi Lakhani		N
CSD26	Delete 1 Business Partner	78	0	78	Red	0	0	G	Caroline Holland	Due to delays in major change projects	N
CSD46	Reduce budget for LCGS to match actual contribution	81	81		G	81		G	John Dimmer		N
CS2016-01	Reduction in contribution to insurance fund	100	100		G	100		G	R Kershaw/Paul Audu		N
	Human Resources										
CSD34	Learning and Development admin support	18	18		G	18		G	Kim Brown		N
CSD35	Learning and Development Budget	134	134		G	134		G	Kim Brown		N
	Corporate Governance										
CS73	Saving from 4 borough shared legal service	20	20		G	20		G	Fiona Thomsen		N
CSD43	Share FOI and information governance policy with another Council	40	40		Red	40		Red	Paul Evans		N
CSD45	Share audit and investigation service	20	20		G	20		G	Margaret Culleton		N

DEPARTMENT: CORPORATE SERVICES - PROGRESS ON SAVINGS 17-18

Ref	Description of Saving	2017/18 Savings Required £000	2017/18 Savings Expected £000	Shortfall	17/18 RAG	2018/19 Savings Expected £000	2018/19 Expected Shortfall £000	18/19 RAG	Responsible Officer	Comments	R / A Included in Forecast Over/Under spend? Y/N
CS2015-13	Reduction in capacity and service efficiency in investigation service	40	40		G	40		G	Margaret Culleton		
CS2015-14	Reduction in capacity and service efficiency in Audit service	33	33		G	33		G	Margaret Culleton		
CS2016-03	Supplies & Services	50	50		G	50		G	Julia Regan		
	Total Corporate Services Department Savings for 2017/18	1,484	1,288	196		1,366	118				

DEPARTMENT: ENVIRONMENT & REGENERATION SAVINGS PROGRESS: 2017-18

Ref	Description of Saving	2017/18 Savings Required £000	2017/18 Savings Expected £000	Shortfall	17/18 RAG	2018/19 Savings Expected £000	2018/19 Expected Shortfall £000	18/19 RAG	Responsible Officer	Comments	R/A Included in Forecast Over/Unders pend? Y/N
	SUSTAINABLE COMMUNITIES										
ER23b	Restructure of team to provide more focus on property management and resilience within the team.	18	0	18	R	18	0	A	James McGinlay	Business Case for restructure in progress, but due to the delay it's unlikely to be fully achieved this financial year. Saving being achieved through rents (reported through monthly budget return).	Y
E&R5	Team transformation and asset review	82	82	0	A	82	0	A	James McGinlay	Business Case for restructure in progress, but expecting to achieve this saving once implemented. Saving being achieved through rents (reported through monthly budget return).	Y
D&BC1	Fast track of householder planning applications	55	0	55	R	0	55	R	James McGinlay	This saving is not currently being achieved. The team is extremely short of management support and has no resource available to launch this complex new service.	Y
D&BC2	Growth in PPA and Pre-app income	50	0	50	R	0	50	R	James McGinlay	Monitor throughout the year.	Y
D&BC3	Commercialisation of building control	50	0	50	R	0	50	R	James McGinlay	This saving is not currently being achieved. The shared service discussions with Sutton and Kingston are still underway and a future direction decision is awaited at Director level.	Y
D&BC4	Deletion of 1 FTE (manager or deputy) within D&BC	45	45	0	G	45	0	G	James McGinlay	Savings taken - implementation late 2017.	N
D&BC5	Eliminate the Planning Duty service (both face to face and dedicated phone line) within D&BC	35	0	35	R	0	35	R	James McGinlay	Not implemented. Linked to national planning fee increase.	Y
D&BC6	Stop sending consultation letters on applications and erect site notices	10	0	10	R	0	10	R	James McGinlay		Y
E&R32	Income from wifi concessionary contract to be let from 2015/16	5	5	0	G	5	0	G	James McGinlay		N
ENV20	Increased income from building control services.	35	0	35	R	0	35	R	James McGinlay	Not able to implement	Y
ENV21	Lease subscription to Urban London and Future London Leaders	10	10	0	G	10	0	G	James McGinlay		N
ENV34	Increased income from the non-operational portfolio.	8	8	0	G	8	0	G	James McGinlay		N
	PUBLIC PROTECTION										
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.	163	163	0	A	163	0	A	John Hill	The 2017/18 saving is expected to be achieved based on the latest CPZ forecast.	N
E&R8	In response to residents concerns about traffic congestion, enforcement of moving traffic contraventions, following the implementation of ANPR.	-1,540	-1,540	0	G	-1540	0	G	John Hill		N
E&R14	Further expansion of the Regulatory shared service.	100	0	100	R	100	0	G	John Hill	Wandsworth is expected to join in April 2018 and the £100K savings earmarked for 2017/18 will not be met.	Y
E&R43	Reprofiling how Safer Merton will achieve savings of £70,000 in 2017-18. The reprofiling will see staff levels maintained and budget reductions met through cutting back on non statutory budgetary spend.	70	70	0	G	70	0	G	John Hill	Due to the delay in recruiting the Integrated Offender Management co-ordinator this saving will not be met in full during 2017/18. The shortfall relates to the IOM salary.	Y
ENV02	Review the current CEO structure, shift patterns and hours of operation with the intention of moving toward a two shift arrangement based on 5 days on/2 days off.	190	0	190	R	190	0	A	John Hill	This saving is not currently being achieved as the there has been slippage in the timetable for the restructure.	Y
ENV03	Reduction number of CEO team leader posts from 4 to 3	45	0	45	R	45	0	A	John Hill	This saving is not currently being achieved for the same reasons as those given in respect of ENV02.	Y
ENV04	Improved management of traffic flows/congestion and availability of parking space through increase compliance	250	250	0	A	250	0	A	John Hill	Saving expected to be achieved but too early in the year to be certain.	N

