

Cabinet

Date: 20 January 2014

Subject: Financial Report 2013/14 – November 2013

Lead officer: Paul Dale

Lead member: Mark Allison

Recommendations:

- A. That Cabinet note the financial reporting data relating to revenue budgetary control, showing a forecast underspend at year end of £1,583k (which is 0.9% of the gross Council Budget) after allowing for a £510k transfer to the Capital Programme, £1,500k transfer to balancing the budget reserve, £1,255k carry forward of Public Health funds and consider any relevant action they may wish to take in respect of variations
- B. Cabinet approve adjustments and capital virements detailed in Appendix 5b and the Current Capital Programme as detailed in Appendix 5a.
- C. Cabinet note current progress to date on savings.
- D. Cabinet are asked to approve the virement of £457,560 from the reversionisation and miscellaneous corporate budget to fund the PFI required increase for 2013-14.

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 This is the regular financial monitoring report for 2013/14 presented to Cabinet in line with the financial reporting timetable. It is based on expenditure and income as at 30th November 2013.

This financial monitoring report provides:-

- The latest budgetary control information on revenue expenditure and income, forecasting a year end underspend of £1,583m (£1.291m underspend reported last month);
- An update on the capital programme and detailed monitoring information;
- An update on Corporate Items in the budget 2013/14;
- Progress on the delivery of the 2013/14 revenue savings

2. 2013/14 FORECAST OUTTURN BASED UPON LATEST AVAILABLE DATA

2.1 **Executive summary** - As at November, the forecast is expected to be a net £1.583m underspend compared to the current budget.

Summary Position as at 30th November 2013

	Current Budget 2013/14 £000s	Full Year Forecast (Nov.) £000s	Forecast Variance at year end (Nov.) £000s	Forecast Variance at year end (Oct.) £000s
Department				
3A. Corporate Services	12,140	10,784	(1,356)	(982)
3B. Children, Schools and Families	50,925	52,156	1,231	996
3C. Community and Housing	63,610	62,296	(1,314)	(1,364)
3D. Public Health	0	0	0	(50)
3E. Environment & Regeneration	26,107	25,576	(531)	(278)
NET SERVICE EXPENDITURE	152,782	150,813	(1,969)	(1,677)
3E. Corporate Items				
Impact of Capital on revenue budget	13,878	13,878	0	0
Central budgets	-3,312	-2,926	386	386
Levies	914	914	0	0
TOTAL CORPORATE PROVISIONS	11,480	11,866	386	386
TOTAL GENERAL FUND	164,262	162,679	(1,583)	(1,291)
FUNDING				
Revenue Support Grant	(47,221)	(47,221)	0	0
Business Rates	(32,020)	(32,020)	0	0
Other Grants	(8,356)	(8,356)	0	0
Council Tax and Collection Fund	(76,664)	(76,664)	0	0
FUNDING	(164,262)	(164,261)	0	0

A detailed table is provided as Appendix 1.

Chart 1 below shows the forecast year end variance for departmental expenditure with a comparison against 2012/13.

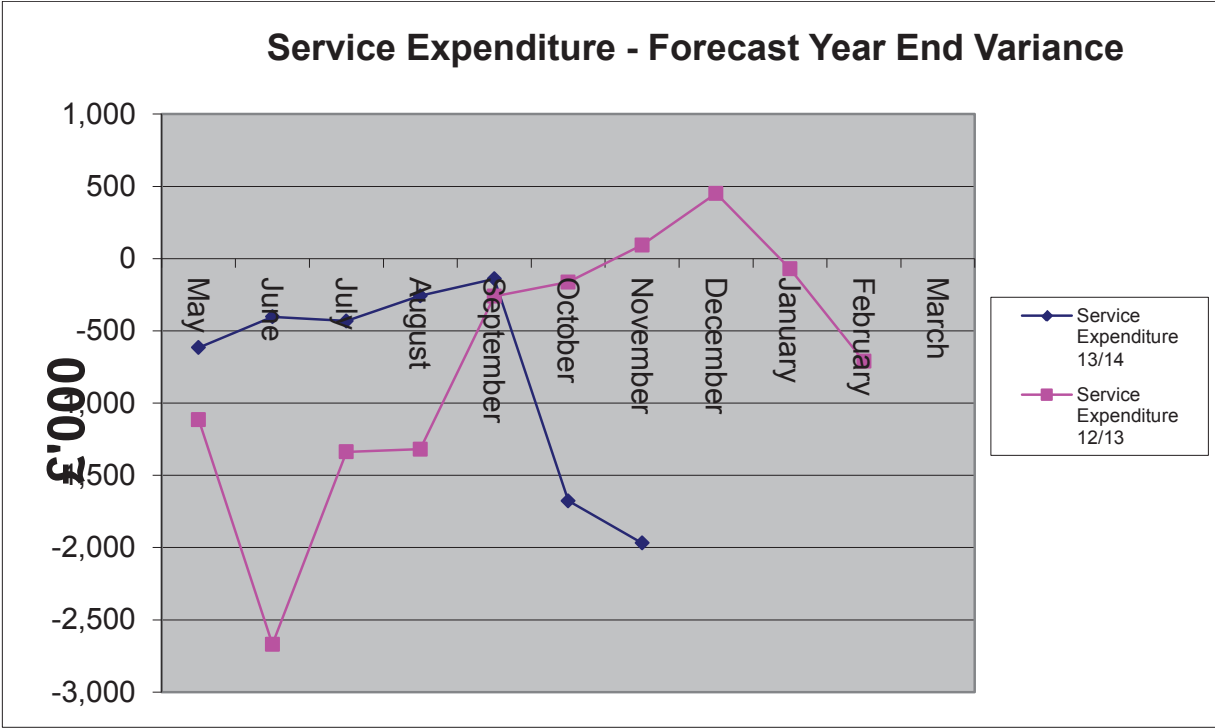
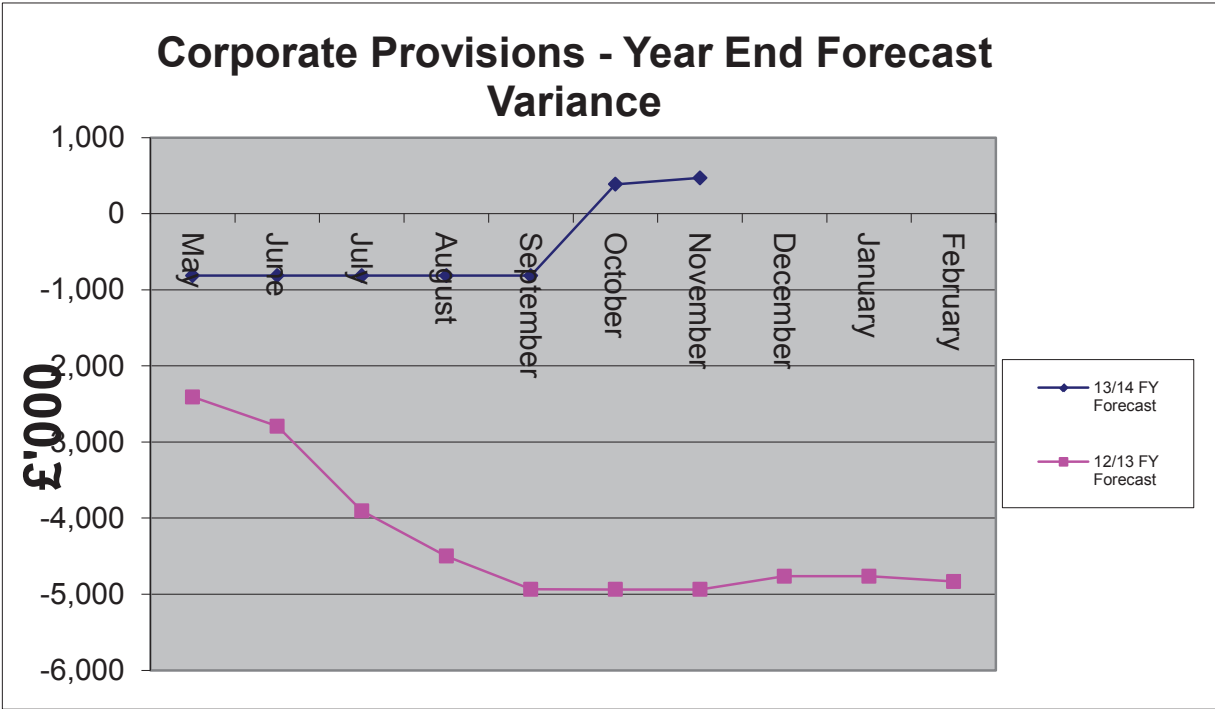


Chart 2 shows the forecast year end variance for corporate provisions with a comparison against 2012/13.



The following table shows the summary position for November, in subjective format

	Current Budget 2013/14	Full Year Forecast (Nov)	Forecast Variance at year end (Nov)	Forecast Variance at year end (Oct)
Expenditure	£000	£000	£000	£000
Employees	92,545	92,882	337	(1,523)
Premises Related Expenditure	9,798	9,098	(700)	(598)
Transport Related Expenditure	13,170	13,171	1	(436)
Supplies and Services	163,178	162,471	(707)	167
Third Party Payments	89,546	87,183	(2,362)	(1,055)
Transfer Payments	95,946	107,521	11,575	12,017
Support Services	32,417	32,417	(0)	(0)
Depreciation and Impairment Losses	13,783	13,780	(3)	(11)
Corporate Provisions	11,480	11,866	386	386
GROSS EXPENDITURE	521,863	530,389	8,527	8,947
Income				
Government Grants	(243,085)	(255,090)	(12,004)	(12,003)
Other Grants, Reimbursements and Contribs	(22,451)	(23,311)	(859)	1,347
Customer and Client Receipts	(53,823)	(53,955)	(132)	397
Interest	(44)	(24)	20	20
Recharges	(34,296)	(34,295)	1	1
Balances	(3,901)	(1,036)	2,865	0
GROSS INCOME	(357,601)	(367,711)	(10,110)	(10,238)
NET EXPENDITURE	164,262	162,679	(1,583)	(1,291)

The £12.4m government grant forecast variance is mainly the Housing Benefits grant. This is based on the DWP mid year estimate. The reasons for the increase are an increase in caseload for private rented sector of over 5% and claims for non-HRA rent rebate (bed and breakfast and licenced accommodation) have also increased over the past 18 months. Based on the current audit of the Housing Benefit claim a provision of £400K has been made against the Housing Benefit Subsidy income.

i) Corporate Services Department

	2013/14 Current Budget	Full year Forecast November	Forecast variance at year end (Nov)	Forecast variance at year end (Oct)	2012/13 Variance at year end
	£000	£000	£000	£000	£000
Business Improvement	2,255	2,256	1	8	4
Infrastructure & Transactions	9,057	8,854	(203)	(212)	20
Resources	7,534	7,342	(192)	(181)	(141)
Human Resources	2,194	2,107	(87)	67	253
Corporate Governance	4,523	4,453	(71)	(117)	(195)
Customer Services	2,346	1,656	(690)	(594)	460
Corporate Items including redundancy costs	1,326	1,212	(114)	47	(9)
Total (controllable)	29,234	27,879	(1,356)	(982)	393

Overview

At period 8 (November) the Corporate Services department is forecasting an underspend of £1,356k, an increase in underspend of £374k from last month.

The main variances are summarised in the table below.

<u>13/14</u>	<u>Budget</u> <u>£000</u>	<u>Nov</u> <u>forecast</u> <u>variance</u> <u>£000</u>	<u>Oct</u> <u>forecast</u> <u>variance</u> <u>£000</u>
<u>Human Resources</u>			
School's SLA	(376)	42	42
Training costs	393	(153)	0
Other costs	2,177	24	25
Total Human Resources	2,194	(87)	67
<u>Resources</u>			
Audit Fee	422	(185)	(185)
Other costs	7,112	(7)	4
Total Resources	7,534	(192)	(181)
<u>Customer Services</u>			
Corporate Communications Income	(203)	155	155
Shared Bailiff's service with LB Sutton	(150)	115	115
Local welfare support programme funding	(367)	(308)	(295)
CHAS	0	(222)	(222)
Other costs	3,022	(430)	(347)
Total Customer Services	2,302	(690)	(594)

Customer Services – forecast underspend £690k

The Local Welfare Support discretionary scheme continues to show a forecast underspend due to the number of claims to date being significantly lower than anticipated and this is similar across London. Based on year to date claims this budget is expected to underspend by £308k, but the scheme is being kept under review.

The recovery of court costs forecast has increased by £80k as the estimated number of summonses to be issued for non payment council tax increased based on year to date figures at the end of November. Estimating accurately in advance can be difficult as reliant on payment patterns of taxpayers which is not always predictable.

The Merton and Sutton shared bailiff service is forecasting an underachievement of income of £115k. The level of enforcement costs (non-statutory) that the Merton bailiff team charges have been reduced following a complaint made to the Local Government Ombudsman and the recommendations received from that investigation. These changes have impacted on the level of costs charged by the Merton bailiff team and subsequently the shared service

The Contractors Health and Safety Assessment Scheme (CHAS) commenced trading as CHAS 2013 Limited t/a CHAS on 3rd June 2013. CHAS has been removed from the Customer services budget to reflect the company trading as a limited company. The surplus generated up to the commencement of trading of £222k remains in Customer services. In future years CHAS profits will benefit LB Merton in the form of dividend income.

There is a forecast underspend of £170k due to vacant posts within the division.

Infrastructure and Transactions – forecast underspend £203k

This underspend is mainly due to the renegotiation of contracts and Facilities management forecasting an overachievement of trading income.

Resources – forecast underspend £192k

The audit fee saving for future years has been captured early in the current year.

Human Resources (HR) – forecast underspend £87k

The Learning and Development team are forecasting an underspend on corporate training of £153k. The budgets were centralised in 2013/14 to capture a saving of £230k. This will be overachieved in the first year as processes are established; however training needs and the appraisals process continues to be reviewed and improved to ensure training requirements across the organisation are identified and delivered. This underspend is partly offset by the Schools payroll SLA underachievement of income of £42k. The competition from external payroll providers continues to put this income budget under pressure for future years.

Corporate Governance – forecast underspend £71k

The South London Legal partnership went live on 1st October 2013. The budgets for the Sutton and Kingston structure were uploaded in period 7 balancing net nil as the funding will be received from the partnership boroughs. For the remainder of this financial year this budget will be held separately from the existing Merton and Richmond budget. This is to enable a six month period of shadow charging for Sutton and Kingston whilst the service is embedded within the existing shared service. It is proposed the whole SLLP will move to hard charging from April 2014.

The Merton and Richmond internal trading account, charging £68 per hour for legal advice, has proved very successful with high quality, detailed management information being provided on legal cases commissioned and charged to the relevant service monthly.

