

Cabinet

Date: 27 January 2020

Subject: Financial Report 2019/20 – November 2019

Lead officer: Roger Kershaw

Lead member: Mark Allison

Recommendations:

- A. That Cabinet note the financial reporting data for month 8, November 2019, relating to revenue budgetary control, showing a forecast net underspend at year-end of £378k, -0.1% of gross budget.
- B. That Cabinet note the contents of Section 4 and the amendments to the Capital Programme contained in Appendix 5b and approve the amendments in the Table below:

Scheme	2019/20 Budget	2020/21 Budget	Narrative
Corporate Service			
Invest to Save	(100,000)	100,000	Re-profiled in accordance with projected spend
Planned Replacement Programme - Data Centre	(150,000)	150,000	Re-profiled in accordance with projected spend
Planned Replacement Programme - Equipment Purchase	100,000	0	Vired from Corporate Cap Maint to cover projected costs
Other Buildings - Capital Maintenance	(100,000)	0	Vired to IT Planned Rep Prog to cover projected costs
Housing Company	(1,564,460)	1,564,460	Re-profiled in accordance with projected spend
Westminster Coroners Court	(455,000)	455,000	Re-profiled in accordance with projected spend
Children, Schools and Families			
Cricket Green - Capital Maintenance	102,250	0	Vired from various Cap Maint Schemes to cover projected costs
Cricket Green Expansion	(100,000)	100,000	Re-profiled in accordance with projected spend
Environment and Regeneration			
Replacement Fleet Vehicles	(284,000)	284,000	Re-profiled in accordance with projected spend
Highways & Footways - Traffic Schemes	(100,000)	100,000	Re-profiled in accordance with projected spend
Highways & Footways - Bridges and Structures	(100,000)	100,000	Re-profiled in accordance with projected spend
Wimbledon Area Regen - Crowded Places/Hostile Vehicle	(259,030)	268,000	Re-profiled in accordance with projected spend
Borough Regeneration - Haydons Rd Shopfronts	(204,000)	204,000	Re-profiled in accordance with projected spend
Parks Investment - Canons Parks for the People	(688,300)	688,300	Re-profiled in accordance with projected spend
Mitcham Area Regen - Canons Parks for the People	(1,244,290)	1,244,290	Re-profiled in accordance with projected spend
Morden Leisure Centre	(231,820)		Scheme complete relinquished budget
Sports Facilities - Wimbledon Park Lake	(1,318,160)	1,318,160	Re-profiled in accordance with projected spend
Parks Investment - Resurface Tennis Courts (Wimb Pk)	150,440		Funded by a contribution from a renewal reserve
Total	(6,546,370)	6,576,210	

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

1.1 This is the financial monitoring report for period 8, 30th November 2019 presented in line with the financial reporting timetable.

This financial monitoring report provides -

- The income and expenditure at period 8 and a full year forecast projection.
- An update on the capital programme and detailed monitoring information;
- An update on Corporate Items in the budget 2019/20;
- Progress on the delivery of the 2019/20 revenue savings

2. THE FINANCIAL REPORTING PROCESS

- 2.1 The budget monitoring process in 2019/20 continues to focus on children's social care, which overspent in 2018/19 and continues to have budget pressures. There are also significant pressures on the Dedicated Schools Grant (DSG) which are being monitored. The deficit recovery plan is attached as Appendix 9.
- 2.2 Chief Officers, together with budget managers and Service Financial Advisers are responsible for keeping budgets under close scrutiny and ensuring that expenditure within budgets which are overspending is being actively and vigorously controlled and where budgets are underspent, these underspends are retained until year end. Any final overall overspend on the General Fund will result in a call on balances; however this action is not sustainable longer term.

2.3 2019/20 FORECAST OUTTURN BASED UPON LATEST AVAILABLE DATA

Executive summary – At period 8 to 30th November 2019, the year-end forecast is a net £378k underspend compared to the current budget. This excludes any monies due from the last year of the Business Rates London Pilot Pool.

Summary Position as at 30th November 2019

	Current Budget 2019/20 £000s	Full Year Forecast (Nov) £000s	Forecast Variance at year end (Nov) £000s	Forecast Variance at year end (Oct) £000s	Outturn variance 2018/19 £000s
Department					
3A. Corporate Services	11,425	11,135	(290)	(291)	(2,511)
3B. Children, Schools and Families	61,360	62,766	1,406	1,212	2,271
3C. Community and Housing	63,767	63,642	(124)	(34)	(197)
3D. Public Health	0	0	0	12	0
3E. Environment & Regeneration	16,045	16,225	180	(668)	(1,526)
Overheads	0	0	0	0	(33)
NET SERVICE EXPENDITURE	152,597	153,769	1,172	232	(1,996)
3E. Corporate Items					
Impact of Capital on revenue budget	10,481	10,332	(149)	(149)	403
Other Central budgets	(20,764)	(22,165)	(1,401)	(1,151)	(6,064)
Levies	949	949	0	0	0
TOTAL CORPORATE PROVISIONS	(9,334)	(10,884)	(1,550)	(1,300)	(5,661)
TOTAL GENERAL FUND	143,263	142,885	(378)	(1,068)	(7,657)
FUNDING					
Revenue Support Grant	0	0	0	0	0
Business Rates	(44,026)	(44,026)	0	0	0
Other Grants	(8,169)	(8,169)	0	0	0
Council Tax and Collection Fund	(91,070)	(91,070)	0	0	0
FUNDING	(143,265)	(143,265)	0	0	0
NET	(1)	(380)	(378)	(1,068)	(7,657)

The current level of GF balances is £13.778m and the minimum level reported to Council for this is £12.53m.

3. DEPARTMENTAL SUMMARY OF CURRENT POSITION

Corporate Services

Division	2019/20 Current Budget £000	2019/20 Full year Forecast (November) £000	2019/20 Full Year Forecast Variance (November) £000	2019/20 Full Year Forecast Variance (October) £000	2018/19 Outturn Variance £000
Customers, Policy & Improvement	3,740	3,578	(162)	(125)	(246)
Infrastructure & Technology	11,795	12,050	255	281	(64)
Corporate Governance	2,438	2,334	(104)	(128)	(294)
Resources	5,887	5,835	(52)	(73)	(707)
Human Resources	1,919	2,151	232	230	16
Corporate Other	734	275	(459)	(476)	(1,216)
Total (Controllable)	26,513	26,223	(290)	(291)	(2,511)

Overview

At the end of period 8 (November) the Corporate Services (CS) department is forecasting an underspend of £290k at year end. This has remained in line with the £291k underspend forecast in period 7 (October).

Customers, Policy and Improvement - £162k under

Customer Contact is forecasting a £42k underspend due to lower than budgeted licence costs. There is a forecast underspend of £59k on Cash Collections, capturing future year savings early in 2019/20. The Translations Service has a forecast underspend of £17k, mainly as a result of additional income from internal translation requests compared to the budgeted amount and a vacancy within the team. Marketing and Communications have a £44k underspend forecast from less than budgeted spend on the council magazine and graphic design. A further £55k underspend is forecast on Community Engagement, this is a result of maternity leave in the team and other underspends on running costs. The policy team are forecasting a £30k underspend mainly due to notional rents and grants to voluntary organisations being less than budgeted.

A £12k overspend is forecast on the Registrars Service relating to various running cost budgets such as ground maintenance and marketing as well as a partially underachieved staffing saving in year (2019-20 CS05). This is partly offset by the overachievement of income. Additionally, Press and PR are forecasting a £47k overspend due to the underachievement of income and the use of agency staff.

The forecast underspend in CPI has increased by £37k since period 7. This is mainly due to the reduced forecast for voluntary sector grants and notional rents.

Infrastructure & Technology - £255k over

I&T are forecasting overspends on Telecoms of £101k due to system upgrades and delays in the PABX telecoms implementation. A £59k overspend is forecast on the Professional Development Centre (Chaucer Centre) due to the underachievement of rental income. There is also a £200k overspend forecast for Microsoft Licences which is a best estimate of the cost at this stage, pending the outcome of a procurement exercise. Facilities Management are forecasting a £41k overspend reflecting the use of agency staff and only a partial achievement of a saving in year (2018-19 CS04) following a recent restructure of the energy team. Facilities are forecasting a further £49k overspend on the external fees account due to the use of additional agency staff during the year. The Business Systems Team is also forecasting an overspend of £78k due to recruitment costs, hardware purchases, IT licences and the underachievement of income.

Various underspends within the division are partly offsetting the above overspends. The Print and Post Room are forecasting a £48k underspend with a vacancy held in the team. The Corporate Print Strategy is forecasting a £46k underspend due to less than budgeted multi-functional device (MFD) costs. Additionally, Transactional Services are forecasting a £74k underspend resulting from the recovery of expenses in previous years and there is a £71k underspend forecast on Garth Road Archive Storage due to rental income.

The forecast overspend in I&T has reduced by £26k since period 7. This is mainly due to increased recovery of costs by Transactional Services and a £10k improvement in the level of income generated by the Professional Development Centre.

Corporate Governance – £104k under

The underspend within Corporate Governance is formed of £17k from various running cost budgets held by the AD, £16k from Democracy Services largely due to vacancies and £15k running costs. A further £37k underspend is forecast in the Information Governance team due to vacancies and consultants budget not required in year. Additionally, Legal Services outside of SLLp are forecasting a £39k underspend due to expenditure budgets not required in year.