DEPARTMENT: ENVIRONMENT & REGENERATION SAVINGS PROGRESS: 2017-18

Ref	Description of Saving	2017/18 Savings Required £000	2017/18 Savings Expected £000	Shortfall	17/18 RAG	2018/19 Savings Expected £000	2018/19 Expected Shortfall £000	18/19 RAG	Responsible Officer	Comments	R / A Included in Forecast Over/Unders pend? Y/N
ENV05	Review the back office structure based upon the anticipated tailing off of ANPR activity and the movement of CCTV into parking services.	70	0	70	R	70	0	A	John Hill	The implementation of this saving has been delayed by the slower than anticipated implementation of ANPR and its effect on the back office function. The review can take place when a full year's ANPR impact can be measured (which will be after August 2017)	Y
ENV06	Reduction in transport related budgets	46	0	46	R	0	46	R	John Hill	This saving has not yet been achieved as a number of options are being considered as the best way to meet this target.	Y
ENV09	Investigate potential commercial opportunities to generate income	50	25	25	R	50	0	A	John Hill	Although early in the process, there may be difficulty in achieving the full year effect for 2017/18. The income generating RSP Business Development team is scheduled to become operational in September 2018.	Y
ENV10	Reduction in Transport/Supplies and Services budget through greater efficiency	10	10	0	G	10	0	G	John Hill		N
ENV33	Development of emissions based charging policy for resident/business permits recognising the damage particularly from diesel engine motor vehicles	250	250	0	G	250	0	G	John Hill		N
ENR3	Increase the cost of existing Town Centre Season Tickets in Morden, Mitcham and Wimbledon.	16	16	0	G	16	0	G	John Hill		N
ENV04											
ENV05											
ENV06											
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DEPARTMENT: ENVIRONMENT & REGENERATION SAVINGS PROGRESS: 2017-18