The forecast underspend of £71k is on various supplies and services budgets within the division.

Management Action

Finance staffs continue to work closely with budget managers to make forecasting more robust and accurate as we approach the year end.

(B) Children Schools and Families

Children, Schools and Families	2013/14 Current Budget £000	Full year Forecast (Nov) £000	Forecast Variance at year end (Nov) £000	Forecast Variance at year end (Oct) £000	2012/13 Variance at year end £000
Commissioning, Strategy and Performance	9,431	9,842	411	573	548
Education	15,965	16,547	582	473	144
Social Care and Youth Inclusion	11,760	11,927	167	(47)	(521)
PFI	7,070	7,141	71	(3)	68
Redundancy costs	2,042	2042	0	0	(51)
Total (controllable)	46,268	47,499	1,231	996	188

Overview

At the end of period 8 (November) Children Schools and Families is forecasting a net overspend of £1,231k on local authority funded services.

Local Authority Funded Services

There are a number of volatile budgets, which require continuous and careful demand management. Significant cost pressures and underspends identified to date are detailed below:

Description	Budget £000	Nov £000	Oct £000
Fostering and residential placements (ART)	4,926	407	532
Legal fees	519	46	48
Other small over and underspends	3,986	(42)	(7)
Subtotal Commissioning, Strategy and Performance	9,431	411	573
Children with Disabilities staff cover	409	189	174
Children with Disabilities personal support	148	235	233
Early Years	548	(12)	(39)
Statement support team staff cover	337	63	54
SEN Transport	2,912	294	114
SEN transitions and Integrated service support teams	221	(85)	(50)
Contributions above budget	259	(47)	0
Other small over and underspends	11,131	(55)	(13)
Subtotal Education	15,965	582	473
Central Social Work	876	143	187
CAMHS	290	(110)	(118)
Family support	444	(133)	(118)
Section 17	159	114	97
Recruitment	121	(36)	(80)
Serious case reviews	75	(75)	(75)
Mash and firs response staffing	586	281	96
Other small over and underspends	9,209	(17)	(36)
Subtotal Children's Social Care and Youth Inclusion	11,760	167	(47)
Subtotal PFI	7,070	71	(3)
Subtotal Redundancy cost	2,042	0	0
Grand total Children, Schools and Families	46,268	1,231	996

Commissioning, Strategy and Performance Division

- The numbers of Looked After Children and the relative complexity of a significant proportion of cases are combining to cause the net estimated overspend of £407k. This includes on-going pressures in independent agency fostering, in-house fostering, remand costs which now fall to the Council, residential placement budgets, and mother and baby placements, and are offset by a small underspend on secure accommodation.
- The legal budget is expected to overspend by £46k due to additional support required from legal services, including specialist commissioned legal support not available within the council.
- There are various other small over and underspends predicted across the division netting to a £42k underspend. These combine with the significant items described above to arrive at the total reported divisional overspend forecast of £411k.

Education Division

- Due to the number of vacancies at both social worker and manager level in the Children with Disabilities section, agency cover was recruited to sustain the required service delivery. It is likely that agency cover will continue to the end of the financial year resulting in a net estimated overspend of £189k. Recruitment of permanent post holders is on-going.
- The Children with Disability section is also forecasting a £235k overspend on their personal support budgets due to rising numbers of children with complex needs being supported in this way. These payments often prevent higher cost interventions being required, e.g. residential out of borough care placements.
- There is one particular new client with full year costs of over £400,000 that has placed pressure on a number of budgets: £250k of spend under children with disability personal support, £120k on SEN Transport, and the balance within DSG education. This prompts more forensic analyses of options around delivering the highest cost cases. The department is working with the Merton and Sutton Clinical Commissioning Group (CCG) to review the panel and processes for commissioning complex needs placements across education, care and health, including the funding of health elements.
- The Early Years section is expected to underspend by £12k due to vacancies held in their provider support and workforce development services.
- The statement support team salary budget is estimated to overspend by £63k due to agency staff covering permanent vacancies.
- SEN and FE transport cost are expected to overspend by £294k due to the increased number of service users. The supplier is also proposing increased charge rates have not been reflected as it is currently under investigation. This total includes the cost of the case mentioned above as well as more children with challenging behaviour requiring individual transport with accompanying escorts as well as the additional costs of providing cover for transport escorts who are off sick. Work continues to ensure the most cost effective routing for individual young people.
- The SEN transitions and integrated service support teams are expected to underspend by £85k due to posts kept vacant to offset overspends in other areas of the service.

- Maximising income and contributions from other bodies and sections are expected to provide £47k of additional funding which will be used to offset overspends.
- There are various other small over and underspends predicted across the division netting to a £55k underspend. These combine with the significant items described above to arrive at the total reported divisional overspend forecast of £582k.

Children's Social Care and Youth Inclusion

- Staffing pressures are causing an estimated £143k overspend in the Children's Central Social Work Service due to an increased number of children in the system and the need to have safe and manageable caseloads.
- Analysis of our increasing LAC population reveals a number of trends. Earlier in the year it was identified that higher than expected numbers of children are being brought into care by the Police using their protection powers, these children often stay in care for a very short time but can be quite costly due to the nature of securing emergency placements. This has now reduced but the in year costs remain. There is also a continued rise in older children 15+ becoming LAC. This is a combination of an increase in Unaccompanied Asylum Seekers (who are allocated to London boroughs), young people who are homeless, and an increase in children with disabilities who trigger LAC status due to the length of placements. At the other end of the spectrum over the course of the year we have had an unusual number of relinquished babies to accommodate. This is affecting both CSC staffing requirements and placement costs dealt with under CSP Division above.
- The Children and Adolescent Mental Health Service (CAMHS) is expecting to underspend by £110k due to vacancies.
- Due to staff vacancies, the Family Support Service is forecasting a £133k underspend for the year.
- The Section 17 and "no recourse to public funds" (NRTPF) budgets are forecast to overspend by £114k for the current financial year. The council has to respond to recent case law regarding housing families with no recourse to public funds (Zambrano & Clue cases). The families presenting needs are housing. Meetings have been held with the council's housing service to discuss alternative housing pathways for young homeless people to see how we can better stimulate supply. The expansion of the Merton Action for Single Homeless Hostel agreed at Cabinet will assist but much greater local supply is required. Discussions are on-going regarding the most economic way of procuring housing for families with no recourse to public funds.
- Recruitment and various other administration budgets are expected to underspend by £36k.
- The serious case review budget is expected to underspend by £75k because there has been no further need to commission reviews during the current financial year.
- The MASH and first response team is expected to overspend by £281k. The overspend resulted from a combination of agency cover which is more expensive than budgeted posts and additional staffing required as a result of increase in caseloads. In order to manage this increased requirement management agreed a realignment of the team through redeploying staff from other

teams. This move aims to reduce the financial impact of the additional requirement with the aim to reduce this overspend in future months.

- There are various other small over and underspends predicted across the division netting to a £17k underspend. These combine with the significant items described above to arrive at the total reported divisional overspend forecast of £167k.

Dedicated Schools Grant

DSG funded services are expected to underspend by £1,580k in 2013-14. These budgets are not within the council's general fund and such underspends cannot be offset against overspends on local authority funded budgets. Any underspend at year-end will be added to the DSG reserve and applied as agreed by the Schools Forum. Variances between individual subjectives have been shown in the overall departmental subjective analyses.

Based on current client costs, independent residential SEN placements are expected to underspend by £1,505k by the end of the year. New assessments during the remainder of the financial year could reduce this underspend, as spend is volatile depending on caseload and the needs of individual children.

Due to changes introduced by central government, Merton is now responsible for funding post 16 pupils with Special Education Needs attending FE colleges and placed with independent specialist providers, with effect from September 2013. The funding received from the Education Funding Agency to meet the cost of committed placements is not sufficient. Officers put procedures in place to pay these providers and will report on expected cost pressures in the new calendar year.

Management Action

Managers across CSF have been working to reduce spend where possible to address cost pressures that arise throughout the year. A number of areas of planned underspend are detailed in the report above as a result of this action.

Transport: a review of the costs of the provision involving all departments is taking place as part of our transformation work. Issues regarding the costing methodology are being resolved and departments are working closely together to ensure the buses and taxis are used most cost efficiently. E&R are working hard to reduce staff sickness levels, which remain higher than the council average, to reduce the costs of agency cover.

Children in care: The Director and AD CSC&YI have reviewed all LAC to ensure the council's threshold for care is being applied consistently, and to identify the particular trends underlying the overall increase in LAC, as described under CSC above. There is currently a pan London review of the allocation of unaccompanied asylum seekers allocations to boroughs to ensure that the allocations are fair and shared across all boroughs. We are also working with housing colleagues to address the needs of homeless 17 year olds on a corporate basis and how best to address the housing needs of families with no recourse to public funds within the council's limited resources. Discussions are on going regarding potential alternative pathways for the young homeless with the VCS.

Children with complex needs: We are working with the CCG to review the tripartite panel which oversees the placement and funding of packages of support for children with complex needs.

Staffing: the department has to operate safe caseloads and working practices including having sufficient social workers and supervising social workers (ATMs, Team managers etc.) This means that vacancies have to be covered and the cost of agency staff exceeds the costs of permanent staff. Currently we have c30 agency staff posts covering vacant posts and a small number of additional posts to manage the current volume of activity. These are all reviewed regularly by the AD CSC/AD Education and the relevant service managers.

PFI virement

Following the annual audit report, Merton is required to hold a higher level of reserves to fund the PFI scheme. CMT / Cabinet are asked to approve the virement of £457,560 from the revenue and miscellaneous corporate budget to fund this required increase for 2013-14. The increase for future years is built into the MTFS. Managers are forecasting an overspend of £71,000 on the PFI cost centre. This is currently being investigated to clarify the cause and to identify remedial action.

(C) Community and Housing

As at the end of period 8 (Nov), C&H is forecast to under-spend by £1,314k

Community and Housing	2013/14 Current Budget	Full Year Forecast (Nov)	Forecast Variance (Nov)	Forecast Variance (Oct)	2012/13 Variance at year end
	£000	£000	£000	£000	£000
Access and Assessment	43,512	41,994	(1,518)	(1,562)	(1,380)
Commissioning	5,091	5,142	51	40	(324)
Direct Provision	4,779	4,904	125	128	48
Directorate	892	900	8	19	81
Adult Social Care	54,274	52,940	(1,334)	(1,375)	(1,575)
Libraries and Heritage	2,512	2,535	(23)	(12)	4
Merton Adult Education	(95)	49	144	138	(3)
Housing General Fund	1,738	1,591	(147)	(117)	(230)
Total (controllable)	58,429	57,115	(1,314)	(1,364)	(1,804)

Access and Assessment - £1,518k under-spend

Access and Assessment	Forecast Variance
	£000
A&A underspend	(180)
Gross Placements overspend	2,254
Sub-total Net over-spend	2,074
Net over-achievement of Income	
Under achievement of Client Contribution	69
Over achievement of CCG Contribution	(985)
NHS Social Care Transfer Income	(2,676)
Sub-Total over-achievement of Income	(3,592)
Total A&A Forecast under-spend	(1,518)

The total NHS Social care income of £2.676m has been reflected in the above budget and forecast following discussions with the CCG on its allocation

Commissioning - £51k over-spend

Employee under-spend in the commissioning teams £164k

Supporting People Grant £70k overspend and Voluntary organisations contracts £71k underspend. £216k additional Transition funding approved to voluntary organisations is included in the forecast.

Direct Provision £125k overspend

Mainly arises due to increase in staff levels recruited above budget.

It is estimated that £70k of client contribution will be invoiced and this is included in the figures above.

There are 29 clients and majority of the clients have now been assessed .

Access and Assessment team will be confirming the support hours agreed.

Decision is yet to be made to either back-date charges to April 2013 or continue from the date when the client is assessed. Carers will be notified as soon as decision is made.

The staffing budget is overspent due to the department not identifying funding to cover moving the service from a 22 bedded residential unit to a service that provides for over 30 service user, at various sites rather than the previous one and two of these sites to provide 24 hour staffing cover.

Zero based budgets have been produced for the service to identify staffing levels now required at all the Supported Living sites. There is an urgent need for Access and Assessment to produce proposals for agreement as to how this is to be funded. It is probable that the only funding source will be a reduction in the placements budget, but clarity is needed on how this can realistically be done in an overspending area..

There is also loss of client contribution income for a client

Libraries – £23k overspend.

£20k of the overspend is as a result of replacement PC's for self-service machines to ensure they are COCO compliant. This is an unexpected cost. Underachievement in income is being covered through underspends on staffing and stock .

MAE is forecast to over-spend by £144k

The pressures are mainly as a result of significant funding changes imposed by the Skills Funding agency. This impacts adversely on MAE's ability to achieve contract delivery on courses.

In addition to the above, income generation targets are not being met due to delay in implementing staff re-configuration roles , new roles are due to commence in November.

In addition loss of Adult Social care contract has resulted in significant reduction in income from room rental, catering and course delivery. In addition the service has a substantial savings target in 2014/15 that must be delivered or alternatives identified elsewhere in the department.

The head of service will need to submit an action plan detailing the measures that will be needed to achieve a balanced budget in 2013/14 and particularly in 2014/15. This may need to progress to CMT depending on how radical the proposals are.

Housing is forecast to under-spend by £147k

The Temporary accommodation budget is forecast to under-spend by £60k , Homelessness prevention - £24k, Housing needs and supply and development is £81k , Merton Action Single Homeless - £16k & Ethnic Minorities Innovation fund - £15k.

Housing advice and options staff -£51k overspend , this is as a result of recruitment of 2 temporary housing options advisers that were recruited at the end of last financial year.

Placements

The total gross placement budget for 2013-14 is £37.463m. This includes £1m net growth allocated in setting the budget and savings of £2.282m.

The Gross placements budget is forecast to over-spend by £2.254m. This is based on the latest data but is subject to wide potential variation.

The impact of the savings on the budget position for 2013-14 and future years are being monitored closely. There is a potential risk that £872k savings proposals relating to placements may not be achieved. Alternative proposals are being considered.

The table below identifies the movement in care package numbers:

	No of Care Packages as at October 2012 (budget setting)	No of Care Packages as at Nov 2013	Increase/ (decrease) since Budget Setting	Total Yearly Commitment @ Nov 13 £000
Activity Data – Care Package Numbers				
Service Area				
Mental Health	175	157	(18)	£1,654
Physical and Sensory	275	290	15	£3,708
Learning Disabilities	375	375	0	£12,404
Older People	1,634	1,656	22	£20,829
Substance Misuse	10	6	(4)	£167
No recourse to public funds	21	13	(8)	£182
Other Placement Expenditure				774
TOTAL Gross placement expenditure	2,490	2,497	7	£39,718

Income

The income budget was increased by £800k to reflect historic understatement . Against this revised budget the current net estimated over-achievement of Income is a further £806k.