The South London Legal Partnership (SLLp) is forecasting a £70k deficit, of which £14k is attributable to Merton. The SLLp deficit has increased from £10k in period 7 largely due to increased agency and running expenses as well as a reduced digital courtrooms income forecast.

The forecast underspend on Corporate Governance has reduced by £24k from the position at period 7. This is mainly due to the increased SLLp deficit as well as additional costs within democracy services for printing and traffic management at the recent remembrance service.

Resources - £52k under

There are various underspends forecast within Senior Management, made up of the Chief Executive's budget (£40k under), Director of Corporate Services (£82k under) and AD Resources (£28k under) due to subscription and consultancy budgets not expected to be required in year.

Accountancy has a £87k overspend forecast on Corporate Accountancy and £10k overspend on the Budget Management Team largely due to agency spend.

An £80k overspend is forecast on the Financial Information System (FIS) team mainly due to additional system support costs, with a business case pending to review ongoing budget pressures within the team.

The Insurance and Treasury teams are forecasting an overspend of £103k due to property valuation fees ahead of a re-tendering of insurance contracts, partly offset by a recharge of staff time to the pension fund.

The Merton and Sutton Bailiff Services are forecasting to underspend by £117k due to additional income in excess of the budget. Benefits Administration is forecasting a £261k underspend mainly due to additional income from DWP for various schemes though this is in part offset by agency spend. There is a forecast overspend of £210k on Local Taxation Services due to various running costs and agency spend which is not fully offset by additional income relating to the cost of collection for NDR and council tax.

The forecast underspend in the Resources division has reduced by £21k compared to period 7. This is largely due to £15k added to the forecast for financial advice within the AD Resources budget and various running costs within the Local Taxation Service.

Human Resources – £232k over

Learning and Development is forecasting a £164k overspend due to recruitment costs as well as interim cover for the Head of Organisational Development and HR Strategy post. £57k of the L&D overspend relates to training, a review of the planned training for the rest of the year is being carried out and the forecast will be updated in line with this in the coming months. The overspend forecast in Learning and Development also includes an additional temporary resource to assist with implementing the new recruitment system.

The HR AD budget is also forecasting an overspend of £33k due to the interim cover of the Head of HR post and recruitment costs. A significant budget pressure within HR is from the Transactions budget which is currently forecasting a £75k overspend. This is due to a £15k budget pressure on DBS recharges to clients, which no longer include an internal admin charge as the work is carried out by the London Borough of Kingston, and the remainder relates to the shared payroll system and iTrent client team charges, also by the London Borough of Kingston. The underachievement of schools buyback income is also contributing to the HR overspend.

Payroll has an underspend forecast of £31k as a result of a restructure in year, which captures part of a future year saving early, and a vacancy held in the team.

Overall the HR overspend has increased by only £2k since period 7. This is mainly due to reduced agency costs expected over the Christmas period, offset by the extension of the temporary resource assisting with the implementation of the new recruitment system.

Corporate Items - £460k under

The Housing Benefit Rent Allowances budget shows a forecast surplus of £1.202m on the account against a budgeted surplus of £1m. The additional surplus relates to a £500k underspend against the budget to top-up the bad debt provision, part offset by an overpayment recovery shortfall.

An additional surplus of £80k is forecast following the introduction of a scheme to recover old housing benefit debts which had previously been written off, due to new access to information from HMRC. The corporately funded items budget has a forecast underspend of £115k due to budget not expected to be required in year. A further £100k not required in year has been transferred to the spending review reserve.

The Coroners Court is forecasting an overspend of £46k, incorporating a contingency for additional charges from Westminster. This part offsets with £40k additional income from the Magistrates Court. A further £46k underspend is forecast on the pensions added years budget.

The forecast underspend on corporate items has reduced by £16k since period 7 due to a reduced Housing Benefits overpayment recovery forecast.

Environment & Regeneration

Environment & Regeneration	2019/20 Current Budget	Full year Forecast (Nov)	Forecast Variance at year end (Nov)	Forecast Variance at year end (Oct)	2018/19 Outturn Variance
	£000	£000	£000	£000	£000
Public Protection	(12,947)	(13,104)	(157)	(149)	(753)
Public Space	14,629	14,881	252	(322)	(1,449)
Senior Management	975	1,105	130	115	(17)
Sustainable Communities	8,223	8,178	(45)	(313)	694
Total (Controllable)	10,880	11,060	180	(669)	(1,525)

Description	2019/20 Current Budget	Forecast Variance at year end (Nov)	Forecast Variance at year end (Oct)	2018/19 Variance at year end
	£000	£000	£000	£000
Overspend within Regulatory Services	648	66	67	112
Underspend within Parking Services	(14,466)	(317)	(338)	(964)
Overspend within Safer Merton & CCTV	871	94	122	99
Total for Public Protection	(12,947)	(157)	(149)	(753)
Overspend within Waste Services	13,672	460	(127)	(1,611)
Underspend within Leisure & Culture	416	(250)	(254)	(222)
Overspend within Greenspaces	1,236	8	23	145
Overspend within Transport Services	(695)	34	36	239
Total for Public Space	14,629	252	(322)	(1,449)
Overspend within Senior Management & Support	975	130	115	(17)
Total for Senior Management & Support	975	130	115	(17)
Underspend within Property Management	(2,713)	(118)	(199)	368
Underspend within Building & Development Control	4	(60)	(73)	275
Overspend within Future Merton	10,932	133	(41)	51
Total for Sustainable Communities	8,223	(45)	(313)	694
Total Excluding Overheads	10,880	180	(669)	(1,525)

Overview

The department is currently forecasting an overspend of £180k at year end. The main areas of variance are Parking Services, Waste Services, Leisure & Culture, Senior Management & Support, and Future Merton.

Public Protection

Parking Services underspend of £317k

The underspend is mainly as a result of additional penalty charge notices being issued, following the implementation of the ANPR system across the borough (£701k), and P&D income (£538k).

The section has a £1,900k saving this year relating to the review of parking charges, based on an October start date. Cabinet approved a revised set of charges in September and officers are preparing to follow the statutory order making process. The forecast reflects a prudent approach to the delayed implementation, and associated income of £950k.

Public Space

Waste Services overspend of £460k

Following the conclusion of discussions between the South London Waste Partnership (SLWP) and Veolia pursuant to the Annual Review (AR) process, which takes account of factors such as property growth and other contractual matters, the SLWP have proposed to the partnership authorities seeking permission for additional payments of which Merton's contribution is £740k. A 2020/21 growth item for this ongoing additional cost is presented to Cabinet elsewhere on the agenda.

The SLWP have also recommended an additional lump sum payment relating to the Year 2 (2018/19) AR process, which was conducted simultaneously, of which Merton's contribution is £304k.

Officers are seeking agreement for these proposals within the separate report elsewhere on this agenda, with details of the above figures being provided in the exempt appendix to the report.

The revenue impact of the above on the 2019/20 forecast is an increase in net revenue spend of £366k, as the figure is being partially offset by £119k relating to capital expenditure which forms part of the capital programme, £410k of deductions relating to contract performance, and an agreed 2018/19 reserve of £150k relating to this contract.

Merton, in common with the rest of the country, has experienced a significant increase in fly-tipping and abandoned waste. The service has been handling approximately 12,000 incidents across the borough each year. In order to take a proactive approach to fly tipping the service has recently implemented a new fly-tipping strategy and agreed action plan for 2020/21. The forecast cost to address the increase in fly tipping is £197k for 2019/20 onwards. A 2020/21 growth item for this additional cost is presented to Cabinet elsewhere on the agenda.

The section is forecasting to overspend on its current waste collection and street cleansing contract by £323k. This is largely due to the internal debt charge of £676k for capital spend, along with recharges for additional services being undertaken by the service provider.

The section is also forecasting to overspend on its employee costs by £46k, which is mainly due to a delay in fully implementing a 2018/19 saving (ENR6 £200k), and the temporary employment of a Public Space Inspector which will be in place for six months to provide greater resilience in the monitoring of our service provider performance.

The above overspends are being partially mitigated by a forecast underspend on disposal costs of £532k. Following the introduction of the new wheelie bin service we have seen a significant reduction in the level of general refuse being collected and disposed of through our energy waste facility at Beddington, alleviating the need for landfill and the associated landfill tax charges.

Over this period, we have seen a 12% reduction in refuse, which equates to a monthly average reduction of over 500 tonnes per month this financial year. The main contributor to this success is the increase in food waste participation which has seen an increase of over 66% or 184 tonnes per month.

Leisure & Culture underspend of £250k

The forecast underspend is mainly as a result of the final year, under the previous contractual agreement, of the profit share arrangement with our service provider for the Leisure Centres Contract (£214k). Changes to this contract came into effect from 1st December 2018, which has resulted in future guaranteed annual income, now being built into the Medium Term budget. Due to this guaranteed income the likelihood of future profit shares is now unlikely.

Senior Management & Support

Senior Management & Support overspend of £130k

The overspend relates to the parking review project currently being undertaken to analyse and develop the Council's staff travel plans and reduction in car use.

Sustainable Communities

Property Management underspend of £118k

The principal reason for the forecast underspend relates to exceeding the commercial rental income expectations by £646k, which includes £95k of one-off income from conducting the backlog of rent reviews in line with the tenancy agreements.