Ref	Description of Saving	2017/18 Savings Required £000	2017/18 Savings Expected £000	Shortfall	17/18 RAG	2018/19 Savings Expected £000	2018/19 Expected Shortfall £000	18/19 RAG	Responsible Officer	Comments	R / A Included in Forecast Over/Underspend? Y/N
ENV28	Divert gully waste and mechanical Street sweepings from landfill through pre-treatment and recycling	37	37	0	A	37	0	A	Graeme Kane	Working closely with SLWP to prioritise this project.	Y
ENV29	Realign budget to reflect actual income achieved through sale of textiles	20	20	0	A	20	0	A	Graeme Kane	Price of textiles continue to fall. Income levels to be monitored closely.	Y
ENV30	Increase annual Garden Waste subscription fees by £5 p.a.	30	0	30	R	30	0	G	Graeme Kane	Saving forms part of Phase C, but may not be achieved this financial year.	Y
ENV31	Commencing charging schools for recyclable waste (17/18) and food waste (18/19) collection	102	102	0	G	102	0	G	Graeme Kane	Saving forms part of Phase C, but may not be achieved this financial year.	Y
ENV36	Review and removal of NRCs	50	50	0	G	50	0	G	Graeme Kane		Y
Total Environment and Regeneration Savings 2017/18		3,050	1,603	1,447		2,769	281				

APPENDIX 6

Department	Target Savings 2017/18	Projected Savings 2017/18	Period 5 Forecast Shortfall	Period 4 Forecast Shortfall	Period Forecast Shortfall
	£000	£000	£000	£000	%
Corporate Services	1,484	1,288	196	118	13.2%
Children Schools and Families	1,110	1,093	17	37	1.5%
Community and Housing	2,673	1,913	760	642	28.4%
Environment and Regeneration	3,050	1,603	1,447	902	47.4%
Total	8,317	5,897	2,420	1,699	29.1%

86.79%
 98.47%
 71.57%
 52.56%
 70.90%

DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2016/17- July 2017

Ref	Description of Saving	2016/17 Savings Required £000	2016/17 Expected Savings £000	Shortfall £000	RAG
CH30	<p>Older People - Review of Direct Payments support packages - Review of Direct Payments in Older People using the enablement model. We will review the Direct Payments received by clients to assess whether the full payment is being utilised. We will use the enablement model as the basis of these reviews. We anticipate this being an average reduction of 15% for individual support packages within this client group. There are currently 225 packages.</p>	345	345	0	G
CH31	<p>Physical Disabilities- Review of all Direct Payments for clients with physical disabilities using promoting independence. -We will review the Direct Payments received by clients to assess whether it is still set at the appropriate level for their needs and whether the full payment is being utilised. We will use the promoting independence model as the basis of these reviews. We anticipate this being a reduction of 10% for the individual support packages within this client group. There are currently 150 packages in this group.</p>	134	0	134	R

DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2016/17- July 2017

Ref	Description of Saving	2016/17 Savings Required £000	2016/17 Expected Savings £000	Shortfall £000	RAG
	Adult Social Care				
CH02	Promoting Independence - Public Value Review - Efficiencies to be found in hospital discharge process and by enabling customers to regain and maintain independence	100	79	22	G
CH29	Older People - Managing Crisis (including hospital discharge admissions to residential care. This would include a number of activities designed to reduce admissions to residential care placements. We would be looking to families to continue to support people at home for longer. This would fit in with our overall approach to enable independence.	125	0	125	R
CH34	Substance Misuse Placements - Actively manage throughput in residential rehab placements - A reduction in the placements available for Substance misuse clients	6	0	6	R

DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2016/17- July 2017

Ref	Description of Saving	2016/17 Savings Required £000	2016/17 Expected Savings £000	Shortfall £000	RAG
CH05	Realise benefits of new prevention programme in terms of reduced demand for statutory services, or alternatively if these benefits have not occurred then to reduce investment in the prevention programme through reduced grants to Voluntary Organisations. -Reduced demand for statutory services or reduced level of preventative services. In the latter case people would lose some of the services which make their life fuller.	500	500	0	G
CH04	Reduce Management costs and reduction in staffing costs Access & Assessment- Staffing restructure to deliver efficient processes, and building on planned shift of some customers to manage their own processes.	100	100	0	G
CH20	Access and Assessment Employees - Staff Savings 12 FTE to be deleted in 2016/17 12 FTE in 17/18, 12 FTE in 18/19 - These savings will come from across Access and Assessment, covering all service areas. - Reduction in the ability to carry out assessments and reviews, social work support, safeguarding activities, DOLs responsibilities and financial assessments. (CH20)	511	511	0	G

DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2016/17- July 2017

Ref	Description of Saving	2016/17 Savings Required £000	2016/17 Expected Savings £000	Shortfall £000	RAG
CH58	Access and Assessment Employees - Staff Savings	700	700	0	G
CH22	Commissioning Employees- Staff Savings- 4 FTE to be deleted- Reduced capacity to monitor quality within provider services, reduced capacity to monitor performance within services and a reduced capacity to proactively work to sustain and develop a local provider market.	156	156	0	G
CH21	Direct Provision Employees - Staff Savings 11FTE to be deleted- Less activities available both at day centres and in the community. Clients would spend more time in larger congregated settings with less choice of activities. These savings would be made across the three LD and PD day centres.	274	274	0	G
CH59	Direct Provision Residential and supported living management -staff reductions- We would expect to keep front line support staff but reduce management. This would mean less resource to provide outreach and the emphasis would primarily on providing core services (Bring forward savings -CH37) 2 FTE's	100	100	0	G

DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2016/17- July 2017

Ref	Description of Saving	2016/17 Savings Required £000	2016/17 Expected Savings £000	Shortfall £000	RAG
CH23	Directorate- Staff Savings - 0.46 FTE to be deleted- None, post now funded by Public Health	21	21	0	G
CH64	Directorate- Staff Savings - (Budget contribution to Joint Public Health consultant post to be deleted)- None, post now funded by Public Health	30	30	0	G
CH24	<p>Learning Disabilities- High Cost Packages - Review of High Cost Packages with a view to promoting independence This would be a holistic review of 17 identified high cost placements (i.e. those receiving packages of care over £1,500 per week and not health funded). We will use promoting Independence as the basis of these reviews. We are designing these figures based on a 6% reduction in support for the identified client group.</p>	100	0	100	R

DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2016/17- July 2017

Ref	Description of Saving	2016/17 Savings Required £000	2016/17 Expected Savings £000	Shortfall £000	RAG
CH25	<p>Learning Disabilities- Medium Cost Packages- Review of medium cost packages with a view of promoting independence -This would be a holistic review of identified medium cost placements of care of between £400 -£1,500 per week and not health funded). We will use the promoting independence model as the basis for these reviews. We are designing these figures based on a 10% reduction in support for the relevant clients within the identified group.</p>	400	0	400	R
CH26	<p>Learning Disabilities - Direct Payments- Review of all Direct Payments in Learning Disabilities with a view to promoting independence .We will review the Direct Payments received by clients to assess whether it is still set at the appropriate level for their needs and whether the full payment is being utilised. We will use the promoting independence model as the basis of these reviews. We anticipate this being a reduction of 7% for the individual support packages within this client group. There are currently 98 packages in this group.</p>	50	50	0	R

DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2016/17- July 2017

Ref	Description of Saving	2016/17 Savings Required £000	2016/17 Expected Savings £000	Shortfall £000	RAG
CH27	<p>Mental Health- Care Packages - Review of support packages within all areas of Mental Health services. - We anticipate this being a reduction of 5% across all support packages and will include a review of Direct Payments within this area. Options include less use of residential placements and quicker reviews as part of a recovery model.</p>	76	0	76	R
CH28	<p>Older People- Home Care Review of Home Care within support packages. There are currently 596 Older People within Merton receiving home care within their support packages. This represents an average reduction of 9% in home care support packages.</p>	387	0	387	R

DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2016/17- July 2017

Ref	Description of Saving	2016/17 Savings Required £000	2016/17 Expected Savings £000	Shortfall £000	RAG
CH32	Physical Disabilities - Home Care -The saving would be delivered through a review of home care provision within support packages. There are currently 89 Physical Disabilities clients within Merton receiving home care within their support packages. The proposed savings represents an average reduction of 8% in home care for this group.	48	0	48	R
CH33	Physical Disabilities- High Cost Packages - Review of PD Residential and 1-1 packages .This saving would be delivered through a targeted review of a small number of PD customers in residential care. These reviews would look at renegotiating unit costs, transferring users to other types of accommodation in the community and reducing or removing 1-1 costs.	60	0	60	R
CH60	South Thames Crossroads : Decommission the crossroads service for carers. Replace with domiciliary care service/ Direct Payment offer and commissioned holistic carers support service from voluntary sector.	294	294	0	G

DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2016/17- July 2017

Ref	Description of Saving	2016/17 Savings Required £000	2016/17 Expected Savings £000	Shortfall £000	RAG
CH61	Meals on Wheels (Sodexo): Decommissioning service and embed support within community, neighbourhood and voluntary support infrastructure	153	48	105	R
CH62	Supported accommodation mental health : Decommission service as a result of Provider notice to cease service in Merton	106	106	0	G
CH63	Day support Imagine Independence : Decommission service and recommission cost effective peer led day opportunities for people with mental health	84	84	0	G
CH51	NHS Income : Negotiate extra NHS funding for extra costs of Hospital Discharges - Circa £150k on packages, £50k on staff.	200	0	200	R
	Library & Heritage Service				
CH44	Deletion of all administrative support (Deletion of 1 x FTE)	26	26	0	G
CH45	Reduction in activities programme	2	2	0	G
CH46	Withdrawal from annual CIPFA public library user survey (PLUS)	3	3	0	G
CH47	Reduction in volunteering contract	20	20	0	G
CH48	Reduction in media fund	45	45	0	G
	Merton Adult Education				
CH15	MAE : Staffing cost reductions - Delivery utilising the use of Information Technology and other efficiencies	8	0	8	R

DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2016/17- July 2017

Ref	Description of Saving	2016/17 Savings Required £000	2016/17 Expected Savings £000	Shortfall £000	RAG
	Housing Needs & Enabling				
CH8	Reduction of Homelessness Prevention Grant:	56	0	56	R
CH9	Rationalisation of admin budget :	30	30	0	G
CH40	Housing Strategy officer - deletion of 1 FTE :	43	43	0	G
CH41	Environmental health Technical officer deletion of 1 FTE:	33	33	0	G
CH42	Housing options adviser deletion of 1.5 FTE :	53	53	0	G
	Total Community & Housing Department Savings for 2016/17	5,379	3,653	1,727	

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	2017/18 Savings Expected £000	2017/18 Expected Shortfall £000	17/18 RAG	2018/19 Savings Expected £000	Shortfall	18/19 RAG	Responsible Officer
CSF2012-07	<p>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.</p> <p>Children Social Care</p>	100	100	0	100	0	A	100	0	G	Paul Angell

DEPARTMENT: CORPORATE SERVICES - PROGRESS ON SAVINGS 16-17

Ref	Description of Saving	2016/17 Savings Required £000	2016/17 Shortfall	16/17 RAG	2017/18 Savings Expected £000	2017/18 Expected Shortfall £000	17/18 RAG	2018/19 Savings Expected £000	2018/19 Expected Shortfall £000	18/19 RAG	Responsible Officer	Comments
CS39	Impact of Customer Service Review	30	30	R	0	30	A	0	30	A	David Keppler/Sean Cunniffe	Has not been achieved due to delay in Customer Contact Implementation.
CS63	Reorganisation of systems development and support arrangements.	88	88	R	88	0	G	88	0	G	Sophie Ellis	
CS10	Outsourcing - Service Desk	20	20	R	20	0	G	20	0	G	Mark Humphries	Alternative Saving found from supplies budget
CSD2	Energy Savings (Subject to agreed investment of £1.5m)	150	150	R	150	0	G	150	0	G	Mark Humphries	Alternative Saving found from supplies budget
	Total Corporate Services Department Savings for 2016/17	288	288		258	30		258	30			