The monitoring of income is a key budget area where enhancement of the monitoring is being further developed

It is problematic for the department to forecast gross expenditure accurately as cases are not being closed down on CareFirst leading to an overestimate of spending. Income is receivable is similarly understated on the system as financial assessments are not being carried out on time. Estimated adjustments have been made to the figures above but the backlogs need to be cleared ASAP to give more accurate data.

The coding of income on the Carefirst system is being reviewed as it appears that contribution collected by providers is sometimes coded to CCG contribution .

Public Health

The allocation of the Public Health budget are detailed below

Description	2013/14 Current budget £000	Full Year Forecast (Nov) £000	Forecast Variance (Nov) £000	Forecast Variance (Oct) £000
PH - Directorate	626	569	(57)	(57)
PH- Contraception*	582	596	14	1
PH - STI Testing and Treatment (GUM)*	2,025	2,029	4	4
PH - SH Advice, Prevent and Promotion*	334	321	(13)	(13)
PH - NHS Health check*	226	226	0	0
PH - Falls Prevention	64	56	(8)	(8)
PH - Obesity	339	372	33	23
PH - Community Development and Health Course	6	6	0	0
PH – Livewell (including smoking cessation)	346	346	0	0
PH - Health Promotion Resources	16	16	0	0
PH - Substance Misuse (drugs and alcohol)	2,086	1,886	(200)	0
PH - School Nursing (including National Child Measurement programme)*	611	611	0	0
PH - Surveillance and Control of Infectious Diseases	63	10	(53)	0
PH - Community Services Contract Estates	186	365	179	179
PH - New Investments	1,378	224	(1,154)	(179)
Underspend on grant to transfer to Public Health reserve			1,255	
Total (Controllable)	8,888	7,633	0	(50)

Proposal to allocate £1.378m of the grant that is not committed, has been submitted to CMT for approval. The underspend will be carried forward for Public health use as it is a ring fenced grant.

(D). Environment & Regeneration

Environment & Regeneration	2013/14 Current Budget £000	Full year Forecast (Nov) £000	Forecast Variance at year end (Nov) £000	Forecast Variance at year end (Oct) £000	2012/13 Variance at year end £000
Public Protection & Development	(6,653)	(6,342)	261	221	229
Sustainable Communities	2,002	1,839	(163)	(75)	(190)
Traffic & Highways	8,353	8,484	131	158	728
Waste Services	16,666	15,961	(705)	(659)	(651)
Safer Merton	979	872	(107)	(22)	(77)
Other	(522)	(469)	53	99	(76)
Total (Controllable)	20,825	20,345	(530)	(278)	(37)

Description	2013/14 Current Budget £000	Forecast Variance at year end (Nov) £000	Forecast Variance at year end (Oct) £000
Shortfall in Building & Development Control (B&DC) income	(1,816)	289	206
Employee underspend within B&DC	1,644	(116)	(70)
General Supplies & Services underspend within B&DC	232	(74)	(53)
Employee underspend within Parking Services	2,407	(84)	(56)
Underachievement of Customer & Client Receipts in Parking Services	(11,775)	225	195
Employee overspend within EHTS&L	1,518	104	75
Other	1,137	(83)	(76)
Total for Public Protection & Development	(6,653)	261	221
Employee overspend within Greenspaces	2,265	88	105
Premises related underspend within Greenspaces	899	(106)	(75)
Underachievement of Customer & Client Receipts in Greenspaces	(2,273)	178	162
General Supplies & Services underspend within Greenspaces	537	(32)	(38)
Underachievement of Customer & Client Receipts in Leisure & Culture	(493)	89	66
Premises related underspend within Property Management	407	(89)	(87)
Overachievement of property rental income	(4,046)	(24)	(20)
Employee overspend within FutureMerton	1,102	62	88
Employee underspend within Senior Mgmt & Support	767	(33)	(32)
Other	2,837	(296)	(244)
Total for Sustainable Communities	2,002	(163)	(75)
Employee overspend within Waste Services	7,351	691	723
Reduced SLWP related costs	8,520	(1,434)	(1,338)
Transport related underspend within Waste Services	2,004	(158)	(248)
Shortfall in Waste Services income – principally Commercial Waste	(2,527)	286	304
Employee related underspend within Traffic & Highways	1,702	(175)	(182)
Correction of Overestimate of ability to Capitalise expenditure	(691)	443	449
Overspend on highways maintenance contract reactive works	640	170	200
Premises related underspend within Traffic & Highways	1,318	(185)	(222)
Transport Services	(522)	53	99
Other	6,702	(212)	(187)
Total for Street Scene & Waste	24,497	(521)	(402)
Employee related underspend	972	(86)	(51)
Other	7	(21)	29
Total for Safer Merton	979	(107)	(22)
Total Excluding Overheads	20,825	(530)	(278)

Overview

The department is currently forecasting an underspend of £530k at year end. The main areas of variance are Traffic & Highways, Greenspaces, Parking Services and Building & Development Control that are forecasting overspends whilst Waste Services, and Property Management are forecasting an underspend.

Pressures

Public Protection & Development

Building & Development Control

The section is currently forecasting an overspend of £147k due to the recent and further anticipated changes in permitted development rights. This will impact on the section's fee revenue, as well as potentially the New Homes Bonus and S106 contributions for affordable housing received by the Council. Work is currently being undertaken to assess the extent of the impact on revenue arising from the permitted development changes and to explore ways to counter this shortfall. However, it is important to note that a 'bedding-in' period of 7-9 months is necessary before we can properly assess trends and impact on revenue. Similarly, the section's building control market share is subject to further analysis involving the development of a commercialisation strategy designed to increase market share and, by association, revenue levels.

Parking Services

The section is currently forecasting an overspend of £134k mainly due to a reduction in the number of PCNs, which may be the result of improved compliance arising from changes in drivers' behaviour. This is being partially offset by an employee underspend.

In addition, free parking is to be offered in car parks for weekends in December leading up to Christmas, which is estimated to create an additional revenue pressure of £60k. This is reflected in the overspend figure.

Sustainable Communities

Greenspaces

An overspend of £87k is being forecast, mainly due to a shortfall in interment income of £61k based on current estimates, and an employee overspend of £88k as a result of ad hoc overtime incurred to maintain service standards, and overtime in relation to litter picking within the borough's parks. This overspend is being partially mitigated by an underspend on premises related expenditure of £106k.

Property Management

The section is currently forecasting an underspend of £166k, mainly as a result of leasing previously void lets and, therefore, no longer being liable for the associated NNDR costs, whilst receiving increased rental income.

Street Scene & Waste

Traffic & Highways

The section is forecasting an overspend of £131k, mainly as a result of a clearer understanding of guidelines and actual patterns of expenditure meaning that the section charges a lower level of highways maintenance spend to Capital than previously and, as a result, incurs increased revenue costs. This increased cost is being partially offset by an employee underspend of about £175k, and a one-off rebate of about £120k due to previous overpayments on electricity usage.

Waste Services

The section is currently forecasting an underspend of £705k, which is mainly due to renegotiating the SLWP contract costs, and a reduction in the levels of residual waste being taken to landfill.

However, there are a few notable pressures. The first notable pressure relates to Commercial Waste, which is forecasting an income shortfall of around £402k. This compares to a shortfall of £245k in 2012/13. However, an agreed saving of £150k has been implemented for 2013/14. A review of the commercial waste business has been carried out and an action plan is being delivered to address issues around future growth of the business together with improved efficiencies and cost control. As part of this work, the section has increased its customer base to 28% of the available market.

In addition, the section is currently projecting an employee related over spend of about £691k. This is as a result of a combination of issues, including the need to realign the budget with the actual cost of activities undertaken by refuse collection and street cleansing. There is also an element of non-contractual overtime, and agency cover for sick leave absences. Actions are being taken in order to reduce this overspend wherever possible, including an action plan to reduce the level of sick leave absence, and not covering absences with agency staff where this does not impact on service delivery.

The South London Waste Partnership took over the management of the re-use and recycling centre from EWC earlier this year. Review of the site and it's operations has revealed a number of issues that may affect the financial forecast, but work is underway to resolve and minimise the impact on the budget .

Transport Services

A review of the costs of the provision involving all departments is taking place as part of our transformation work. Issues regarding the costing methodology are being resolved and departments are working closely together to ensure the buses and taxis are used most cost efficiently. E&R are working hard to reduce staff sickness levels, which remain higher than the council average, to reduce the costs of agency cover.

Safer Merton

Safer Merton is currently forecasting an underspend of £107k. This is mainly due to vacancies within the Offender Management and ASB teams, which are funded through Performance Reward Grant reserve, resulting in an underspend of £61k.

Management Action

All managers are aware of the need to contain expenditure and maximise income wherever possible. Corporate guidance regarding the filling of vacant posts will be strictly adhered to.

(E) Corporate Items

The details comparing actual expenditure up to 30 November 2013 against budget are contained in Appendix 2. The main areas of variance as at 30 November 2013 are:-

Corporate Items	Current Budget 2013/14 £000s	Full Year Forecast (Nov.) £000s	Forecast Variance at year end (Nov.) £000s	Forecast Variance at year end (Oct.) £000s
Cost of borrowing	14,261	14,097	-164	-164
Investment Income	-383	-729	-346	-254
Use for Capital Programme	0	510	510	418
Impact of Capital on revenue budget	13,878	13,878	0	0
Pension Fund	5,087	4,787	-300	-300
Pay and Price Inflation	1,314	1,000	-314	-314
Contingencies and provisions	3,979	4,979	1,000	1,000
Depreciation and Impairment	-13,692	-13,692	0	0
Income Items	0	0	0	0
Central Items	10,566	10,952	386	386
Levies	914	914	0	0
TOTAL CORPORATE PROVISIONS	11,480	11,866	386	386

There are no significant changes in November from the position reported in October.

4. CAPITAL PROGRAMME 2013-17 – November Monitoring Agenda Item 4

4.1 Capital Expenditure

4.1.1 Over the past two financial years considerable work has been undertaken to reduce the Capital Programme to levels that can be delivered with our current staffing complement. Historically this has been shown to be around £40 million per annum. In November 2013, the budgeted capital programme is just over £32 million.

Comparison of Spend to November between 2011/12 and 2013/14

Department	Spend To November 2011	Spend To November 2012	Spend To November 2013	Variance 2011 to 2013	Variance 2012 to 2013
Community and Housing	1,268	427	868	(400)	441
Corporate Services	2,452	1,244	2,418	(34)	1,174
Children Schools and Families	12,780	19,698	6,210	(6,570)	(13,488)
Environment and Regeneration	11,288	5,742	5,966	(5,322)	224
Total Capital	27,788	27,111	15,462	(12,326)	(11,649)

Outturn £000s	42,300	40,487	
Budget £000s			32,365
Projected Spend October 2013 £000s			31,619
Percentage Spend to Budget			47.77%
Percentage Spend to Outturn/Projection	65.69%	66.96%	48.90%

4.1.2 November is two thirds of the way through the financial year and is to be used as the basis for preparing the 2014-18 budget. Departments have only spent 47.8% of their budget or 48.9% of their forecast, in the last two years spend was well over 60% of the final outturn by this point. To achieve a projected spend of £31.6m officers will need to spend just over £4m per month for each of the next 4 months. The table below shows that in November 2013 they managed to spend just over £2.5 million.

Department	Spend To October 2013	Spend To November 2013	Variance
Community and Housing	839,609	867,627	28,018
Corporate Services	1,756,013	2,417,702	661,689
Children Schools and Families	5,447,890	6,210,454	762,564
Environment and Regeneration	4,873,246	5,965,939	1,092,693
Total Capital	12,916,758	15,461,722	2,544,964

4.1.3 This year November monitoring information is crucial in business planning 2014-18. The Capital Team have held meetings with individual budget managers to review and challenge year end projections. Accurate year-end projections of capital spend are essential as the information submitted is fed into the Medium Term Financial Strategy and used to calculate the financing of this debt. By overestimating spend additional savings have to be identified in revenue budgets to that actually required.

4.2 Capital Programme 2013/14

4.2.1 The Table below shows the movement in the Capital Programme since the October 2013 Monitoring Report:

Department	Proactis Budget	Increase/ (Decrease)	Revised Budget
Community and Housing	2,362,930	(586,750)	1,776,180
Corporate Services	7,473,030	(1,990,570)	5,482,460
Children Schools and Families	20,044,510	(7,182,400)	12,862,110
Environment and Regeneration	14,665,620	(2,421,380)	12,244,240
Total Capital	44,546,090	(12,181,100)	32,364,990

The major changes are summarised below and a detailed breakdown is shown in Appendix 5b:

- Community and Housing – All of the change is reprofiling, mostly (£480k) relating to the 8 Wilton Road scheme which is currently anticipated to start towards the end of March 2014.
- Corporate Services – Additional funding of £114k from revenue reserves to cover the capital cost of the first stage of compliance works relating to the Public Sector Network cost of connection, £52k of the Transformation budget has been allocated to Mobile Working which is in Environment and Regeneration, £1,453k has been reprofiled into 2014/15 and this relates to Acquisitions Budget, Transformation Unallocated, Invest to

Save schemes and Improving Information Systems and £300k has been reprofiled into 2015/16 for the Invest to Save schemes. In addition £300k of the reduction is due to the Civic Centre Widows being procured under the original budget.

- (c) Children Schools and Families – As a result of the delays in finalising the tenders for a number of school expansions, as previously reported, works are now starting later in the financial year and therefore £3,623k has been reprofiled to 2014/15 and £3,237k to 2015/16. This is resulting in a very substantial budget for primary school expansions in 2014/15 but it is anticipated that this can be spent due to the number of expansions which will be in their main build stage during that year. In addition £323k of the school loans budget has been reprofiled into 2014/15.
- (d) Environment and Regeneration – A number of schemes have been reprofiled, the biggest being £1.2 for the Colliers Wood Regeneration Fund, as the majority of the works are now expected to take place in 2014/15. Also, Section 106 funded schemes totalling £42k and TfL funded schemes totalling £654k have been removed from the capital programme as they have been reviewed and deemed to be for revenue items, these budgets will be made available on revenue budgets and will still be funded in the same way.