This is being partially offset by an overspend of £417k on premises related expenditure, in particular, utility and repairs & maintenance costs. In addition, a £125k overspend on supplies & services is being forecast, mainly relating to employment of consultants to progress rent reviews due to lack of internal resource, valuations to support asset valuations, and additional costs from holding Worsfold House vacant.

Future Merton overspend of £133k

The principal reason for the forecast overspend is the additional costs being incurred in relation to the Bishopsford Bridge collapse (£235k). These additional revenue costs include those relating to investigating why the bridge collapsed (e.g. specialist consultants fees, legal costs, staff time) time spent on insurance investigations, negotiating liabilities, and communications. Revenue costs are likely to extend into 2020/21 until liabilities are resolved, and communications to residents etc. cease with the reopening of the bridge. Some of these costs may be recoverable but it is too early to determine this.

This is being partially offset by the forecast underspend on CPZ consultation and implementation costs of £95k based on the current programme of work, mainly as a result of roll-out delays pending the review of parking charges.

Children Schools and Families

Children, Schools and Families	2019/20 Current Budget £000	Full year Forecast Nov £000	Forecast Variance at year end (Nov) £000	Forecast Variance at year end (Oct) £000	2018/19 Variance at year end £000
Education	24,894	25,134	240	279	(37)
Social Care and Youth Inclusion	19,571	21,633	2,062	1,772	3,211
Cross Department budgets	1,029	977	(52)	(32)	(20)
PFI	8,573	8,108	(465)	(438)	(354)
Redundancy costs	2,183	1,805	(378)	(369)	(529)
Total (controllable)	56,250	57,657	1,407	1,212	2,271

Overview

At the end of November Children Schools and Families forecast to overspend by £1,407m on local authority funded services, an increase in overspend of £195k from October's outturn forecast. The pressure is primarily due to increases in agency staff costs within social care safeguarding teams, permanency and placement teams after a robust evaluation of forecasts.

Due to the volatile nature of placement and SEN transport budgets, and the current volume of CSC activity and Education, Health and Care Plan (EHCP) requests forecasts are vulnerable to change. Despite an increasing population, Merton has managed to hold steady our number of children in care through a combination of actions, which are detailed in the management action section below. However, EHCP numbers continue to rise from 1,941 in October to 1,973 in November, an increase of 32.

The CSF department received £500k growth for 2019/20 which was all allocated against the SEN transport cost due to the continuing pressure in this area.

Local Authority Funded Services

The table below details the significant budget variances identified to date:

Description	Budget £000	Nov £000	Oct £000	2018/19 £000
Procurement & School organisation	594	(281)	(202)	(411)
SEN transport	4,705	1,196	1,097	1,223
Early Years services	3,117	(179)	(216)	(349)
CWD team staffing	571	(84)	(72)	(88)
Internal legal hard charge	543	(110)	(133)	(32)
Other small over and underspends	15,364	(302)	(195)	(380)
Subtotal Education	24,894	240	279	(37)
Fostering and residential placements (ART)	7,111	676	696	1,057
Un-accompanied asylum seeking children (UASC)	75	261	281	488
Community Placement	0	385	385	500
No Recourse to Public Funds (NRPF)	21	141	141	301
MASH & First Response staffing	1,618	311	311	354
Legal costs	526	224	224	280
Other small over and underspends	10,220	64	(266)	231
Subtotal Children's Social Care and Youth Inclusion	19,571	2,062	1,772	3,211

Education Division

The procurement and school organisation budget is forecast to underspend by £281k because of lower spend on revenue budgets. This budget relates to the revenue cost of construction projects and is affected by slippage of capital schemes. The majority of this is used for temporary classrooms usually required due to rising pupil demand when it is not viable to provide permanent buildings.

The SEN transport budget is forecast to overspend by £1.196m. The forecast for maintained school taxis is £3.567m, circa £284k more than last year. This is our best estimate based on the information available at the end of November. The current estimated cost includes a small forecast for new placements that may be required towards the end of the year. There is a risk that this cost could increase more than currently allowed for as we have seen a major increase in the number of EHCPs, although not all plans will necessarily be eligible for support under Merton's transport policy. To support the cost pressure in this area, the £500k growth allocated to the department in 2019/20 has been allocated against this budget. However, this has been insufficient to cover the full extent of the growth in this area.

As part of management action to reduce the overall in-year departmental overspend, where possible in the Early Years' service, recruitment to vacancies is being delayed. At the end of November this is estimated to deliver a £179k underspend.

The Children with Disabilities (CWD) team, which transferred to the Education division this year, is holding vacant posts which is expected to deliver a £84k underspend in the current financial year. Some of this underspend is being used to offset agreed social work activities in the fostering service.

The internal legal hard charging budget is estimated to underspend by £110k. This forecast is based on spend to date and will fluctuate if usage increases towards year-end.

There are various other small over and underspends forecast across the division netting to a £302k underspend. These combine with the items described above to arrive at the total divisional overspend forecast of £240k.

Children's Social Care and Youth Inclusion Division

At the end of November Merton had 170 looked after children (LAC). This is an increase of 9 children from October. The numbers of Looked after Children (LAC) in Merton remain relatively stable and we continue to maintain relatively low levels of children in care as detailed in the table below, although the rate per 10,000 (at 36) is currently the highest it has been since March 15/16:

Overview	2015/16	2016/17	2017/18	2018/19
Number of children in care as at 31st March	163	152	154	160
Of which UASC	22	20	28	34
Rate per 10,000	35	33	33	34
London Rate	51	50	49	tbc
England Rate	60	62	64	tbc

The complexity of a significant proportion of cases is causing cost pressures as detailed below.

Service	Budget £000	Nov Forecast spend £000	Variance		Placements	
			Nov £000	Oct £000	Nov No	Oct No
Residential Placements	2,305	2,006	(300)	(300)	15	15
Independent Agency Fostering	1,753	1,953	200	200	49	42
In-house Fostering	993	1,697	704	704	73	70
Secure accommodation	138	138	0	0	0	0
Mother and baby	103	103	0	0	0	0
Supported lodgings/housing	1,819	1,911	92	92	56	61
Total	7,111	7,807	696	696	193	188

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

The placement forecasts includes a prediction of costs expected for known placements as well as an estimated cost for movement in placements, including new cases, expected during the year. These assumptions are reviewed and updated every month and estimates adjusted accordingly to provide our best estimate of full year costs.

- The Residential placement expenditure is forecast to underspend by £300k at the end of the financial year. We currently have 15 residential (including 10 respite).
- The Independent Agency Fostering expenditure is forecast to overspend by £200k. We currently have 49 placements, an increase of 7 placements (inclusive of one mother and baby placement) from last month. The cost difference of the increased placements is contained within the expected movement built into the full year estimated cost.
- The In-house Foster carer expenditure is forecast to overspend by £704k. We currently have 73 placements. There has been 8 new placements and 5 Placements ended in November. The cost difference of this change in placements is contained within the expected movement built into the full year estimated cost.
- The Youth Justice secure accommodation expenditure is projected to spend to budget in November. We currently have no placements but are forecasting for possible additional placements expected before the end of financial year.
- The mother and baby assessment unit expenditure is forecast budget for the current year. We currently have no placements but are forecasting for possible additional placements expected before the end of financial year.
- We are forecasting that the budget for the semi-independent accommodation and supported lodgings/housing placements will overspend by £92k in November. There has been one new placement while 6 placements ended. The cost difference of this change in placements is contained within the expected movement built into the full year estimated cost.
- At the end of November, UASC placements and previous UASC that are now Care Leavers were forecasting to overspend by £273k, down from £281k in October (which was itself down from £551k in September's forecast).

Service	Budget £000	Nov Forecast spend £000	Variance		Placements	
			Nov £000	Oct £000	Nov No	Oct No
Independent Agency Fostering	380	482	102	116	11	12
In-house Fostering	325	679	354	360	33	33
Supported lodgings/housing	570	675	105	105	25	24
UASC grant	(1,200)	(1,500)	(300)	(300)		
Total	75	336	261	281	69	69

At the end of November, we had 35 placements for UASC young people under 18. Of these, 32 were placed in foster care and 3 in semi-independent accommodation. The administration's commitment (in line with other London Labour Councils) for Merton is 37 unaccompanied asylum-seeking children or young people (0.08% of the child population). We receive UASC grant towards these placements although it is not sufficient to cover the full cost of placement, subsistence and social work intervention.

Merton had 41 young people aged 18+ who were formerly UASC in our care at the end of November, 12 in foster care, 22 in semi-independent accommodation and 7 who received non-accommodation related support. Once UASC young people reach age 18, we retain financial responsibility for them as Care Leavers until their immigration status is resolved.

We are currently forecasting to 'over-achieve' our projected UASC grant income by £300k. The grant income is offset against the additional costs incurred through having higher numbers of UASC in our care.

We are estimating a £385k spend on the un-budgeted community placement for the current financial year. This includes a £485k estimated cost for 2019/20 reduced by an over accrual in 2018/19 of £100k. The figure is our best current estimate and is subject to change as the case is extremely complex and subject to review. Forecast costs are currently based on an interim arrangement in place while further work is undertaken to secure the right long term support arrangements, although it may not be possible to establish permanent arrangements until the young person is an adult.