DEPARTMENT: ENVIRONMENT & REGENERATION SAVINGS PROGRESS: 2016-17

Ref	Description of Saving	2016/17 Savings Required £000	2016/17 Savings Achieved £000	Shortfall	16/17 RAG	2017/18 Savings Expected £000	2017/18 Expected Shortfall £000	17/18 RAG	2018/19 Savings Expected £000	2018/19 Expected Shortfall £000	18/19 RAG	Responsible Officer	Comments	R / A Included in Forecast Over/Underspend? Y/N
	SUSTAINABLE COMMUNITIES													
ER23b	Restructure of team to provide more focus on property management and resilience within the team.	52	0	52	R	40	12	R	52	0	A	James McGinlay	Business Case for restructure in progress, but due to the delay it's unlikely to be fully achieved this financial year. Saving being achieved through rents (reported through monthly budget return).	Y
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	13	0	G	James McGinlay		N
ER32	W/iff Concessionary Contract-Income from w/iff concessionary contract to be let from 2015/16	20	20	0	G	0	20	R	0	20	R	James McGinlay	Phase one has been successfully implemented, and phase two will be implemented in 17/18.	N
ER36	Reduction in reactive work budget	60	0	60	R	60	0	G	60	0	G	James McGinlay	Development site review underway. Implemented late 2017.	N
ER38	Income from Sedon 278/Developers agreements where traffic works are required as part of development. Charging for work currently not charged for.	50	50	0	G	15	35	R	50	0	A	James McGinlay	Monitored throughout the year.	Y
ER39	Pre-application income. This is in addition to any previous pre-app savings proposal.	50	50	0	G	0	50	R	50	0	A	James McGinlay		Y
	PUBLIC PROTECTION													
E&R8	In response to residents concerns about traffic congestion, enforcement of moving traffic contraventions, following the implementation of ANPR.	1,700	0	1,700	R	1700	0	G	1700	0	G	John Hill		N
E&R9	Change in on-street bay suspension pricing structure.	500	219	281	R	250	250	R	250	250	R	John Hill	The pricing regime has reduced demand to a greater extent than previously expected. However, income resulting from E&R11 should help to offset this shortfall.	Y
E&R10	Back office reorganisation	80	0	80	R	0	80	R	80	0	A	John Hill		Y
E&R13	Increase income from discretionary fees & charges	50	10	40	R	15	35	R	50	0	A	John Hill	Work underway, but potential for slippage and subsequent failure to achieve full year effect in 2017/18. The expanded RSP (includes Wandsworth) becomes operational in April 2018 and the income generating Business Development team becomes operational in September 2018.	Y
	PUBLIC SPACE													
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	100	0	G	Graeme Kane	This saving is linked to new CRM project and Environmental asset Management Business case.	N
E&R21	HRRC Site operations procured to external provider. Contractual savings.	30	0	30	R	0	30	R	0	30	R	Graeme Kane	Although procurement led to significant cost reduction, it was not sufficient enough to reduce below existing budget level. Current overspend forecast.	Y
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	130	0	G	Graeme Kane	It is currently expected to be implemented around September 2017.	N
E&R26	Introduction of P&D within certain parks responding to demand for the management of parking and controlling excess demand for spaces/commuter parking	60	0	60	R	5	55	R	60	0	A	Graeme Kane	New and reviewed tenancies are expected to be implemented during 2017/18 that will help meet this saving.	Y
E&R27	Additional property rental income	44	0	44	R	14	30	R	44	0	A	Graeme Kane	Work continues with achieving the £70k saving related to events.	Y
E&R33b	Various Greenspaces Budgets - Increase in income from commercialisation of services	70	0	70	R	55	15	R	70	0	A	Graeme Kane		Y
	Total Environment and Regeneration Savings 2016/17	2,705	349	2,356		2,397	612		2,709	300				

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