4.2.2 The Table below shows the movement in the 2013/14 corporate capital programme since its approval at March 2013 Council:

Dept.	Approved Cabinet March 2013	Slippage from 2012/13	Re-profiling	Revenuisation / Relinquished	Clawed Back for Overspend 2012/13	Additional External Funding	New Internally Funded	Schools Contributions	Oct 2013 Cabinet Report	Increase / (Decrease)	Nov. Monitoring Report
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
C&H	1,535	303	(1,751)		0	2,276	0		2,363	(587)	1,776
CS	7,252	186	(457)	0	0		492		7,473	(1,991)	5,482
CSF	28,428	2,836	(10,912)	(718)	(175)	362	0	224	20,045	(7,182)	12,863
E&R	12,860	1,685	(1,085)	(124)	(361)	1,393	297		14,665	(2,421)	12,244
Total	50,075	5,010	(14,205)	(842)	(536)	4,031	789	224	44,546	(12,181)	32,365

4.2.2 The table below summarises the position in respect of the Capital Programme as at November 2013 the detail is shown in Appendix 5a:

Merton - November 2013 - Summary Departmental Capital Monitoring Information

Scheme Description	Total Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance	%
Community and Housing	1,776,180	867,627	1,392,350	(524,723)	1,726,180	(50,000)	(2.8)
Corporate Services	5,482,460	2,417,702	3,424,310	(993,774)	5,060,430	(422,030)	(7.7)
Children Schools and Families	12,862,110	6,210,454	8,340,482	(2,130,028)	12,729,772	(132,338)	(1.0)
Environment and Regeneration	12,244,240	5,965,941	7,440,623	(1,474,682)	12,102,472	(141,768)	(1.2)
Total Capital	32,364,990	15,461,724	20,597,765	(5,123,207)	31,618,854	(746,136)	(2.3)

- a) Community and Housing – £50k variance on the 8 Wilton Road project, which is not likely to start spending after 1st April, but this is yet to be confirmed.

- b) Corporate Services –IT Equipment is currently showing as an underspend of £422k, this is dependant on one particular order which is currently anticipated to slip into next financial year.
- c) Children, Schools and Families – There is a £50k forecast underspend on School Equipment loans, the remainder of the variance is on school expansions.
- d) Environment and Regeneration – The forecast variance is made up of numerous smaller variances

4.3 Capital Programme 2013/17

4.3.1 The table below summarises all the adjustments being made to the capital programme 2013-17 since the Cabinet on 9th December 2013. These amendments are detailed in Appendix 5b, Appendix 5c details the impact on the funding of the Capital Programme for 2013-14:

Impact of Re-Profiling and Virements on the Capital Programme 2013-17

Dept	Starting Budget 2013/14	Changes	Revised Budget 2013/14	Original Budget 2014/15	Changes	Starting Budget 2014/15	Original Budget 2015/16	Changes	Revised Budget 2015/16	Original Budget 2016/17	Changes	Revised Budget 2016/17
	(1)	(2)	(1+2)= (3)	(4)	(5)	(4+5)= (6)	(7)	(8)	(7+8)= (9)	(10)	(11)	(10+11)= (12)
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
C&H	2,363	(587)	1,776	1,751	587	2,338	0	350	350	550	0	550
CS	7,473	(1,991)	5,482	5,132	1,652	6,784	2,591	500	3,091	3,162	200	3,362
CSF	20,045	(7,183)	12,862	22,241	5,946	28,187	8,920	3,237	12,157	22,087	0	22,087
E&R	14,666	(2,422)	12,244	13,037	3,364	16,401	21,143	10	21,153	6,623	34	6,657
Total	44,547	(12,182)	32,365	42,161	11,549	53,710	32,654	4,097	36,751	32,422	234	32,656

An additional £2m has been added to 2014/15 for CSF for inflation in the cost of school expansions.

5. DELIVERY OF SAVINGS FOR 2013/14

5.1 The savings proposed for 2013/14 of £9.3m are shown below summarised by risk ranking:

SAVINGS	Proposed 2013/14 £000	Red £000	Amber £000	Green £000	Expected 2013/14 £000
Corporate Services	524	220	0	304	358
Children, Schools and Families	822	280	0	542	822
Environment and Regeneration	1,652	775	0	877	1,225
Community and Housing	6,317	962	732	4,623	5,150
TOTAL	9,315	2,187	782	6,346	7,555

The savings expected to year end are reported in Appendix 6.

7. CONSULTATION UNDERTAKEN OR PROPOSED

7.1 All relevant bodies have been consulted.

8. TIMETABLE

8.1 In accordance with current financial reporting timetables.

9. FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

9.1 All relevant implications have been addressed in the report.

10. LEGAL AND STATUTORY IMPLICATIONS

10.1 All relevant implications have been addressed in the report.

11. HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

11.1 Not applicable

12. CRIME AND DISORDER IMPLICATIONS

12.1 Not applicable

13. RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

13.1 Contained in the body of the report.

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

Appendix 1 – Detailed monthly position table

Appendix 2 – Detailed Corporate Items table

Appendix 3 – Pay and Price Inflation as at June 2013

Appendix 4 – Treasury Management: Outlook

Appendix 5a – Current Capital Programme 2013/14

Appendix 5b – Capital Adjustments

Appendix 5c - Capital Programme Funding summary

Appendix 6 – Progress on savings

Appendix 7 - Forecast year end variance by department

Appendix 8 – Forecast Movement in Reserves

15. BACKGROUND PAPERS

15.1 Budgetary Control files held in the Corporate Services department.

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**Summary Position as at 30
November 2013**

APPENDIX 1

	Original Budget 2013/14 £000s	Current Budget 2013/14 £000s	Year to Date Budget (Nov) £000s	Year to Date Actual (Nov) £000s	Full Year Forecast (Nov) £000s	Forecast Variance at year end (Nov) £000s	Forecast Variance at year end (Oct) £000s
Department							
3A. Corporate Services	10,529	12,140	18,000	16,137	10,784	(1,356)	(982)
3B. Children, Schools and Families	50,712	50,925	123,938	109,904	52,156	1,231	996
3C. Community and Housing							
Adult Social Care	58,040	58,125	39,365	39,650	56,791	(1,334)	(1,373)
Libraries & Adult Education	3,476	3,517	2,498	2,472	3,684	167	126
Housing General Fund	1,958	1,968	1,764	1,118	1,821	(147)	(117)
3D. Public Health		0	(538)	(5,666)	0	0	(50)
3E. Environment & Regeneration	25,777	26,107	10,645	6,276	25,576	(531)	(278)
NET SERVICE EXPENDITURE	150,492	152,782	195,672	169,891	150,813	(1,969)	(1,677)
3E. Corporate Items							
Impact of Capital on revenue budget	13,878	13,878	4,206	2,124	13,878	0	0
Other Central items	-1,022	-3,312	5,226	5,074	-2,926	386	386
Levies	914	914	641	641	914		
TOTAL CORPORATE PROVISIONS	13,770	11,480	10,073	7,839	11,866	386	386
TOTAL GENERAL FUND	164,262	164,262	205,745	177,730	162,679	-1,583	-1,291
- Funding							
- Business Rates	-32020	-32020			-32020	0	0
- RSG	-47221	-47221			-47221	0	0
- Council Tax Freeze Grant 2011/12						0	0
- Council Tax Freeze Grant 2013/14	-835	-835			-835	0	0
- New Homes Bonus	-2724	-2724			-2724	0	0
- PFI Grant	-4797	-4797			-4797	0	0
Grants	-87,597	-87,597	0	0	-87,597	0	0
Collection Fund	-2545	-2545	0	0	-2545	0	0
Council Tax							
- General	-73850	-73850	0	0	-73850	0	0
- WPC	-269	-269	0	0	-269	0	0
Council Tax and Collection Fund	-76664	-76664	0	0	-76664	0	0
FUNDING	-164,261	-164,261	0	0	-164,261	0	0

	Original Budget 2013/14	Current Budget 2013/14	Year to Date Budget (Nov)	Year to Date Actual (Nov)	Full Year Forecast (Nov)	Forecast Variance at year end (Nov)	Forecast Variance at year end (Oct)
Expenditure	£	£000	£000	£000	£000	£000	£000
Employees	85,766	92,545	60,486	59,501	92,882	337	(1,523)
Premises Related Expenditure	8,153	9,798	7,134	4,917	9,098	(700)	(598)
Transport Related Expenditure	10,617	13,170	8,572	7,839	13,171	1	(436)
Supplies and Services	163,012	163,178	106,714	93,692	162,471	(707)	167
Third Party Payments	83,137	89,546	56,798	47,294	87,183	(2,362)	(1,055)
Transfer Payments	98,995	95,946	6,661	7,193	107,521	11,575	12,017
Support Services	34,317	32,417	53	2	32,417	(0)	(0)
Depreciation and Impairment Losses	13,990	13,783	(138)	0	13,780	(3)	(11)
Corporate Provisions	13,770	11,480	10,073	7,839	11,866	386	386
GROSS EXPENDITURE	511,757	521,863	256,354	228,276	530,389	8,527	8,947
Income							
Government Grants	(237,082)	(243,085)	(6,999)	(9,011)	(255,090)	(12,004)	(12,003)
Other Grants, Reimbursements and Contribs	(17,646)	(22,451)	(8,643)	(4,399)	(23,311)	(859)	1,347
Customer and Client Receipts	(55,695)	(53,823)	(32,899)	(34,214)	(53,955)	(132)	397
Interest	(44)	(44)	(29)	0	(24)	20	20
Recharges	(36,047)	(34,296)	0	(812)	(34,295)	1	1
Balances	(1,080)	(3,901)	(2,039)	(2,110)	(1,036)	2,865	0
GROSS INCOME	(347,594)	(357,601)	(50,609)	(50,547)	(367,711)	(10,110)	(10,238)
NET EXPENDITURE	164,162	164,262	205,746	177,730	162,679	(1,583)	(1,291)

Appendix 2

Corporate Items	Council 2013/14 £000s	Original Budget 2013/14 £000s	Current Budget 2013/14 £000s	Year to Date Budget (Nov) £000s	Year to Date Actual (Nov) £000s	Full Year Forecast (Nov) £000s	Forecast Variance at year end (Nov) £000s	Forecast Variance at year end (Oct) £000s
Cost of Borrowing	14,221	14,221	14,261	4,461	2,610	14,097	-164	-164
Investment Inc.	-343	-343	-383	-255	-486	-729	-346	-346
Use for Capital Programme	0	0	0	0	0	510	510	510
Impact of Capital on revenue budget	13,878	13,878	13,878	4,206	2,124	13,878	0	0
Pension Fund	5,087	5,087	5,087	4,910	4,910	4,787	-300	-300
Corporate Provision for Pay Award	790	790	0	0	0	0	0	0
Provision for inflation in excess of 1.5%	314	314	314	0	0	0	-314	-314
Utilities Inflation Provision	1,000	1,000	1,000	0	0	1,000	0	0
Pay and Price Inflation	2,104	2,104	1,314	0	0	1,000	-314	-314
Contingency	1,500	1,500	1,494	0	0	994	-500	-500
Single Status/Equal Pay	474	474	474	316	377	474	0	0
Bad Debt Provision	500	500	500	0	0	500	0	0
CHAS - change in basis	1,226	1,226	0	0	0	0	0	0
Cost of disposals - 4%	0	0	-52	0	0	-52	0	0
T/F to Closing the Budget Gap Reserve	0	0	0		1,500	1,500	1,500	1,500
Revenuisation and miscellaneous	1,778	1,778	1,563	0	0	1,563	0	0
Contingencies and provisions	5,478	5,478	3,979	316	1,877	4,979	1,000	1,000
Local Services Support Grant	0	0	0	0	-70	0	0	0
Education Services Grant	0	0	0	0	-1,643	-3,344	-3,344	-3,344
Use for capital purposes(net of appropriate adjustment for new school becoming an academy)	0	0	0	0	0	3,344	3,344	3,344
VAT Savings	0	0	0	0	0	0	0	0
Income Items	0	0	0	0	-1,713	0	0	0
Depreciation and Impairment	-13,691	-13,691	-13,692	0	0	-13,692	0	0
Central Items	12,856	12,856	10,566	9,432	7,198	10,952	386	386
Levies	914	914	914	641	641	914	0	0
TOTAL CORPORATE PROVISIONS	13,770	13,770	11,480	10,073	7,839	11,866	386	386

Pay and Price Inflation as at November 2013

In 2013/14, the budget includes 1% for increases in pay and 1.5% for increases in general prices, with an additional amount of £0.314m which is held to assist services that may experience price increases greatly in excess of the 1.5%

Inflation allowance provided when setting the budget. At present it is not anticipated that there will be a call on this budget but this will not be released until there is greater clarity.

Pay:

2013/14 – The MTFs approved by Council on the 6th March 2013 includes 1% for increases in pay. This equates to £0.790m and is held as a corporate provision.

A pay award has been agreed for 2013/14. The pay settlement is for a 1% pay increase for the current year, The settlement also includes deletion of pay scale point 4, the lowest on the salary spine, from October 2013. This will increase the minimum salary from £12,145 to £12,435, including the pay rise.

The Government has stipulated that it wants to restrict public sector pay awards to an average of 1% for 2014/15 (Autumn Statement 2011) and 1% for 2015/16 (Spending Round 2013).

Prices:

CPI annual inflation stands at 2.1% in November 2013, which is down from 2.2% in October 2013. The main reasons for the fall were a drop in food prices and utilities (gas and electricity) costs. These were partially offset by increases in transport costs and some aspects of recreation and culture costs.

CPIH, the new measure of consumer price inflation including owner occupiers' housing costs, grew by 1.9% in the year to November 2013, down from 2.0% in October. Owner occupiers' housing costs increased by 0.1% between October and November 2013.

RPI annual inflation stands at 2.6% in November 2013, unchanged from October 2013.

Outlook for inflation:

On 5 December 2013, the Bank of England's Monetary Policy Committee (MPC) voted to maintain the Bank Base Rate at 0.5%. The Committee also voted to continue with its programme of asset purchases totalling £375 billion, financed by the issuance of central bank reserves.

The MPC reached its decisions in the context of the monetary policy guidance announced alongside the publication of the August 2013 Inflation Report. The MPC's latest economic projections are set out in the latest Inflation Report published on 13 November 2013.

At its December meeting, the MPC noted that "the LFS unemployment rate had fallen to 7.6% in the three months to September, and so remained above the Committee's 7% policy threshold. There remained something of a puzzle in relating the official output data to the strength in employment. It seemed possible that either or both of the official output and employment data were giving misleading signals. Weak productivity had been a feature of the UK economy since the recession, however, and it was surprising that since the start of 2013 there had appeared to be almost no cyclical recovery in productivity despite measured output having grown by around 2%. Contacts of the Bank's Agents

continued to expect that some of the factors that had held back productivity would ease as the recovery continued. It was, however, too soon to draw firm conclusions on the responsiveness of effective supply to stronger demand. The Committee would continue to assess the data and outlook against its central judgement in the November *Inflation Report* that productivity was likely to increase gradually as the economy recovered.”