The NRPF budget is forecast to overspend by £141k in the current financial year. This is £160k less than last year's overspend. The NRPF worker is working closely with housing colleagues to manage cases as they arise and also reviews historic cases to identify ones where claimant circumstances have changed and they can therefore be stepped down from services. We continue to use the Connect system to progress cases and continue to review open cases with the aim to limit the cost pressure on the council. Strong enquiry and assessment approaches have resulted in a reduction of overall numbers from a peak of 30 in 2016/17 to a current caseload of 6 families where we support 9 children with accommodation and 6 with subsistence.

We are forecasting to overspend by £311k on the MASH and First Response teams' staffing costs. This is because the team is covering 11 vacancies out of an establishment of 30 with agency staff due to difficulty in recruiting permanent members of staff in this area.

Legal costs are forecast to overspend by £224k, unchanged from October. This cost relates to third party legal fees including Counsel, court and medical fees as well as independent expert witness and Family Drug and Alcohol Court (FDAC) costs. The investment in the FDAC is intended to reduce placement costs due to fewer children coming into care. The evidence is that this is effective in those cases that go through the FDAC process, but that this is more than offset by increases in other placement costs.

There are various other small over and underspends forecast across the division netting to a £64k overspend. These combine with the items described above to arrive at the total divisional forecast overspend of £2.062m.

Dedicated Schools Grant (DSG)

DSG funded services are forecast to overspend by £10.557m, an increase of £198k over last month. The DSG had a cumulative overspend of £2.909m at the end of 2018/19. The overspend in the current financial year will be adding to this balance, currently estimated at £13.476m. There will be a separate report on the DSG Deficit Recovery Plan to Cabinet in January 2020.

The main reason for the variance relates to a £6.769m overspend on Independent Day School provision. This is a £130k increase from October 2019. The reason for the overspend is the high number of placements. Following a data cleansing exercise the number of placements has slightly fallen from 261 in October to 252 in November. This fall is also partly due to some young people no longer being in education.

Based on past years' experience, we would expect this number to increase towards the end of the year. We are seeking to increase the number of local maintained special school places in the borough, in order to reduce these costs, but it will take time to bring these additional places on stream. At present the annual increase in the number of EHCPs significantly exceeds the number of additional special school places we are able to create in the borough. Based on the number of new EHCPs still being awarded following assessment, we would expect this cost to still increase towards year-end and the £13.476m cumulative deficit to increase further.

Other overspends include £889k on EHCP allocations to Merton primary and secondary schools, £1.834m on EHCP allocations to out of borough maintained primary, secondary and special schools, and £1.254m on one-to-one support, OT/SLT and other therapies as well as alternative education.

The table below shows the increase in number of EHCPs over the past 4 years since the entitlement changed following the implementation of the Children and Families Act. At the end of November 2019 there were 1,973 EHCPs, a 15% increase year to date.

Type of Provision	Jan 2016 Total Statements and EHCPs		Jan 2017 Total Statements and EHCPs		Jan 2018 Total Statements and EHCPs		Jan 2019 Total Statements and EHCPs	
	No	%	No	%	No	%	No	%
Early Years (inc. Private & Voluntary Settings)	0	0%	1	0%	7	0%	7	0%
Mainstream Schools (inc. Academies)	422	39%	461	37%	526	35%	584	34%
Additional Resourced Provision	110	10%	111	9%	116	8%	125	7%
State Funded Special Schools	358	33%	388	31%	416	27%	440	26%
Independent Schools	132	12%	153	12%	176	12%	228	13%
Post 16 College and traineeships	25	2%	93	7%	183	12%	212	12%
Post 16 Specialist	10	1%	25	2%	44	3%	37	2%
Alternative Education	15	1%	10	1%	22	1%	28	2%
No placement (including NEET)	3	0%	0	0%	28	2%	51	3%
Total	1075	100%	1242	100%	1518	100%	1712	100%
Change over previous year				16%		22%		13%

There are various other smaller over and underspends forecast across the DSG netting to a £78k underspend which, combined with the items above, equates to the net overspend of £10.557m. This will be added to Merton's negative reserve and conversations continue with government over the funding of this.

We continue to keep abreast of proposed changes to the National Funding Formula, especially in relation to risks associated with services currently funded by de-delegated elements of the DSG. We are also working with other authorities on the deficit DSG issue and await the response to the national consultation about the accounting treatment of DSG deficits.

The Early Years block of the DSG is normally adjusted in the July following the end of the financial year as it is based on January census information. We are therefore not in a position to estimate this adjustment until year-end. For 2018/19 this additional grant was £338k.

Merton was required to return to the DfE a Deficit Recovery Plan for the DSG, which is a 5-year plan, taking us up to 2023/24.

In addition to the pressures on the high needs block, which are clear from the budget monitoring figures highlighted above and continue into 2019/20 and beyond, some schools are also having trouble in setting balanced budgets with the funding provided to them through the funding formula. The Finance Service monitors this closely, and before any deficit budget is agreed, work is undertaken with the school to ensure they are maximising every opportunity to reduce costs and spend wisely. The number of schools setting deficit budgets has reduced from 14 in 2018/19 to 13 in 2019/20. There are various reasons for schools requiring to set deficit budgets including unfunded non-teacher pay increases, increased costs relating to children that require additional support but do not meet statutory thresholds for additional funding, reduction in pupil numbers and reduced levels of reserves that schools would previously have used to balance their budgets. Total school balances, including capital balances, did however increase last year.

Merton has been working in conjunction with Association of Directors for Children's Services (ADCS), Society for London Treasurers (SLT), London Councils and the Children's Commissioner to lobby Central Government for additional funding. All commissioned analysis shows that the funding shortfall is a national issue that requires additional grant funding.

Management action

Staffing report

We continue to reduce the use of agency by imposing a three month recruitment drag, where appropriate, for non-social work posts. We continue to prioritise meeting our statutory duties when determining whether recruitment drag may be applied to any vacant post. Children's Social Care and Youth Inclusion are currently reviewing the distribution of social work staffing to ensure workloads in the MASH and First Response Service are at a level that supports recruitment and retention of permanent staff.

Placements

We continue to use the Panel processes to ensure that spending on IFAs instead of in-house placements can be justified, as well as continuing our scrutiny on residential children's home placements.

Our ART Fostering Recruitment and Assessment team is continuing to recruit new foster carers who will offer locally based placements with a campaign targeted at attracting foster carers for teenagers and UASC young people. We have recruited 5 new foster carers this year so far and are taking 3 families to the November panel. However, the target for this financial year is to recruit 20 new foster carers and we are therefore behind target.

Our aim is to slow down the increase in more expensive agency foster placements. In addition, we are implementing actions to retain our experienced existing foster carers such as increasing the support offer to them through the trauma based training and support to enable them to take and retain children with more challenging behaviours in placement and implementing the Mockingbird

Model. We are also targeting our recruitment to increase our number of in-house mother and child foster placements.

Our ART Placement service is working with providers to establish more local provision and offer better value placements to the Council. We continue to convene the Semi-Independent Accommodation (SIA) Panel which will record costs incurred. We are working to identify our Housing Benefit payments and what we should be getting and what are the actuals received. This work is continuing with the aim to further reduce under-achievement of housing benefits during this year.

We have contracted with a provider to block purchase five independent units for care leavers aged 18+ to act as a step down into permanent independent living. Building on these cost reductions, we expect to be able to procure further placements of this type in 2019/20 and 2020/21.

We have updated our Staying Put policy for young people aged 18+ to enable them to remain with their foster carers in line with statutory requirements and as recommended by Ofsted in our inspection. However, the increased use of Staying-Put for young people aged 18+ impacts on available placements for younger teenagers, therefore highlighting again the need for targeted recruitment for foster carers for teenager and UASC young people. We continue to focus our foster carer recruitment on carers for teenagers to mitigate these potential additional costs.

Our average placements costs against each budget code are reported each month. Due to the low numbers in UASC independent agency (non-grant) placements and secure accommodation units, small changes in numbers result in big variations in the average weekly unit costs as detailed in the following table.

Description	March	May	June	July	Aug	Sep	Oct	Nov	Movement from last month	Nov
	£	£	£	£	£	£	£	£		
ART Independent Agency Fostering	900	879	854	889	898	896	910	910	0	49
ART In-house Fostering	440	438	443	430	428	438	435	434	-1	72
UASC Independent Agency (Grant)	803	822	822	821	821	818	818	820	2	9
UASC In house Fostering (Grant)	490	410	388	452	419	422	425	477	52	23
UASC Independent Agency (Non-Grant)	237	802	802	802	802	618	599	599	0	2
UASC In house Fostering (Non-Grant)	589	409	417	405	426	422	420	415	-5	10
ART Residential Placements	3,978	3,919	3,887	3,886	3,916	3,925	3,870	3,874	4	15
ART Secure Accommodation	3,374	1,323	1,890	1,890	2,457	1,816	1,804	1,760	-44	0
ART Mother & Baby Unit	3,589	4,204	4,204	3,401	3,401	3,401	3,405	3,405	0	0
Supported Housing & Lodgings (Art 16+ Accommodation)	585	611	619	627	652	671	676	699	23	56
Supported Housing & Lodgings - UASC (Grant)	782	788	736	687	687	685	708	716	8	3
Supported Housing & Lodgings - UASC (Non Grant)	642	451	410	400	427	434	428	427	-1	22

Children with additional needs

We are working with colleagues in CCGs through the tripartite process in order to secure appropriate health contribution to funding for children with complex needs, particularly through continuing healthcare (CHC) funding. This is an area we need to improve with closer working with the CCG a focus going forward. This will mainly affect the CWD budget as many of the children discussed will be placed at home with shared packages of care. Details of any arrangements made will be recorded and reflected in budget returns.