The MPC’s projections are underpinned by four key judgements:

- 1: global growth strengthens gradually, driven by the advanced economies
- 2: the domestic recovery becomes increasingly entrenched as the headwinds to demand lessen
- 3: slack in the economy is eroded only gradually, despite the recovery in demand
- 4: inflation returns to the target as the impetus from import prices abates, and a gradual rise in productivity growth attenuates domestic price pressures

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

Source: HM Treasury - Forecasts for the UK Economy (November 2013)			
	Lowest %	Highest %	Average %
2013 (Quarter 4)			
CPI	2.0	2.9	2.5
RPI	2.5	3.5	2.9
LFS Unemployment Rate	7.3	8.1	7.6
2014 (Quarter 4)			
CPI	1.6	3.5	2.4
RPI	2.3	3.8	3.1
LFS Unemployment Rate	6.7	8.2	7.3

Clearly where the level of inflation during the year exceeds the amount provided for in the budget, this will put pressure on services to stay within budget and will require effective monitoring and control.

Treasury Management: Outlook

The Bank Base Rate has been kept at its low of 0.5% since March 2009. The Bank of England's Monetary Policy Committee (MPC) on 5 December 2013 voted to maintain the official Bank Base Rate at 0.5%. The MPC also voted to maintain the level of Quantitative Easing (QE) at £375billion financed by the issuance of central bank reserves.

The MPC reached 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 monitoring report.

The decision to make no changes was as expected after the major change in the approach to monetary policy announced in August. For the MPC in the months ahead the key will be whether the relatively strong output growth results in a faster reduction in the unemployment rate than it anticipated in August. With inflation still above target at 2.7% and recently announced energy price rises to come, the forthcoming quarterly Inflation Report and any changes that the MPC may make to its outlook for the economy are likely to be the next areas of focus.

The MPC has agreed its intention not to raise Bank Rate from its current level of 0.5% or to reduce its stock of asset purchases at least until the LFS headline unemployment rate has fallen to a threshold of 7%, subject to three 'knockout' conditions. In reaching its decision in November, Regarding its immediate policy decision, the Committee considered developments on the month in the context of the three knockouts that would override the policy guidance announced in August. "Twelve-month CPI inflation had fallen to 2.2% in October. Since then there had been further downside news to the inflation outlook in the form of the government's announcement on reducing energy costs associated with environmental regulation. As a result, inflation seemed likely to remain at around its current level in the final part of the year and to fall towards the 2% target in the first quarter of 2014. Sterling's appreciation should reduce inflation further out. Pay growth remained muted at present. Overall, the probability of CPI inflation being at or above 2.5% 18 to 24 months ahead was judged to be lower on the month.....A recovery in output appeared to be under way, and inflation had fallen and was expected to remain close to the 2% target. With unemployment remaining above the 7% threshold, the Committee's forward guidance remained in place and no member (of the MPC) thought it appropriate to tighten, or to loosen, the stance of monetary policy at the current juncture."

The Bank of England forecasts that the 7% threshold will not be reached before the third quarter of 2016. However, some analysts expect unemployment to fall much faster.

Forecasts for Bank Base Rates, based on November 2013 are summarised in the following table:-

	End Q.4 2013	End Q.1 2014	End Q.2 2014	End Q.3 2014	End Q.4 2014	End Q.1 2015	End Q.2 2015	End Q.3 2015	End Q.4 2015	End Q.1 2016	End Q.2 2016	End Q.3 2016	End Q.4 2016
Capita	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.75%	1.0%
Capital Economics	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%				
UBS	0.5%	0.5%	0.5%	0.5%	0.5%								

Community and Housing Capital Monitoring - November 2013

Scheme Description	Total Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance
Adult Social Care	674,540	109,616	407,366	(297,750)	674,540	0
Adult Education and Community	0	(1,989)	0	(1,989)	0	0
Housing	1,101,640	760,000	984,984	(224,984)	1,051,640	(50,000)
Total Community and Housing	1,776,180	867,627	1,392,350	(524,723)	1,726,180	(50,000)

Corporate Services Capital Monitoring - November 2013

Scheme Description	Total Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance
Business Improvement	2,000	4,202	2,000	2,202	2,000	0
Corporate Items	30,730	30,730	0	30,730	30,730	0
Facilities Management	3,882,410	1,810,860	2,628,290	(817,430)	3,882,410	0
IT	2,167,620	571,910	1,096,200	(524,290)	1,745,590	(422,030)
IT Transformation	0	0	0	0	0	0
Corporate Services Total	5,482,460	2,417,702	3,424,310	(993,774)	5,060,430	(422,030)

Children, Schools & Families Capital Monitoring - November 2013

Scheme Description	Total Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance
Aragon Expansion	187,770	92,176	129,140	(36,964)	187,770	0
BENEDICT PRIMARY SCHOOL EXP	36,670	(39,183)	24,112	(63,295)	36,670	0
Cranmer Expansion	1,989,000	689,246	688,420	826	1,989,000	0
Hollymount Primary School Exp	30,000	16,566	30,000	(13,434)	30,000	0
Joseph Hood Primary School Exp	194,910	(105,510)	194,910	(300,420)	194,910	0
William Morris PCP	32,740	9,614	32,740	(23,126)	32,740	0
Holy Trinity Expansion	242,490	172,644	220,120	(47,476)	242,490	0
St Mary's expansion	514,250	342,623	420,844	(78,221)	514,250	0
Pupil Growth - Unallocated	0	76,873	0	76,873	0	0
All Saints/ South Wim YCC exp	219,940	132,767	169,940	(37,173)	219,940	0
Gorrington Park expansion	850,750	601,809	805,740	(203,931)	828,410	(22,340)
Hillcross School Expansion	669,130	189,624	167,282	22,342	669,130	0
Merton Abbey Temp Accomodation	663,520	346,581	331,760	14,821	663,520	0
Pelham School Expansion	558,560	358,302	483,660	(125,358)	558,560	0
Cricket Grn Exp-Chapel Orchard	47,340	30,435	31,960	(1,525)	47,340	0
Dundonald expansion	200,130	79,853	145,190	(65,337)	200,130	0
Poplar Permanent Expansion	1,021,750	466,550	663,566	(197,016)	1,021,750	0
Liberty expansion	76,190	11,726	52,540	(40,814)	76,190	0
Singlegate expansion	314,010	81,146	157,005	(75,859)	314,010	0
Wimbledon Park expansion	2,573,490	1,764,755	1,646,150	118,605	2,513,490	(60,000)
Peiseid Primary Phase	200,000	118,310	100,000	18,310	200,000	0
Wimbledon Chase Expansion	78,220	0	78,220	(78,220)	78,220	0
Total Primary Expansion	10,700,860	5,436,907	6,573,299	(1,136,392)	10,618,520	(82,340)

Children, Schools & Families Capital Monitoring - November 2013

Scheme Description	Total Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance
Devolved Formula Capital	421,000	268,742	279,786	(11,044)	421,000	0
SEN Centre of Excellence	0	1,634	0	1,634	0	0
Early Years	0	(59,158)	0	(59,158)	0	0
Garden PCP	289,320	163,293	246,513	(83,220)	289,320	0
Schools Access Initiative Inc	34,750	(6,020)	20,850	(26,870)	34,750	0
Bishop Gilpin New Classroom	0	(5,531)	0	(5,531)	0	0
SS Peter & Paul PCP	20,000	17,859	20,000	(2,141)	20,000	0
School kitchens/dining areas	0	(1,901)	0	(1,901)	0	0
Behaviour Unit	3,910	0	3,910	(3,910)	3,910	0
Primary school autism unit	20,000	0	30,000	(30,000)	20,000	0
Short Breaks Disabled Children	89,540	60,988	53,724	7,264	89,540	0
Primary Capital Improvements	45,300	35,358	39,980	(4,622)	45,302	2
Former Royal Sun Alliance SG	103,420	(14,117)	103,420	(117,537)	103,420	0
Schools Loans	50,000	0	50,000	(50,000)	0	(50,000)
Ursuline School Loan	600,000	0	600,000	(600,000)	600,000	0
Youth Centres	119,010	56,629	100,000	(43,371)	119,010	0
CSF Other	365,000	255,771	219,000	36,771	365,000	0
Total Other	2,161,250	773,547	1,767,183	(993,636)	2,111,252	(49,998)
Total Children, Schools and Families	12,862,110	6,210,454	8,340,482	(2,130,028)	12,729,772	(132,338)

Environment and Regeneration Capital Monitoring - November 2013

Scheme Description	Total Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance
Footways Planned Works	1,065,390	603,559	636,090	(32,531)	1,065,390	0
Greenspaces	846,640	400,485	475,266	(74,781)	833,166	(13,474)
Highways General Planned Works	471,470	383,050	401,470	(18,420)	471,470	0
Highways Planned Road Works	1,590,000	842,666	1,015,000	(172,334)	1,590,000	0
Leisure Centres	300,000	9,896	200,000	(190,104)	300,000	0
Other E&R	1,435,390	909,564	1,136,390	(226,826)	1,435,390	0
On and Off Street Parking	100,000	47,068	100,000	(52,932)	100,000	0
Plans and Projects	74,090	67,632	51,530	16,102	74,090	0
Regeneration Partnerships	829,660	133,340	325,760	(192,420)	823,180	(6,480)
Street Lighting	644,580	470,027	204,580	265,447	644,580	0
Street Scene	339,450	128,457	229,290	(100,833)	321,770	(17,680)
Transport for London	2,369,960	861,513	1,236,487	(374,974)	2,341,110	(28,850)
Traffic and Parking Management	282,000	96,286	248,000	(151,714)	276,000	(6,000)
Transport and Plant	252,470	46,166	182,470	(136,304)	182,996	(69,474)
Safer Merton - CCTV & ASB	25,000	5,818	0	5,818	15,000	(10,000)
Environmental Health	1,329,810	942,292	929,960	12,332	1,330,000	190
Waste Operations	288,330	18,122	68,330	(50,208)	298,330	10,000
Environment and Regeneration	12,244,240	5,965,941	7,440,623	(1,474,682)	12,102,472	(141,768)

Appendix 5b

CAPITAL VIREMENTS AND REPROFILING NOVEMBER 2013 MONITORING

Corporate Services	2013/14 Budget	Adjustments	Virements	Reprofiling	Revised 2013/14 Budget	2014/15 Budget	Adjustments	Virements	Reprofiling	Revised 2014/15 Budget	2015/16 Budget	Adjustments	Virements	Reprofiling	Revised 2015/16 Budget	2016/17 Budget	Adjustments	Revised 2016/17 Budget
	£			£	£	£			£	£					0			
IT Equipment	1,422,030	114,000			1,536,030					0					0			
Transformation Unallocated	690,000		(52,000)	(638,000)	0				638,000	638,000					0			
Acquisitions Budget	500,000			(469,270)	30,730	573,070			469,270	1,042,340					0			
Improving Information Systems	45,000			(45,000)	0	516,700			45,000	561,700					0			
Civic Centre Windows	2,997,960	(300,000)			2,697,960					0					0			
Energy Utility Invest to Save	100,000			(100,000)	0	100,000		50,000	100,000	250,000	0		150,000		150,000			
Invest to Save Schemes	500,300			(500,300)	0	100,000		(50,000)	200,000	250,000	0		(150,000)	300,300	150,300			
Multi functioning Device (MFD)							200,000	0		200,000					200,000			200,000
Total Corporate Services	6,255,290	(186,000)	(52,000)	(1,752,570)	4,264,720	1,289,770	200,000	0	1,452,270	2,942,040	0	200,000	0	300,300	500,300	0	200,000	200,000

Community and Housing	2013/14 Budget	Adjustments	Virements	Reprofiling	Revised 2013/14 Budget	2014/15 Budget	Adjustments	Virements	Reprofiling	Revised 2014/15 Budget	2015/16 Budget	Adjustments	Virements	Reprofiling	Revised 2015/16 Budget	2016/17 Budget	Adjustments	Revised 2016/17 Budget
	£			£	£	£			£	£								
8 Wilton Road	530,000			(480,000)	50,000	0			480,000	480,000								
Excel Add Ins	3,000			(3,000)	0	0			3,000	3,000								
Laptops for Other Staff	80,000			(60,000)	20,000	0			60,000	60,000								
Telehealth	67,520			(43,750)	23,770	0			43,750	43,750								
Library Self Service																		
Total Community and Housing	680,520	0	0	(586,750)	93,770	0	0	0	586,750	586,750	0	350,000	0	0	500,300	0	200,000	350,000

CAPITAL VIREMENTS AND REPROFILING NOVEMBER 2013 MONITORING

Childrens, Schools and Families	2013/14 Budget		Virements		Reprofiling		Revised 2013/14 Budget		2014/15 Budget		Adjustments		Virements		Reprofiling		Revised 2014/15 Budget		2015/16 Budget		Virements		Reprofiling		Revised 2015/16 Budget		
	£		£		£		£		£		£		£		£		£		£		£		£		£		
Aragon Expansion	177,830		9,940				187,770											0								0	
Cranmer Expansion	2,955,540				(966,540)		1,989,000		919,420						966,540		1,885,960									0	
Joseph Hood Permanent Exp	321,400		(9,940)		(116,550)		194,910								116,550		116,550									0	
St Mary's expansion	1,453,370				(939,120)		514,250		1,632,380						939,120		2,571,500									0	
Gorringe Park Expansion	828,410				22,340		850,750		22,340						(22,340)		0									0	
Hillcross School Expansion	2,542,030				(1,872,900)		669,130		2,626,930								2,626,930							1,872,900		2,122,900	
Merton Abbey Temp Accomodation	1,501,130				(837,610)		663,520		2,822,510						600,000		3,422,510							237,610		437,610	
Pelham School Expansion	1,184,850				(626,290)		558,560		3,849,000								3,849,000							626,290		852,290	
Poplar Permanent Exp	1,063,190				(41,440)		1,021,750		3,083,760						41,440		3,125,200									0	
Singlegate Exp	1,670,760				(1,356,750)		314,010		2,750,000						856,750		3,606,750							500,000		600,000	
Wimbledon Park Exp	2,463,490				110,000		2,573,490		170,000						(110,000)		60,000									0	
Devolved Formula Capital	466,310				(45,310)		421,000		0						45,310		45,310									0	
Primary School Autism Unit	50,000				(30,000)		20,000		661,700						30,000		691,700									0	
St Ann's Primary Phase	339,430				(139,430)		200,000		0						139,430		139,430									0	
Youth&Comms Centres Reprovision	139,010				(20,000)		119,010		0						20,000		20,000									0	
Schools Equipment Loans	372,800				(322,800)		50,000		0						322,800		322,800									0	
Primary Expansion - Contingency	0								2,000,000								2,000,000										
Total Children, Schools and Families	17,529,550		0		(7,182,400)		10,347,150		18,538,040			2,000,000		0	3,945,600		22,483,640				776,000		2,000,000		3,236,800		4,012,800

CAPITAL VIREMENTS AND REPROFILING NOVEMBER 2013 MONITORING

Environment and Regeneration	2013/14 Budget	Adjustments	Virements	Reproffiling	Revised 2013/14 Budget	2014/15 Budget	Adjustments	Reproffiling	Revised 2014/15 Budget	2015/16 Budget	Adjustments	Reproffiling	Revised 2015/16 Budget	2016/17 Budget	Adjustments	Reproffiling	Revised 2016/17 Budget	
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	
Greenspaces																		
Play Space Pollards Hill	50,000			(50,000)	0	0		50,000	50,000	0			0				0	0
B488 Landscape Dumdona Rec G	22,000			(12,000)	10,000	0		12,000	12,000	0			0				0	0
B617a Wimbledon Park upgrade	15,030			(15,030)	0	0		15,030	15,030	0			0				0	0
B521 Morden Park	29,780			(29,780)	0	0		29,780	29,780	0			0				0	0
B596a&b B625a-c Crck& Grm Area	21,000			(21,000)	0	0		21,000	21,000	0			0				0	0
B626a-c Cotnam Pk&Hollind Gdn	28,000			(28,000)	0	0		28,000	28,000	0			0				0	0
B651 South Park Gardens Pavil	17,000			(17,000)	0	0		17,000	17,000	0			0				0	0
New Scheme - Figges Marsh Changing Rm	0		100,000		100,000													
Highways General Planned Works																		
B638/e Sustainable Transport	5,500	(5,500)			0	0			0				0				0	0
B646a Lombard Industrial Estate	23,970			(23,970)	0	0		23,970	23,970	0			0				0	0
B646b Abbey Road	4,500	(4,500)			0	0			0				0				0	0
New Traffic Schemes	168,150		(155,000)		13,150													260,000
Highways Bridges and Structures																		
Other E&R																		
Wimbledon Library Flat	95,000		30,000		125,000								0				0	0
Big Lottery Play Area	27,160			(27,160)	0	0		27,160	27,160	0			0				0	0
Mobile Working Initiative	17,000		52,000		69,000				0				0				0	0
Regeneration Partnerships																		
B611 - Comm Facilities in WTC	30,000			(15,000)	15,000			15,000	15,000	0			0				0	0
Colliers Wood Regeneration Fund	1,563,000			(1,200,000)	363,000	0		1,200,000	1,200,000	0			0				0	0
S106 Bottleneck Skills Grant	14,070			(14,070)	0	0		14,070	14,070	0			0				0	0
Micham Town Centre Improvement	420,000			(360,000)	60,000	0		360,000	360,000	0			0				0	0
Colliers Wood Town Centre Improvement	90,000			(90,000)	0	0		90,000	90,000	0			0				0	0
B550 Mitcham Means Business	38,900			(38,900)	0	0		38,900	38,900	0			0				0	0
Mitcham Outer London Fund	315,180	(80,000)			235,180				0				0				0	0
Mitcham Major Schemes													1,443,000					
On and Off Street Parking																		
Review and Extension of CPZ W6	15,000	(15,000)			0	0			0				0				0	0
Traffic and Parking Management																		
B584 Eastfield Area 20mph Zone	6,340	(6,340)			0	0			0				0				0	0
Parkway Area (20mph scheme)	2,940	(2,940)			0	0			0				0				0	0
Pelham Road Area (20mph Scheme)	1,010	(1,010)			0	0			0				0				0	0
Area traffic Calming Measures	0		120,000		120,000													
Minor Traffic/Danger Reduction	0		1,000		1,000				0				0				0	0
Traffic Surveys and Safety Measures	0		19,000		19,000													
Wimbledon Area Traffic Study	121,000		15,000		136,000									306,000		(156,000)	150,000	0
Traffic Schemes																		

Environment and Regeneration	2013/14 Budget		Adjustments	Virements	Reprofilin g	Revised 2013/14 Budget	2014/15 Budget		Adjustments	Reprofilin g	Revised 2014/15 Budget	2015/16 Budget		Adjustments	Reprofilin g	Revised 2015/16 Budget	2016/17 Budget		Revised 2016/17 Budget
	£	£					£	£				£	£				£	£	
Street Scene						0					0					0			0
Street Tree Programme	65,000					65,000	65,000				65,000	25,000				65,000	100,000		60,000
Transport for London						0					0					0			0
Merton High Street - Victory to Norman	150,000	(8,000)				142,000													
London Rd SW17 Mitcham to Pitcairn	124,000	(7,000)				117,000													
Central Rd Farm to Green	299,000	(299,000)				0													0
TFL Projected Slippage	33,590	(13,590)			0	20,000	0			0	0					0			0
Bking Borough Project	45,000	(15,000)				30,000	0				0					0			0
New Scheme - Haydens Road	0	284,000				284,000													0
Casualty Reduction and School Safety	200,000	(16,000)				184,000													0
London Rd Morden Rd to Crckt Green	0	145,000				145,000										0			0
TFL Slippage- Corridors and Neighbourhoods	224,780	23,180				247,960										0			0
Elec Vehie/Scooter Infrastructure	10,000	(10,000)				0													0
Strategic Corridor Mitcham	260,000	(130,000)				130,000													
Kingston/Harfield Rd StratCor	260,000	(22,000)		10,000		248,000													
Morden Town Centre	65,000	(65,000)				0													
School and Road Safety Campaign	170,000	(170,000)				0													
Victoria Rd Bus Access Improvements	170,000	(14,000)				156,000													
Motorcycles in Bus Lanes	25,000	(2,000)				23,000													
Car Clubs	10,000	(10,000)				0													
Cycle Improvements	100,000	(8,000)				92,000													
Accessibility Programme	160,000	(13,000)				147,000													
Cycle Access/Parking	250,000	(20,000)				230,000													
Bikeability Cycle Training	80,000	(80,000)				0													
Mobility Scooter Training	10,000	(10,000)				0													
Car Clubs Expansion	10,000	(10,000)				0													
Developing the Tram	14,000	(14,000)				0													
Willow Lane Industrial Estate	15,000	(15,000)				0													
Borough Support Training	6,040	(6,040)				0													
Bridge to Nowhere	0	92,000				92,000													
Transport and Plant						0													0
Replacement of Fleet Vehicles	300,000					170,000					9,400					0			0
Network Rail	9,400					0	0			9,400	0					0			0
B574 Town Centre Transport Imp	3,330	(3,330)				0				0	0					0			0
Waste Operations						0					0					0			0
Waste Phase B - Replace RCVs	157,330	(140,000)				17,330					0					0			0
GPS Vehicle Tracking						130,000					0					0			0
Alley Gating Scheme Fly Tip	50,000			10,000		60,000	50,000	(30,000)		20,000	50,000	50,000	(30,000)			20,000	50,000	20,000	
Total Environment and Regeneration	6,418,000	(522,070)		52,000	(1,951,310)	3,996,620	115,000	1,413,000		1,951,310	3,479,310	75,000	(30,000)		40,000	85,000	456,000	230,000	490,000

CAPITAL PROGRAMME FUNDING SUMMARY 2013/14

Appendix 5c

	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
Revised - Cabinet December 2013	22,309	22,238	44,544
Corporate Services			
IT Equipment	114	0	114
Transformation Unallocated	(690)		(690)
Acquisitions Budget	(469)		(469)
Improving Information Systems	(45)		(45)
Civic Centre Windows	(300)		(300)
Energy Utility Invest to Save	(100)		(100)
Invest to Save Schemes	(500)		(500)
Community and Housing			0
8 Wilton Road		(480)	(480)
Excel Add Ins		(3)	(3)
Laptops for Other Staff		(60)	(60)
Telehealth		(44)	(44)
Children, Schools and Families			0
Aragon Expansion	10		10
Cranmer Expansion	(967)		(967)
Joseph Hood Permanent Exp	(127)		(127)
St Mary's expansion	(939)		(939)
Gorringer Park Expansion	22		22
Hillcross School Expansion	(1,873)		(1,873)
Merton Abbey Temp Accomodation	(838)		(838)
Pelham School Expansion	(626)		(626)
Poplar Permanent Exp	(41)		(41)
Singlegate Exp	(1,357)		(1,357)
Wimbledon Park Exp	110		110
Devolved Formula Capital	(45)		(45)
Primary School Autism Unit		(30)	(30)
St Ann's Primary Phase	(139)		(139)
Youth&Comms Centres Reprovision	(20)		(20)
Schools Equipment Loan	(323)		(323)
Environment and Regeneration			0
Play Space Pollards Hill		(50)	(50)
Section 106 Schemes		(235)	(235)
Figges Marsh Changing Rooms	100		100
New Traffic Schemes	(155)		(155)
Wimbledon Library Flat	30		30
Big Lottery Play Area	(8)	(19)	(27)
Mobile Working Initiative	52		52
Review and Extension of CPZ W6		(15)	(15)
Regeneration Partnerships Schemes	(450)	(1,280)	(1,730)
Traffic and Parking Management Schemes	151		151
TFL funded schemes		(404)	(404)
Replacement of Fleet Vehicles	(130)		(130)
Network Rail	(9)		(9)
Waste Phase B - Replace RCVs	(140)		(140)
GPS Vehicle Tracking	130		130
Alley Gating Scheme Fly Tip	10		10
Revised - Cabinet January 2013	12,747	19,618	32,362

DEPARTMENT: CORPORATE SERVICES - PROGRESS ON SAVINGS 13-14

Panel	Ref	Description of Saving	Type of Saving (see key)	2013/14 Savings Required £000	2013/14 Savings Expected £000	RAG	Comments	R/A Included in Forecast Over/Under spend? Y/N
		<u>Customer Services - Bailiffs</u>						Y
O&SC	CS7	Service Joint service with Sutton for the end of 12/13 & 13/14.	SI2	150	35	R	Charges have been reviewed following a complaint made to the Local Government Ombudsman, resulting in a reduced level of fees	
O&SC	CS22	<u>Infrastructure & Transactions - IT Service Delivery</u> Reduction of 2 FTE's	SS2	72	72	G		
		<u>Infrastructure & Transactions - Facilities Management</u>					Saving will be found elsewhere within the department	Y
O&SC	CS37	Service Introduce a charge for the Archive Service Facility	SI2	15	0	R		
O&SC	CS39	Service <u>Infrastructure & Transactions - Facilities Management</u> Close Worsfold House and relocate service to Civic Centre.	SPROP	13	13	G		
O&SC	CS43	Service <u>Infrastructure & Transactions - Transactional Services</u> Recovery of overpayments and other VAT recovery.	SP1	(50)	(50)	G		
O&SC	CS44	Service <u>Human Resources - L&D</u> Centralisation of L&D spend	SP1	230	230	G		
O&SC	CS51	Service <u>Human Resources - Employee Relations</u> Staff side	SS2	20	9	R	Saving will be found elsewhere within the department	Y
O&SC	CS52	Service <u>Human Resources - Employee Relations</u>					Different delivery model to be implemented in December, full year saving will not be achieved in current year	Y
O&SC	CS54	Service Review Employee Relations team <u>Corporate Governance - Democracy Services</u> Delete Deputy Head of Service or a Democratic Services Officer post	SS2	35	10	R		
O&SC	CS56	Service <u>Corporate Governance - Democracy Services</u> Reduction in overtime payments to staff in Mayor's Office.	SS2	24	24	G		
O&SC	CS59	Service <u>Corporate Governance - Contingencies budget</u> Within the public duties budget is the contingency sums for additional payments to staff who are used during an emergency situation such as the Riots and gas supply loss situations. This contingency covers payments not covered under departmental budgets as well as payments for external third party organisations initiated by the borough.	SS2	1	1	G		
		Total Corporate Services Department Savings for 2011-2015		524	358			

DEPARTMENT: CHILDREN, SCHOOLS & FAMILIES SAVINGS PROGRESS: 2013-14

APPENDIX 6

Ref	Description of Saving	Type of Saving (see key)	2013/14 Savings Required £000	2013/14 Savings Expected £000	RAG	Comments
CSF01	CSF Children Social Care & Youth Inclusion Commissioning saving from re-designing the service previously provided by Action for Children.		15	15	G	
CSF02	CSF Children Social Care & Youth Inclusion Reduction in Youth Offending Team budgets		17	17	G	
CSF03	CSF Children Social Care & Youth Inclusion Reduction in premises budget as we no longer need the contingency for repairs and maintenance for south Wimbledon and Weyern.		20	20	G	
CSF04	CSF Children Social Care & Youth Inclusion Reduction in connexions commissioning		50	50	G	
CSF05	CSF Children Social Care & Youth Inclusion The Youth Service Manager post currently operationally manages all of Merton's direct youth work provision.		45	45	G	
CSF07	CSF School Standards and Quality Increased income generation and management efficiencies		60	60	G	
CSF08	CSF Early Years Service restructuring and realignment to deliver efficiencies		80	80	G	
CSF09	CSF SEND Integrated Service Management efficiencies and improvement in commissioning		30	30	R	Salary budgets will be overspend due to management and social work vacancies covered by agency. Additional budget was identified to permanently increase management support.
CSF10	CSF Contracts, Procurement and School Organisation Efficiency savings in contracts function		13	13	G	
CSF11	CSF Contracts, Procurement and School Organisation Efficiencies achieved through shared service with LB Sutton		27	27	G	
CSF12	CSF Commissioning Function and Commissioning Budgets Reduction in commissioning budgets for Early Intervention and Prevention service		90	90	G	
CSF13	CSF Commissioning Function and Commissioning Budgets Reduce expenditure on LAC and SEN placements		200	200	R	Base budgets were reduced, increased cost due to increased caseload is causing a cost pressure, some of which is covered by grant funding. If grant funding does not continue, this could lead to an even bigger cost pressure in future years.