We have tried to reduce costs associated with SEND transport through a number of strategies but this is a continuing challenge with the increasing numbers of children eligible for this service. Strategies introduced include: the introduction of a dynamic taxi purchasing system; the re-provisioning of taxi routes to ensure best value for money; the introduction of bus pick up points where appropriate; promotion of independent travel training and personal travel assistance budgets where this option is cheaper.

We have a multi-agency SEND panel providing strategic oversight of the statutory assessment process to ensure that at both request-for-assessment stage and the agreement of a final EHCP, criteria and thresholds are met and the best use of resources is agreed.

To limit the increased costs to the DSG High Needs block of the increased number of children with EHCPs we have expanded existing specialist provision and have approved a contract to expand Cricket Green special school. We have increased Additionally Resourced Provision (ARP) in Merton mainstream schools and have further plans for new ARP provision and expansion of existing bases. Additional local provision should also assist with minimising increases to transport costs.

We are also part of a South West London consortium, which uses a dynamic purchasing system for the commissioning of specialist independent places, this enables LAs together to challenge any increases in cost and ensure best value for money in the costs of these placements, although there is evidence that other LAs are not making best use of this and it is likely to be decommissioned.

New burdens

There are a number of duties placed on the Local Authority that have not been fully funded or not funded at all through additional burdens funding from Central Government. Excluding the cost of these duties would leave a net departmental overspend of £696k, however that figure masks substantial one off windfalls and non-recurrent and recurrent management action. The table below highlights the continued estimated overspends relating to these unfunded duties:

Description	Budget £000	Nov overspend forecast £000	Oct overspend forecast £000	2018/19 over £000
Supported lodgings/housing- care leavers	1,819	92	92	52
Supported lodgings/housing- UASC	570	105	105	774
UASC	705	476	476	211
No Recourse to Public Funds (NRPF)	21	141	141	301
UASC grant	(1,200)	(300)	(300)	
Total	1,915	514	514	1,338

The above table summarises the placement cost in relation to additional burdens. On top of these costs there will also be staffing costs to support these cases.

Following changes introduced through the Children & Social Work Act, local authorities took on new responsibilities in relation to children in care and care leavers. Local authorities are required to offer support from a Personal Adviser to all care leavers to age 25. There has been no on-going funding for the additional work required.

Other unfunded burdens include:

- The increase in the age range of EHCPs, particularly for those young people aged 18-25, due to legislation changes, which is causing cost pressures in both the general fund (in education psychology and SEN transport) and the DSG (High Needs Block costs relating to most EHCP services);
- New statutory duties in relation to children missing from education have increased the cases dealt with by the Education Welfare Service by 79% (from 290 in the 6 months from September to March 2016 to 519 in the same 6 months the following year and the level of referrals has remained at this level).
- SEND tribunals will cover all elements of children's care packages, not just education.
- New requirement of social work visits to children in residential schools and other provision.

Further new burdens are expected for 2019/20 including the DfE requirement for new assessment process for all social workers (National Assessment and Accreditation System).

Community and Housing

Overview

Community and Housing is currently forecasting an under spend of £124k as at November 2019. The department continues to have under and over spends in a number of its services except in Merton Adult Learning which continues to forecast a breakeven position.

Community and Housing Summary Outturn Position

Community and Housing	2019/20 Current Budget £000	2019/20 Forecast Spend £'000	2019/20 Forecast Variance (Nov'19) £000	2019/20 Forecast Variance (Oct'19) £000	2018/19 Outturn Variance £000
Access and Assessment	45,199	44,737	(462)	(467)	(258)
Commissioning	4,438	4,303	(135)	(104)	(5)
Direct Provision	4,706	4,775	69	68	6
Directorate	1,142	1,431	289	312	90
Adult Social Care	55,485	55,246	(239)	(191)	(167)
Libraries and Heritage	2,186	2,241	55	68	45
Merton Adult Learning	(8)	(8)	0	0	0
Housing General Fund	1,926	1,986	60	89	(73)
Other Services Sub-total	4,104	4,219	115	157	(28)
Public Health	(148)	(148)	0	12	0
Grand Total Controllable	59,441	59,317	(124)	(22)	(195)

Adult Social Care

Access & Assessment - £462k underspend

This service is currently forecasting an under spend of £462k as of November 2019 There was a minor increase in placements.

There is an expectation that placement numbers will increase over the winter months due to the current increase in hospital admissions.

The net underspend is largely due to savings for 2020/21 being achieved in advance, which is therefore a one off position and will be netted off once the saving is removed from the budget in the new financial year. It is also important to note that included in Adult Social Care income is £300k Independent Living Fund (ILF) grant, which ceases next year.

The position is before winter pressures hit. There are already significant demand pressures in the health system, and that is before any flu has impacted. ASC has put in place contingency plans in concert with our health partners. But is likely to see a surge in activity in the New Year as increased admission via A&E turns into increased discharges.

The table below shows significant movement in budget variances in the Access & Assessment division

Access & Assessment	Forecast Variance Nov'19 £000	Forecast Variance Oct'19 £000	Outturn Variances March 19 £000
Underspend on Concessionary Fares-(taxi-cards scheme)	(91)	(91)	(42)
Equipment	41	99	95
Other- Incl. Employee Related & Premises	159	99	(104)
Placements & Placements Other	1,845	1,776	1,111
Income (IBCF & ILF, Client Contribution)	(2,416)	(2,350)	(1,318)
Total Controllable	(462)	(467)	(258)

Direct Provision-£69k overspend

This service is currently forecasting an over spend of £69k. This is a minimal change since October.

The service continues to overspend on salaries at Meadowsweet, Riverside, JMC and the Supported living services.

The salaries budget for Supported Living was set when there were twenty two clients at one establishment and has grown to thirty eight clients, with three twenty-four hour shared supported schemes plus floating support. This will be addressed in the 2020/21 budget.

The JMC has a number of health staff that were transferred over to Merton and continue to have National Health terms and conditions. Health pay awards are higher than Merton and the increase has caused pressure on the budget.

Meadowsweet and Riverside Drive are residential services who have a shortfall due to single status. Sickness levels are causing additional costs and are being addressed through management action with individuals.

C&H-Other Services

Libraries-£55k overspend

The library service is currently forecasting an over spend of £55k which is an improvement since October. This is due to revision in forecast on employee related, libraries building related, equipment and printing related costs.

Merton Adult Learning

The service continues to forecast a breakeven position.

Housing - £60k overspend

The Housing service is currently forecasting an over spend of £60k as at November 2019 which is a reduction of £29k since October 2019. This is due to a combination of items, such as a reduction in salary forecast, increase in client and Housing Benefit contributions and conversely the increases in subsidy, rent deposits and rent sanctuary costs.

The housing enforcement budget reflects the increased capacity within the team to allow the service to work with private Landlords and their agents to improve housing conditions in the borough and to take a robust approach to housing enforcement. This has proved to be successful and in recent months we have seen three prosecutions against Landlords who have flouted the Law. This enforcement approach is a central plank to the work of the team and contributes to improving housing conditions in the borough and will continue into the New Year.

The temporary accommodation budget continues to fluctuate to reflect numbers of households being admitted into temporary accommodation, numbers of households leaving temporary accommodation and the income received from households living in temporary accommodation via Housing Benefit.

Housing benefit Income and subsidy costs are affected by the fluctuation in the number of households accessing the service in accordance with the provisions of the Housing Act. There was an increase of 4 cases in November. In the same period the service saw an increase in income.

Since the introduction of the Homelessness Reduction Act 2017 (HRA), the service is required by statute to deliver homelessness prevention activities (now referred to as 'Prevention & Relief Duties'). Accordingly, the prevention of homelessness remains a central plank to the work of the team and contributes to the wider council prevention agenda, which is seeking to ensure that households are able to continue to occupy their homes and avoid the trauma that a homelessness episode brings. It is also the case that the service is required to deliver outcomes to the rough sleeper population in line with MHCLG and the GLA requirements.

The service continues to provide outcomes to the most vulnerable members of our community who are rough sleeping. Recently the hub provided 18 bed spaces for those most entrenched rough sleepers. Any resident residing in the hub have had their housing and support needs assessed and appropriate pathways drawn up so as to minimise the risk of their returning to rough sleeping.

Other initiatives that are being developed following successful applications to MHCLG for grant funding. These include:-

Rough Sleeping Initiative, Rapid Rehousing Pathway, Controlling Migration Fund, And Outreach Rapid Response Team. These projects are all in progress and will contribute to the reduction of vulnerable rough sleepers sleeping

Prevention Activities undertaken as part of the New Burdens for Housing

Activities undertaken to prevent homelessness:-

- Rent rescue
- Rent Deposits
- Landlord liaison and negotiation with excluder
- Referrals to landlords, hostels and supported housing providers
- Legal advice on security of tenure, i.e. non-compliant s21 Housing Act 1988 notices
- Advice on prevention from eviction and landlord harassment
- Advice on income maximisation and welfare benefits

The table below shows the number of homelessness prevented to November 2019.

Period	Homelessness Prevention Targets 2019-20
Full Year Target	450
Target YTD	300
Achieved-Apr'19	57
Achieved-May'19	86
Achieved-June'19	118
Achieved-July'19	152
Achieved-Aug'19	193
Achieved-Sept'19	233
Achieved-Oct'19	273
Achieved-Nov'19	309

The service has exceeded its target to date and it is expected to over achieve its annual prevention target. This is the second year of the additional duties undertaken by the housing team and the team continue to exceed its target.