CSF15	CSF SEN Transport Introduce new models of fulfilling the council's statutory responsibilities for the provision of SEN transport		50	50	50	R	Base budgets were reduced. The annual SLA charge for 2013/14 increased by £316k which would cause a budget pressure for CSF. This increase is currently under investigation. Overall transport budget is forecasting an overspend due to increase taxi costs
CSF17	CSF Children Social Care & Youth Inclusion Division Saving from restructuring / administrative efficiencies in Children's Social Care Division.		75	75	75	G	
CSF18	Education Division Savings through restructuring / administrative efficiencies in Education Division.		25	25	25	G	
CSF19	Commissioning, Strategy and Performance Division Savings through restructuring / administrative efficiencies in Commissioning, Strategy and Performance Division.		25	25	25	G	
	Total Children, Schools & Families Department Savings for 2013-14		822	822	822		

APPENDIX 6

DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS

Ref	Description of Saving	Type of Saving (see key)	2013/14 Savings Required £000	2013/14 Savings Expected £000	RAG	Comments
ASC17	Service Description Adult Social Care		200	0	R	One LD customer identified to move so far - suspended because of family objection. Project is unlikely to achieve the savings target for 2013-14
ASC7	Service Description Adult Social Care 0% inflation uplift to third party suppliers		600	600	G	
ASC8 / ASC38	Service Description Adult Social Care Optimising the use of block and spot contracts		600	150	R	Circa £100k achieved to date through releasing voids; further re-negotiations on-going; unlikely to meet full year target
ASC18	Service Description Adult Social Care Fanon & Imagine Contract		154	154	G	
ASC36	Service Description Adult Social Care CADL's (complex equipment)		100	100	G	
ASC13 & ASC34	Service Description Adult Social Care CFC + high cost (Brokerage)		200	164	G	
ASC14	Service Description Adult Social Care Supported Living (Incl de-registration)		233	313	G	
ASC35	Service Description Adult Social Care Supporting People		350	281	A	There is a risk that the full saving will not be met as the current forecast is £114k overspend. Monitored as part of monthly budgetary control
ASC43	Service Description Adult Social Care Procurement opportunities		42	18	G	
ASC39	Service Description Adult Social Care Reviewed Service packages		110	92	A	Circa £58k savings achieved to date; 3 month review post hospital discharge not yielding as many gains as first thought - reviews continue - there is a risk this project may not meet the full target
ASC37	Service Description Adult Social Care Care-tech contract		50	50	G	
ASC16	Service Description Adult Social Care Transitions		25	18	G	
ASC19 & ASC40	Service Description Adult Social Care Monitoring of high value/high cost placements		75	39	A	Circa £31k projected to date - further reviews being identified

Ref	Description of Saving		Type of Saving (see key)	2013/14 Savings Required £000	2013/14 Savings Expected £000	RAG	Comments
ASC6	Service Description	Adult Social Care Transport		112	0	R	Budget manager is in discussion with transport services for Core routes for Day centres
ASC10	Service Description	Adult Social Care Optimise telecare usage		165	0	A	It is suggested that telecare for new customers is cost avoidance - not savings against current customers - it is unlikely this project will meet the savings target for 2013-14
ASC41	Service Description	Adult Social Care Staffing savings in Direct Provision		114	114	G	
ASC42	Service Description	Adult Social Care Reduction in Mental Health Placement		32	32	G	
ASC23	Service Description	Adult Social Care Partnerships :The health and social care system . Reablement		3,000	3,000	G	
	Service Description	Merton Adult Education Increase income from commercial courses and cafe		50	6	R	Due to delayed implementation of the new commercial structure generating the target profit is unlikely to happen. New roles have been recruited to and will work on making up time.
	Service Description	Merton Adult Education Reduce administrative and marketing costs		18	36	G	The slowing pace of enrolments has required increased marketing activity and intervention . However re-structure has resulted in saving target being achieved
	Service Description	Merton Adult Education Close Canons House site and seek alternative venues without incurring costs		32	5	A	Closure of canons house occurred at the end of July
	Service Description	Libraries Completion of changes to opening hours, rationalisation of a number of small contracts and increase in income.		13	13	G	
	Service Description	Housing Deletion of 1x Strategy Officer post.		42	42	G	
Total Community & Housing Department Savings for 2013-14				6,317	5,227		

Appendix 6

DEPARTMENT: ENVIRONMENT & REGENERATION SAVINGS PROGRESS: 2013-2014

Ref	Description of Saving	Type of Saving (see key)	2013/14 Savings Required £000	2013/14 Savings Expected £000	RAG	Comments
ER01	Service Description Parks, Greenspaces & Cemeteries Reduction x 1 cemetery supervisor, fee/income increases, 10k reduction in grant to Michtham Common Conservators		89	89	G	
ER04	Service Description Leisure & Culture Reductions in supplies & services budgets, reduction of a total of 0.7 fte, reduction of theatres grant & removal of olympics budget.		55	55	G	
ER05	Service Description Leisure & Culture Reduce the Arts Special Project Budget (£12k) – this being part of some additional funding that came about from London Councils Repatriation Funding; Remove Leisure & Business Development Officer (loss 1 fte); Delete post of Leisure & Business Projects Officer (0.7 fte); Increase income through installation of multi use games area to rear of Canons Leisure Centre to provide additional provision for sport/youth activity and generate income.		103	103	G	
ER06	Service Description Greenspaces A phased reduction in the grant to Deen City Farm of fifteen thousand per year for the next three years.		15	15	G	
ER07	Service Description Development & Building Control Changes in fee regulation		(200)	(200)	G	

Appendix 6

DEPARTMENT: ENVIRONMENT & REGENERATION SAVINGS PROGRESS: 2013-2014

Ref	Service Description	Description of Saving	Type of Saving (see key)	2013/14 Savings Required £000	2013/14 Savings Expected £000	RAG	Comments
ER14	<p>Parking Services</p> <p>Enforcement of moving traffic offences, reduce car park costs due to removal of car park and stream line tariffs, channel Migration, reduce phone calls, reduce CEO sickness and gain CEO efficiencies.</p>			380	145	R	<p>Reduce Car park costs - This saving was based upon the disposal of Kenley Rd Car Park, which cannot now be achieved as the authority needs to keep this car park due to the loss of Morden Station Car Park which TFL have now taken back.</p> <p>Chanel migration and a reduction in phone calls - This saving was based upon the introduction of online improvements which has now been introduced. Whilst this has generated efficiencies in officers time it also coincided with a 40% increase in workload (including phone calls) thus negating the efficiencies made by the on line improvements.</p> <p>CEO efficiencies - At this moment in time these efficiencies have not been achievable (reduction in sickness levels and staffing numbers) but progress is being made</p> <p>This shortfall will be managed and mitigated by the section</p>
ER17	<p>Waste Management</p> <p>Reductions in landfill tonnage and anticipated Slwp contract cost, staff saving and legislative change to close Landfill Allowance Trading Scheme in March 2013</p>			191	191	G	

Appendix 6

DEPARTMENT: ENVIRONMENT & REGENERATION SAVINGS PROGRESS: 2013-2014

Ref	Description of Saving	Type of Saving (see key)	2013/14 Savings Required £000	2013/14 Savings Expected £000	RAG	Comments
ER18	Waste Management Introduction of 6 day working week for refuse, recycling and food collection from Oct 2012		271	271	G	
ER20	Traffic & Highways Introduce Streetworks Permitting Scheme, income from fixed penalty notices(FPN's), savings on energy and service charges associated with the existing Street Lighting Contract.		245	203	R	£42k relating to renegotiation of Highways contract not likely to be met.
ER21	Traffic & Highways 15% reduction in staffing and reductions in Footway Maintenance/Street Furniture/Dictingwatercourses/Street Lighting & Walksheet budgets.		79	79	G	
ER22	Traffic & Highways A further 15% reduction in staffing		60	60	G	
ER25	Commercial Services Potential to income generate In Commercial Waste and Recycling due to withdrawal of the LATS requirement.		150	0	R	Saving unlikely to be met. Work continuing in order to maximise income potential.
EN01	Legal Budget/PP&D Reduction in spend on legal cases by way of a combination of proactive resolution of issues at first point and/or drawing on section budgets to cover shortfall.		14	14	G	
EN08	Building and Development Control 10% increase in pre application planning fees and additional charge for tree pre-application advice		10	10	G	
EN15	Waste and Street Cleansing Operations Improved performance management and implementation of the Council's new sickness policy resulting in a reduction in agency staff usage.		25	25	G	
EN22	Traffic and Highways Reduction in Street Lighting Budget		50	50	G	
EN30	Traffic and Highways Reduction in supplies and Services Costs		6	6	G	

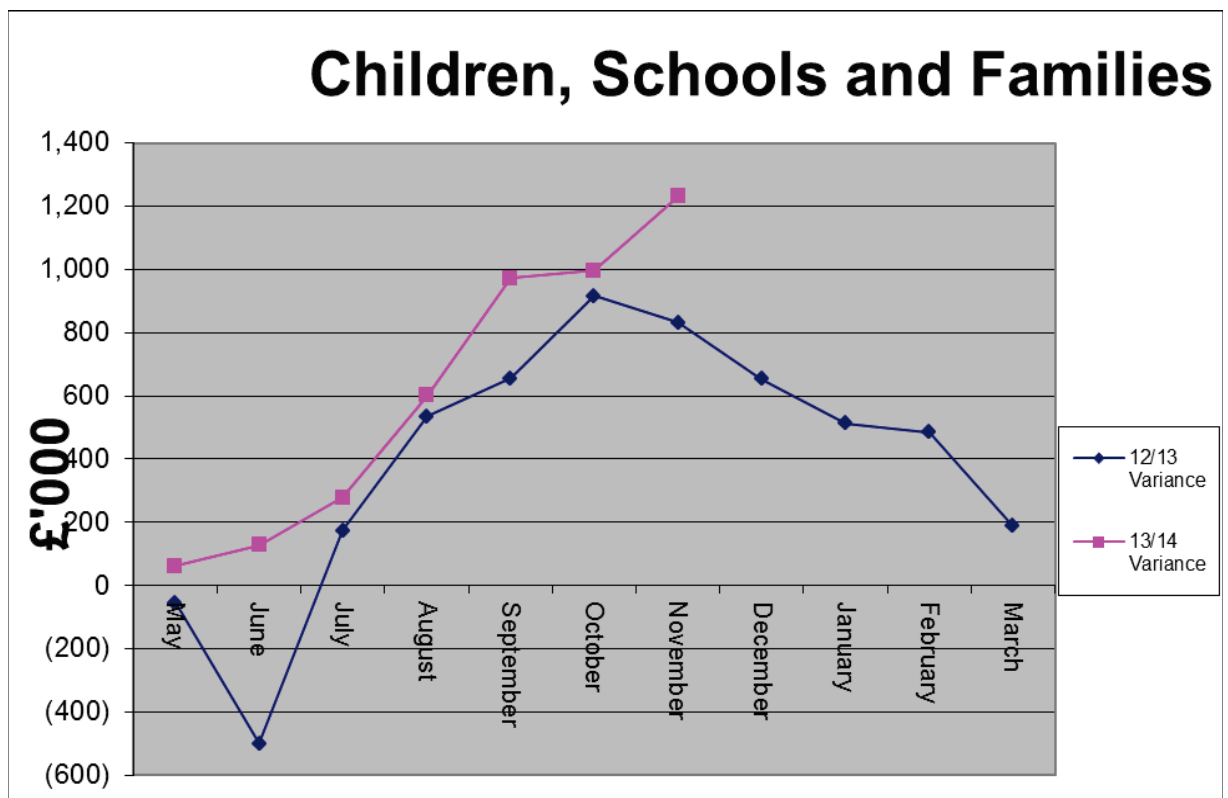
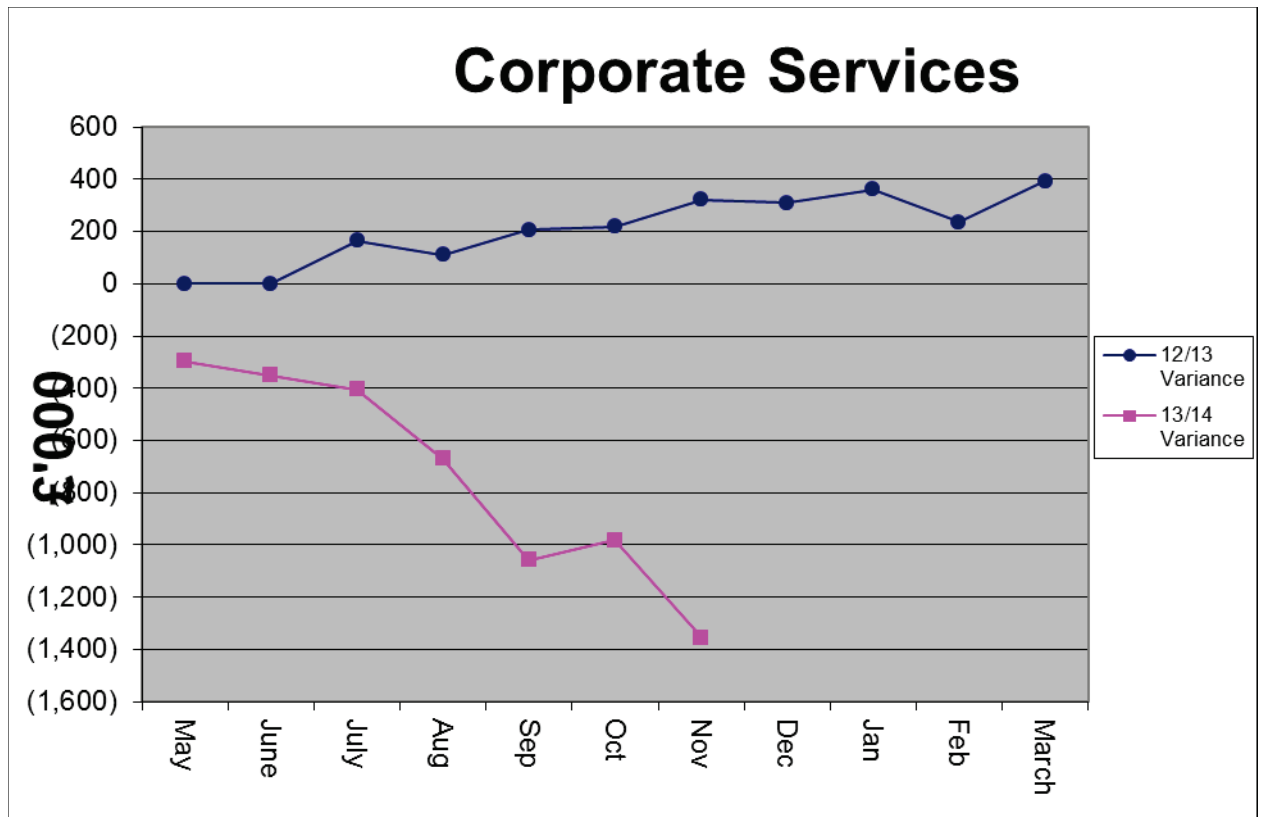
Appendix 6

DEPARTMENT: ENVIRONMENT & REGENERATION SAVINGS PROGRESS: 2013-2014

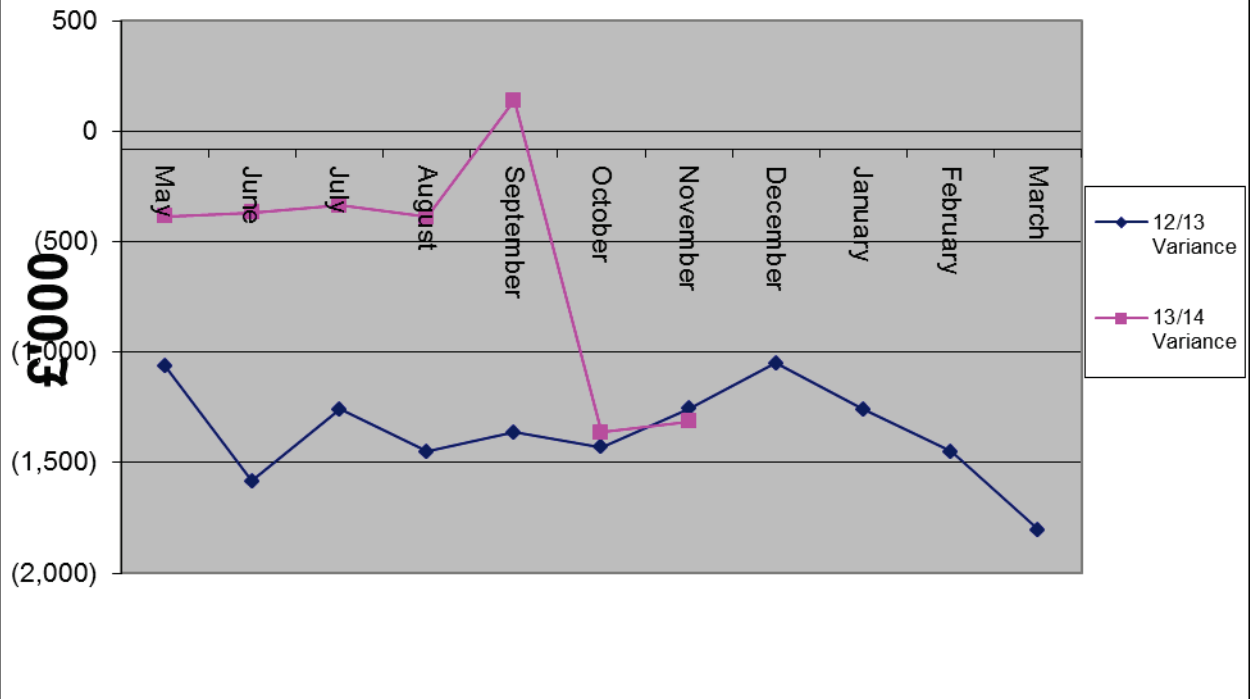
Ref	Description of Saving	Type of Saving (see key)	2013/14 Savings Required £000	2013/14 Savings Expected £000	RAG	Comments
EN34	Service Description Leisure & Culture Development Team Various Budgets - Reduction in supplies & services		6	6	G	
EN38	Service Description Leisure & Culture Development Team Reduction of Core Arts Grants to Polka Theatre - Proposal to further reduce Polka theatre's grant by £4k per annum in each of 2013/14 & 2014/15 financial years		4	4	G	
EN39	Service Description Senior Management & Support Removal of vacant Policy & Projects Officer post.		44	44	G	
EN40	Service Description Senior Management & Support Reduction in various supplies and services budgets within the section, including stationery and subscriptions.		55	55	G	
Total Environment & Regeneration Department Savings for 2013-2014			1,652	1,225		

APPENDIX 7

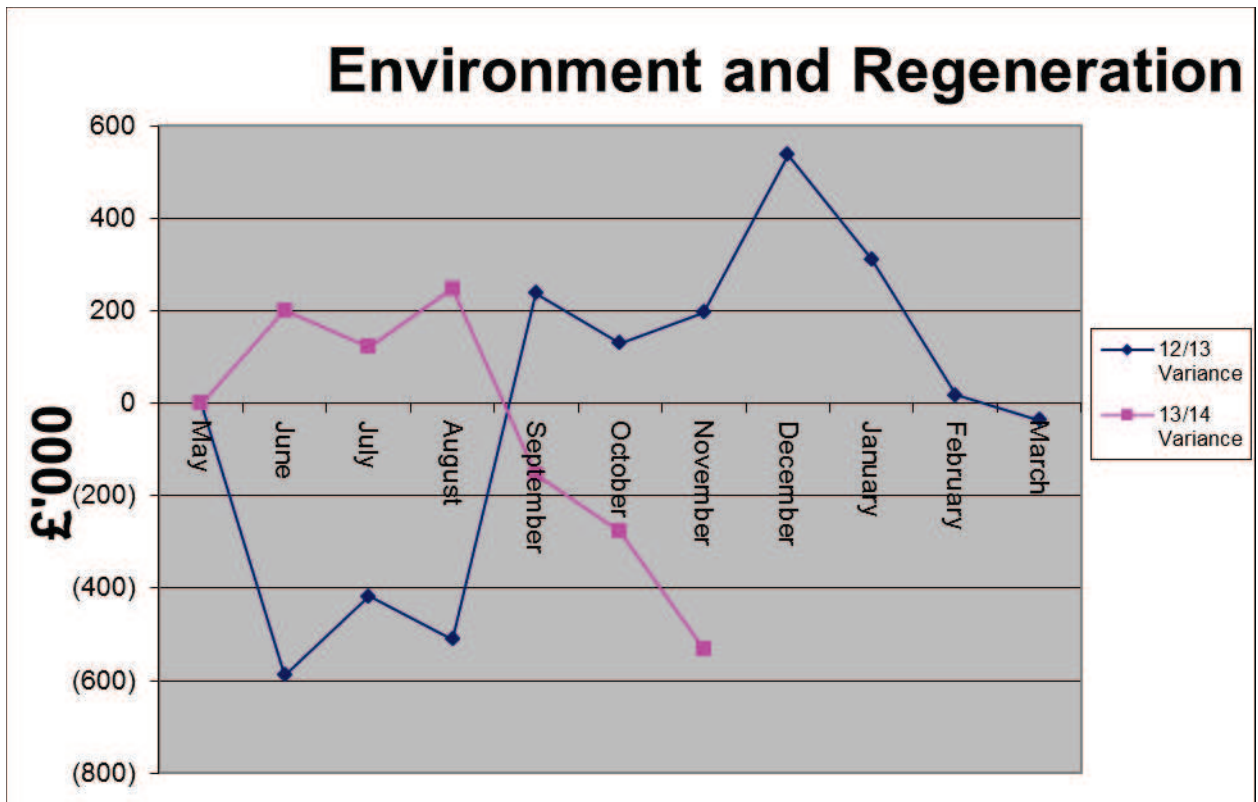
The following charts show the forecast year end variance by department with a comparison for 2012/13:



Community and Housing



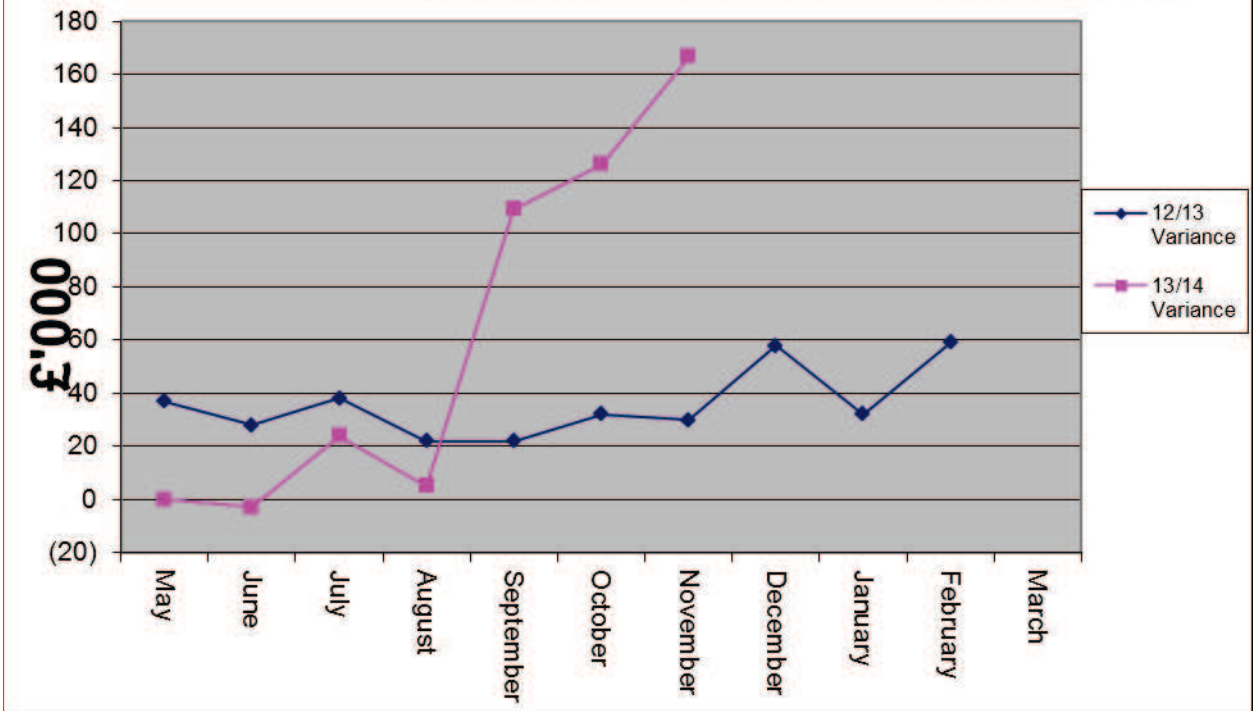
Environment and Regeneration

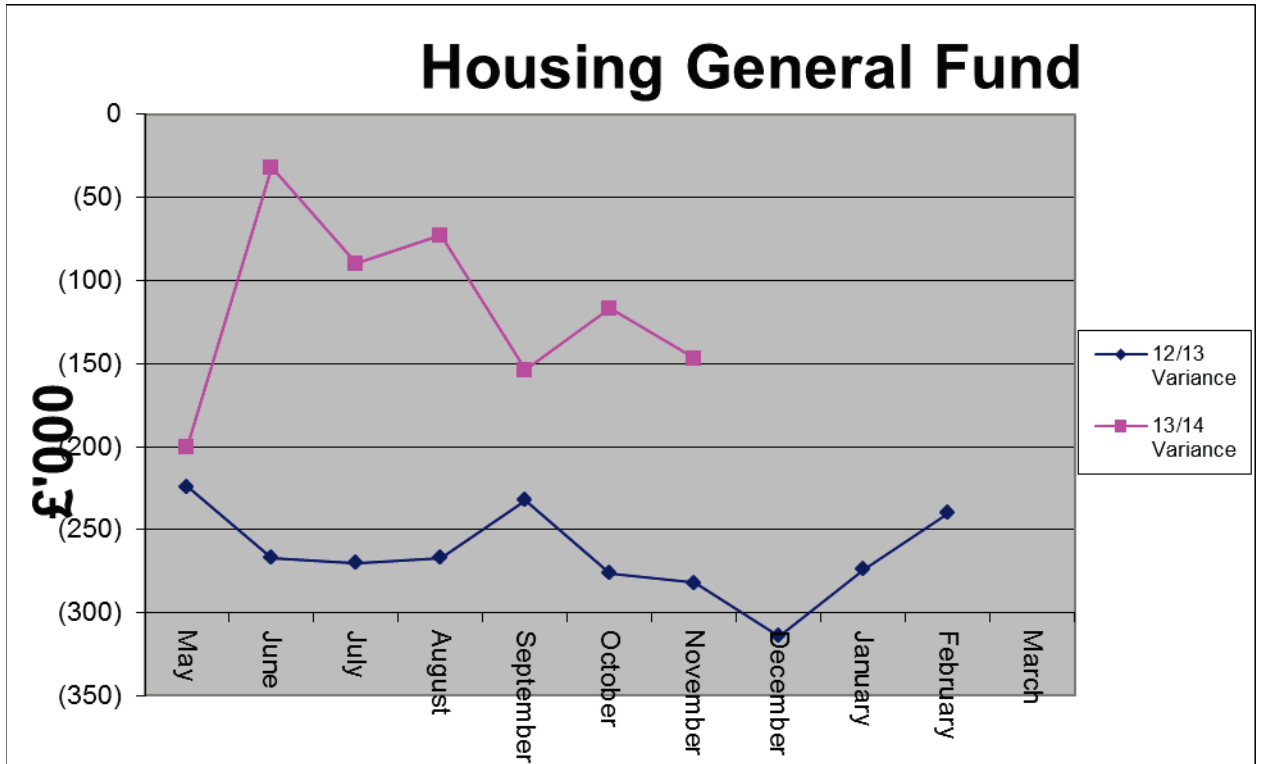


Adult Social Care



Libraries & Adult Education





Reserves

Appendix 8

Forecast Movement in Reserves 2013/14	Actual Bal at 31/3/13	Net Movt. in year	Bal. at 31/3/14
	£'000	£'000	£'000
General Fund Reserve (including HRA)	18,838	0	18,838
Earmarked Reserves	34,544	-7,373	27,171
Grants & Contributions	4,597	69	4,666
Total Available Gen. Fund Rev. Reser	57,979	-7,304	50,675
Fixed to Contracts	1,954	0	1,954
Total General Fund revenue reserves	59,933	-7,304	52,629

Analysis			
Earmarked Reserves			
Outstanding Council Programme Board	9,789	-1403	8,387
For use in future years for budget	9,752	-1500	8,252
Revenue Reserves for Capital / Revn.	4,269	-1650	2,619
Energy renewable reserve	1,441	0	1,441
Repairs & Renewal Fund	1,424	0	1,424
Transforming families reserve	1,318	-508	810
Pension Fund additional contribution	1,078	-1078	0
Local Land Charges Reserve	1,075	150	1,225
Apprenticeships	1,000	-300	700
Community Care Reserve	1,790	-39	1,751
Performance Reward Grant	651	-385	266
Economic Development Strategy	623	-594	29
Wimbledon Tennis Courts Renewal	28		28
MertonActionSingleHomelessness	50		50
Campus closure	7		7
Other	249	-67	182
Earmarked Reserves	34,544	-7373	27,171
Adult Social care contributions	1,482	-100	1,382
Culture and Environment contributions	931	-304	627
Culture and Environment grant	852	-284	568
Childrens & Education grant	780	-235	545
Adult Social care grants	101	-101	0
Housing Planning Development grant	345	-162	183
Housing GF grants	106	0	106
Public Health	0	1255	1255
Grants & Contributions	4,597	69	4,666
Total	39,141	-7304	31,837

Insurance Reserve	1,954	0	1,954
Fixed to Contracts	1,954	0	1,954

DSG Reserve	2,378	-523	1,855
Schools Reserve	1,060	-66.5	994
Schools PFI Fund	3,767	304	4,071
Add Schools own reserves	11,674	0	11,674
Schools Reserves	18,879	-286	18,594

Capital Grants	3,826	0	3,826
Capital Contributions	567	0	567
Capital Receipts	22,752	1,636	24,388
Capital Reserves	27,145	1,636	28,781