Analysis of Housing and Temporary Accommodation Expenditure

The table below shows the analysis of housing expenditure to November 2019.

Housing	Budget 2019/20 £000	Forecast (Nov'19) £'000	Forecast Variances (Nov'19) £'000	Forecast Variances (Oct'19) £000	Outturn Variances (March'19) £000
Temporary Accommodation-Expenditure	2,368	2,984	616	593	562
Temporary Accommodation-Client Contribution	(140)	(494)	(354)	(308)	(518)
Temporary Accommodation-Housing Benefit Income	(2,005)	(2,513)	(508)	(444)	(26)
Temporary Accommodation-Subsidy Shortfall	322	1,090	768	720	455
Temporary Accommodation-Grant	0	(450)	(450)	(450)	(531)
Subtotal Temporary Accommodation	544	617	73	112	(58)
Housing Other Budgets-Over/(under)spend	1,382	1,369	(13)	(23)	(15)
Total Controllable	1,926	1,986	60	89	(73)

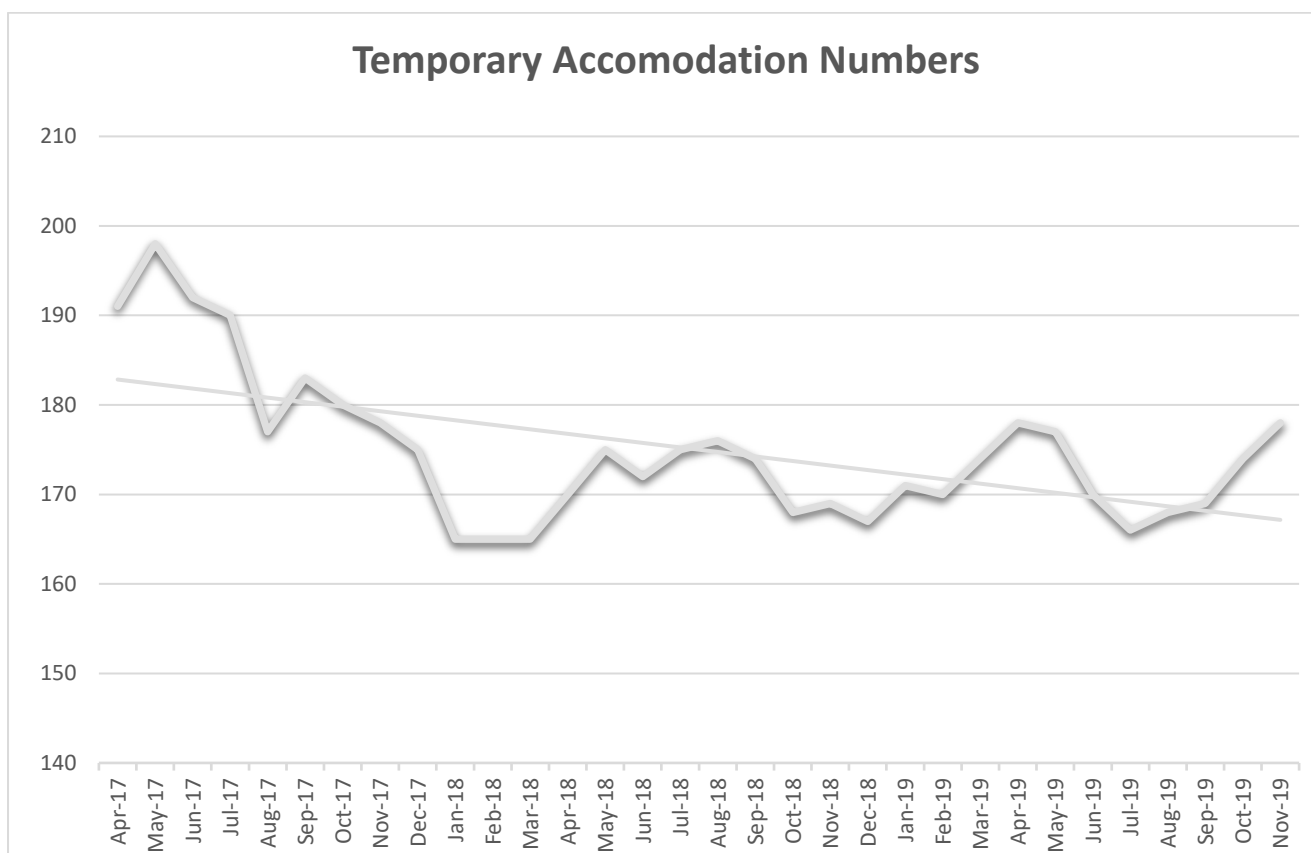
Temporary Accommodation (TA) movement to November 2019

The data below shows the total number of households (i.e. families and single occupants) in temporary accommodation as at November 2019.

Temporary Accommodation	Numbers IN	Numbers OUT	Total for the Month	2018/19
Mar'17	-	-	186	
Mar'18	16	16	165	
Mar'19	15	11	174	
April'19	15	11	178	170
May'19	15	16	177	175
June'19	11	18	170	172
July'19	16	20	166	175
Aug'19	16	14	168	176
Sept'19	14	13	169	174
Oct'19	17	12	174	168
Nov'19	19	15	178	169

Temporary accommodation numbers has slowly increased in the last 5 months.

The graph below shows the trend of temporary accommodation clients since April 2017 to date.



Although the trend line is indicating a reduction it should be note that in the last 5 months there has been an increase in numbers. The above also shows that over the winter months there is usually a peak in numbers in temporary accommodation.

Public Health - nil overspend

Public Health has reduced its overspend to nil. This is due to less than anticipated agency cost for maternity cover and revised forecast for healthy lifestyles activities. The service will continue to work towards achieving a breakeven position.

Corporate Items

The details comparing actual expenditure up to 30 November 2019 against budget are contained in Appendix 2. Based on expenditure and income as at 30 November 2019 there is an underspend of £1.550m forecast on corporate items as summarised in the following table:-

Corporate Items	Current Budget 2019/20 £000s	Full Year Forecast (Nov.) £000s	Forecast Variance at year end (Nov.) £000s	Forecast Variance at year end (Oct.) £000s	Outturn Variance 2018/19 £000s
Impact of Capital on revenue budget	10,481	10,332	(149)	(149)	403
Investment Income	(664)	(1,143)	(479)	(479)	(364)
Pension Fund	3,279	3,179	(100)	(100)	(254)
Pay and Price Inflation	100	100	0	0	(1,122)
Contingencies and provisions	3,560	2,982	(577)	(327)	(3,366)
Income Items	(1,503)	(1,749)	(246)	(245)	(956)
Appropriations/Transfers	(2,632)	(2,632)	0	0	(6)
Central Items	2,139	738	(1,401)	(1,151)	(6,068)
Levies	949	949	0	0	0
Depreciation and Impairment	(22,903)	(22,903)	0	0	4
TOTAL CORPORATE PROVISIONS	(9,334)	(10,884)	(1,550)	(1,300)	(5,661)

There has been an increase of £0.250m since October in the forecast level of underspend in the contingency budget. The figures in the table above have also been adjusted to reflect the transfer of the following amount, to the Spending Review Reserve

	£000
Excess Inflation provision	100
Total	1,250

The addition of this amount will increase the balance on the Spending Review Reserve to £5.845m.

4 Capital Programme 2019-23

4.1 The Table below shows the movement in the 2019/23 corporate capital programme since the last meeting of Cabinet, there has been considerable movement in the programme this month as this is the last opportunity to reprofile into future financial years in 2019-20:

Depts	Current Budget 19/20	Variance	Revised Budget 19/20	Current Budget 20/21	Variance	Revised Budget 20/21	Revised Budget 21/22	Variance	Revised Budget 21/22	Revised Budget 22/23	Variance	Revised Budget 22/23
CS	9,419	(2,269)	7,150	26,578	2,344	28,923	4,245	0	4,245	16,075	(75)	16,000
C&H	1,096	(39)	1,057	1,965	39	2,004	913	0	913	882	0	882
CSF	9,243	(180)	9,063	5,786	180	5,966	3,150	0	3,150	1,900	0	1,900
E&R	14,089	(4,483)	9,606	8,379	4,468	12,847	7,504	0	7,504	4,901	0	4,901
TOTAL	33,846	(6,971)	26,875	42,708	7,031	49,739	15,812	0	15,812	23,758	(75)	23,683

4.2 The table below summarises the position in respect of the 2018/19 Capital Programme as at November 2019. The detail is shown in Appendix 5.

	Actuals	Budgeted Spend to Date	Variance to Date	Final Budget	Final Forecast 2019/20	Full Year Variance
Corporate Services	1,753,152	2,358,010	(604,858)	7,149,230	6,950,649	(198,581)
Community and Housing	557,461	498,700	58,761	1,057,490	957,490	(100,000)
Children Schools & Families	6,391,293	6,567,413	(176,119)	9,062,400	9,049,340	(13,060)
Environment and Regeneration	5,058,357	5,687,718	(629,361)	9,606,240	9,570,260	(35,980)
Total	13,760,262	15,111,841	(1,351,578)	26,875,360	26,527,739	(347,621)

a) Corporate Services – All budget managers are projecting a full spend against budget, apart from Customer Contact which is currently showing in year slippage of £180k and works to other buildings £19k. The Table below summarises the adjustments to the programme within this department:

Scheme		2019/20 Budget	2020/21 Budget	2021/22 Budget	2022/23 Budget	Narrative
Corporate Service						
Invest to Save	(1)	(100,000)	100,000			Re-profiled in accordance with projected spend
Planned Replacement Programme - Data Centre	(1)	(150,000)	150,000			Re-profiled in accordance with projected spend
Planned Replacement Programme - Equipment Purchase	(1)	100,000	0			Vired from Corporate Cap Maint to cover projected costs
Other Buildings - Capital Maintenance	(1)	(100,000)	0			Vired to IT Planned Rep Prog to cover projected costs
Business Systems - Spectrum Spatial Analysis (GIS)			75,000			Vired from Corporate Cap Contingency in 2022-23
Corporate Capital Contingency					(75,000)	Vired to Spectrum Spatial Ana. (GIS) in 20-21 to cover projected costs
Housing Company	(1)	(1,564,460)	1,564,460			Re-profiled in accordance with projected spend
Westminster Coroners Court	(1)	(455,000)	455,000			Re-profiled in accordance with projected spend
Total Corporate Services		(2,269,460)	2,344,460	0	(75,000)	

(1) Requires Cabinet approval

b) Community and Housing – All budget managers are projecting a full year spend apart from disabled facilities grants which is showing in year slippage of £100k. Only one adjustment is being made to the departmental budget and this is to re-profile £39k from 2019/20 to 2020/21.

- c) Children, Schools and Families – Officers are currently projecting in year slippage of £13k over various sites. The following virements and re-profiling are being progressed this month:

Scheme		2019/20 Budget	2020/21 Budget	Narrative
Children, Schools and Families				
Singlegate Expansion		(11,000)	0	Vired to Perseid Expansion to cover projected costs
Perseid Expansion		11,000	0	Vired from Singlegate Expansion which is now complete
Dundonald Expansion		(31,150)	0	Vired to Harris Merton Expansion to cover projected costs
Harris Merton Expansion		31,150	0	Vired from Dundonald Expansion which is now complete
Hatfeild - Capital Maintenance		(25,710)	0	Vired to Cricket Green Capital Maint to cover projected costs
Cricket Green - Capital Maintenance	(1)	102,250	0	Vired from various Cap Maint Schemes to cover projected costs
Gorringer Park - Capital Maintenance		(17,000)	0	Vired to Cricket Green Capital Maint to cover projected costs
Cranmer - Capital Maintenance		(22,000)	0	Vired to Cricket Green Capital Maint to cover projected costs
Unallocated - Capital Maintenance		(7,540)	0	Vired to Cricket Green Capital Maint to cover projected costs
Raynes Park - Capital Maintenance		(30,000)	0	Vired to Cricket Green Capital Maint to cover projected costs
Melrose Primary SEMH		(50,000)	50,000	Re-profiled in accordance with projected spend
Melbury College - Healthy Schools		(30,000)	30,000	Re-profiled in accordance with projected spend
Cricket Green Expansion	(1)	(100,000)	100,000	Re-profiled in accordance with projected spend
Total Children, Schools and Families		(180,000)	180,000	

(1) Requires Cabinet approval

- d) Environment and Regeneration – Officers are projecting full spend on all budgets apart from underspends on Alleygating (£20k) and Fleet Vehicles (16k) . The following virements and re-profiling are being progressed this month:

Scheme		2019/20 Budget	2020/21 Budget	Narrative
Environment and Regeneration				
Parks Investment - Merton Parks Green Walks		(38,000)	38,000	Re-profiled in accordance with projected spend
Parks Investment - Abbey Recreation Ground		(39,750)	39,750	Re-profiled in accordance with projected spend
Parks Investment - Gap Road Corner Park	(1)	42,130	0	£32k Contributions, £8k S106 and £2k Neighbourhood CIL
Replacement Fleet Vehicles	(1)	(284,000)	284,000	Re-profiled in accordance with projected spend
SLWP - Wheelie Bins	(1)	(30,350)	30,350	Re-profiled in accordance with projected spend
SLWP - Premises/IT		(17,690)	17,690	Re-profiled in accordance with projected spend
Highways & Footways - Casualty Reduction		(70,000)	70,000	Re-profiled in accordance with projected spend
Highways & Footways - Traffic Schemes	(1)	(100,000)	100,000	Re-profiled in accordance with projected spend
Highways & Footways - Bridges and Structures	(1)	(100,000)	100,000	Re-profiled in accordance with projected spend
Cycle Routes Imps - Cycle Access and Parking		(10,000)	10,000	Re-profiled in accordance with projected spend
Mitcham Transport Imps - Figges Marsh Bus Priority		(55,000)	55,000	Re-profiled in accordance with projected spend
Wimbledon Area Regen - Crowded Places/Hostile Vehicle	(1)	(259,030)	268,000	Re-profiled in accordance with projected spend
Borough Regeneration - Haydons Rd Shopfronts	(1)	(204,000)	204,000	Re-profiled in accordance with projected spend
Parks Investment - Canons Parks for the People	(1)	(688,300)	688,300	Re-profiled in accordance with projected spend
Mitcham Area Regen - Canons Parks for the People	(1)	(1,244,290)	1,244,290	Re-profiled in accordance with projected spend
Colliers Wood Area Regen - Wandle Waymarking		15,000		New Section 106 Scheme
Morden Leisure Centre	(1)	(231,820)		Scheme complete relinquished budget
Sports Facilities - Wimbledon Park Lake	(1)	(1,318,160)	1,318,160	Re-profiled in accordance with projected spend
Parks Investment - Resurface Tennis Courts (Wimb Pk)	(1)	150,440		Funded by a contribution from a renewal reserve
Total Environment and Regeneration		(4,482,820)	4,467,540	

(1) Requires Cabinet approval

4.3 The table below summarises the movement in the Capital Programme for 2019/20 since its approval in March 2019 (£000s):

Depts.	Original Budget 19/20	Net Slippage 2018/19	Adjustments	New External Funding	New Internal Funding	Re-profiling	Revised Budget 19/20
Corporate Services	28,857	1,686			60	(23,453)	7,150
Community & Housing	971	225				(139)	1,057
Children Schools & Families	10,203	566		594	50	(2,350)	9,063
Environment and Regeneration	13,498	404	(232)	450	519	(5,034)	9,606
Total	53,529	2,881	(232)	1,044	629	(30,976)	26,875

4.4 The table below compares capital expenditure (£000s) to November 2019 to that in previous years':

Depts.	Spend To November 2016	Spend To November 2017	Spend to November 2018	Spend to November 2019	Variance 2016 to 2019	Variance 2017 to 2019	Variance 2018 to 2019
CS	1,386	1,538	3,534	1,753	367	215	(1,781)
C&H	348	473	608	557	209	85	(51)
CSF	9,684	3,575	4,297	6,391	(3,293)	2,816	2,095
E&R	7,834	7,768	9,897	5,058	(2,775)	(2,710)	(4,838)
Total Capital	19,252	13,354	18,336	13,760	(5,491)	407	(4,576)

Outturn £000s	30,626	32,230	31,424	
Budget £000s				26,875
Projected Spend November 2019 £000s				26,528
Percentage Spend to Budget				51.20%
% Spend to Outturn/Projection	62.86%	41.43%	58.35%	51.87%

4.5 November is two thirds into the financial year and departments have spent just over 51.5% of the budget. Spend to date is lower than two of the three previous financial years shown.

Department	Spend To October 2019 £000s	Spend To November 2019 £000s	Increase £000s
CS	1,659	1,753	94
C&H	502	557	56
CSF	5,583	6,391	808
E&R	3,242	5,058	1,816
Total Capital	10,986	13,760	2,774

4.6 During November 2019 officers spent just under £2.8 million, allowing for year end accruals average monthly spend of just under £2.7 million per month will achieve the projected outturn. An allowance for further slippage against this figure will be allowed for the in the Medium Term Financial Strategy as finance officers are projecting an outturn position of circa £25 million..

5. DELIVERY OF SAVINGS FOR 2019/20

Department	Target Savings 2019/20	Projected Savings 2019/20	Period 8 Forecast Shortfall	Period Forecast Shortfall (P8)	Period 7 Forecast Shortfall	2020/21 Expected Shortfall
	£000	£000	£000	%	£000	£000
Corporate Services	1,484	1,401	83	5.6%	83	35
Children Schools and Families	572	572	0	0.0%	0	0
Community and Housing	1,534	1,416	118	7.7%	121	0
Environment and Regeneration	3,370	2,097	1,273	37.8%	1,273	130
Total	6,960	5,486	1,474	21.2%	1,477	165

Appendix 6 details the progress on savings for 2019/20 by department.

Progress on savings 2018/19

Department	Target Savings 2018/19	2018/19 Shortfall	2019/20 Projected shortfall	2020/21 Projected shortfall
	£000	£000	£000	£000
Corporate Services	2,024	505	395	10
Children Schools and Families	489	0	0	0
Community and Housing	2,198	442	0	0
Environment and Regeneration	926	523	172	97
Total	5,637	1,470	567	107

Appendix 7 details the progress on unachieved savings from 2018/19 by department and the impact on the current year and next year.

Progress on savings 2017/18

Department	Target Savings 2017/18	2017/18 Shortfall	2018/19 shortfall	2019/20 Projected shortfall
	£000	£000	£000	£000
Corporate Services	2,316	196	0	0
Children Schools and Families	2,191	7	0	0
Community and Housing	2,673	0	0	0
Environment and Regeneration	3,134	2,188	694	305
Total	10,314	2,391	694	305

Appendix 8 details the progress on unachieved savings from 2017/18 by department and the impact on the current year and next year.

6. CONSULTATION UNDERTAKEN OR PROPOSED

6.1 All relevant bodies have been consulted.

7. TIMETABLE

7.1 In accordance with current financial reporting timetables.

8. FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

8.1 All relevant implications have been addressed in the report.

9. LEGAL AND STATUTORY IMPLICATIONS

9.1 All relevant implications have been addressed in the report.

10. HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

10.1 Not applicable

11. CRIME AND DISORDER IMPLICATIONS

11.1 Not applicable

12. RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

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

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

Appendix 1-	Detailed position table
Appendix 2 –	Detailed Corporate Items table
Appendix 3 –	Pay and Price Inflation
Appendix 4 –	Treasury Management: Outlook
Appendix 5a -	Current Capital Programme 2019/20
Appendix 5b -	Detail of Virements
Appendix 5c -	Summary of Capital Programme Funding
Appendix 6 –	Progress on savings 2019/20
Appendix 7 –	Progress on savings 2018/19
Appendix 8 -	Progress on savings 2017/18

14. BACKGROUND PAPERS

14.1 Budgetary Control files held in the Corporate Services department.

15. REPORT AUTHOR

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Summary Position as at 30th November 2019

	Original Budget 2019/20 £000s	Current Budget 2019/20 £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	Outturn variance 2018/19 £000
Department	-	-	-	-	-	-	-	-
3A. Corporate Services	10,930	11,425	16,578	17,147	11,135	(290)	(291)	(2,511)
3B. Children, Schools and Families	60,819	61,360	32,860	26,836	62,766	1,406	1,212	2,271
3C. Community and Housing	-	-	-	-	-	-	-	-
Adult Social Care	58,657	58,650	36,742	40,082	58,410	(240)	(191)	(169)
Libraries & Adult Education	2,878	2,878	2,034	2,624	2,933	55	68	45
Housing General Fund	2,219	2,239	889	424	2,299	60	89	(73)
3D. Public Health	0	0	(817)	(1,911)	0	0	12	0
3E. Environment & Regeneration	15,832	16,045	3,409	(12,016)	16,225	180	(668)	(1,526)
Overheads	0	0	0	0	0	0	0	(33)
NET SERVICE EXPENDITURE	151,335	152,597	91,695	73,186	153,769	1,172	232	(1,996)
3E. Corporate Items	-	-	-	-	-	-	-	-
Impact of Capital on revenue budget	10,481	10,481	4,210	4,312	10,332	(149)	(149)	403
Other Central items	(19,500)	(20,764)	(177)	3,577	(22,165)	(1,401)	(1,151)	(6,064)
Levies	949	949	700	700	949	0	0	0
TOTAL CORPORATE PROVISIONS	(8,070)	(9,334)	4,733	8,590	(10,884)	(1,550)	(1,300)	(5,661)
TOTAL GENERAL FUND	143,264	143,263	96,429	81,776	142,885	(378)	(1,068)	(7,657)
- Funding	-	-	-	-	-	-	-	-
- Business Rates	(44,026)	(44,026)	0	0	(44,026)	0	0	0
- RSG	0	0	0	0	0	0	0	0
- Section 31 Grant	0	0	(2,739)	(2,739)	0	0	0	0
- New Homes Bonus	(2,108)	(2,108)	(1,581)	(1,581)	(2,108)	0	0	0
- PFI Grant	(4,797)	(4,797)	(2,398)	(2,398)	(4,797)	0	0	0
- Brexit Grant	(210)	(210)	(210)	(210)	(210)	0	0	0
- Adult Social Care Grant	(1,054)	(1,054)	(4,093)	(4,093)	(1,054)	0	0	0
Grants	(52,195)	(52,195)	(11,022)	(11,022)	(52,195)	0	0	-
Collection Fund - Council Tax Surplus(-)/Deficit	(1,949)	(1,949)	0	0	(1,949)	0	0	0
Collection Fund - Business Rates Surplus(-)/Deficit	3,250	3,250	0	0	3,250	0	0	0
Council Tax								
- General	(92,028)	(92,028)	0	0	(92,028)	0	0	0
- WPCC	(343)	(343)	0	0	(343)	0	0	0
Council Tax and Collection Fund	(91,070)	(91,070)	0	0	(91,070)	0	0	-
FUNDING	(143,265)	(143,265)	(11,022)	(11,022)	(143,265)	0	0	-
NET	(0)	(1)	85,407	70,754	(380)	(378)	(1,068)	(7,657)

Appendix 2

3E. Corporate Items	Council 2019/20 £000s	Original Budget 2019/20 £000s	Current Budget 2019/20 £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	Outturn Variance 2018/19 £000s
Cost of Borrowing	10,481	10,481	10,481	4,210	4,312	10,332	(149)	(149)	403
Impact of Capital on revenue budget	10,481	10,481	10,481	4,210	4,312	10,332	(149)	(149)	403
Investment Income	(664)	(664)	(664)	(443)	(712)	(1,143)	(479)	(479)	(364)
Pension Fund	3,429	3,429	3,279	3,552	3,552	3,179	(100)	(100)	(254)
Corporate Provision for Pay Award	877	877	(0)		0	(0)	0	0	(744)
Provision for excess inflation	450	450	100		0	100	0	0	(378)
Pay and Price Inflation	1,327	1,327	100	0	0	100	0	0	(1,122)
Contingency	1,500	1,500	750		0	500	(250)	0	(1,398)
Single Status/Equal Pay	100	100	50		0	50	0	0	(84)
Bad Debt Provision	500	500	500		0	500	0	0	(33)
Loss of income - P3/P4	200	200	100		0	0	(100)	(100)	(200)
Loss of HB Admin grant	83	83	34		0	0	(34)	(34)	(83)
Apprenticeship Levy	450	450	250	167	138	250	0	0	(217)
Revenuisation and miscellaneous	2,070	2,070	1,875		257	1,682	(193)	(193)	(1,351)
Contingencies and provisions	4,904	4,904	3,560	167	395	2,982	(577)	(327)	(3,366)
Other income	0	0	0	0	(246)	(246)	(246)	(245)	(953)
CHAS IP/Dividend	(1,407)	(1,407)	(1,503)	(821)	(830)	(1,503)	0	0	(3)
Income items	(1,407)	(1,407)	(1,503)	(821)	(1,076)	(1,749)	(246)	(245)	(956)
Appropriations: CS Reserves	(711)	(711)	(1,007)	(1,007)	(351)	(1,007)	0	0	0
Appropriations: E&R Reserves	(146)	(146)	(446)	(446)	0	(446)	0	0	0
Appropriations: CSF Reserves	9	9	(586)	(586)	(976)	(586)	0	0	0
Appropriations: C&H Reserves	(104)	(104)	(104)	(104)	0	(104)	0	0	0
Appropriations: Public Health Reserves	(1,200)	(1,200)	(1,200)	(1,200)	0	(1,200)	0	0	0
Appropriations: Corporate Reserves	(2,034)	(2,034)	711	711	2,745	711	0	0	(6)
Appropriations/Transfers	(4,186)	(4,186)	(2,632)	(2,632)	1,418	(2,632)	0	0	(6)
Depreciation and Impairment	(22,903)	(22,903)	(22,903)	0	0	(22,903)	0	0	4
Central Items	(9,019)	(9,019)	(10,283)	4,033	7,889	(11,833)	(1,550)	(1,300)	(5,661)
Levies	949	949	949	700	700	949	0	0	0
TOTAL CORPORATE PROVISIONS	(8,070)	(8,070)	(9,334)	4,733	8,590	(10,884)	(1,550)	(1,300)	(5,661)

Pay and Price Inflation as at November 2019

In 2019/20, the budget includes 2.8% for increases in pay and 1.5% for increases in general prices, with an additional amount, currently £0.450m, which is held to assist services that may experience price increases greatly in excess of the inflation allowance provided when setting the budget. With CPI inflation currently at 1.5% and RPI at 2.2% this budget will only be released when it is certain that it will not be required.

Pay:

The local government pay award for 2019/20 was agreed in April 2018 covering 2018/19 and 2019/20. For the lowest paid (those on spinal points 6-19) this agreed a pay rise of between 2.9% and 9.2%. Those on spinal points 20-52 received 2%.

Prices:

The Consumer Prices Index (CPI) 12-month rate was 1.5% in November 2019, unchanged from October 2019. The Consumer Prices Index including owner occupiers' housing costs (CPIH) 12-month inflation rate was also 1.5% in November 2019, unchanged from October 2019. The largest downward contributions to change in the 12-month inflation rate between October and November 2019 came from accommodation services and tobacco. The largest offsetting upward contributions came from food, and recreation and culture, where prices rose this year by more than a year ago. The RPI rate for November 2019 was 2.2%, which is up from the figure of 2.1% in October 2019.

Outlook for inflation:

The Bank of England's Monetary Policy Committee (MPC) sets monetary policy to meet the 2% inflation target and in a way that helps to sustain growth and employment. At its meeting ending on 18 December 2019, the MPC voted by a majority of 7-2 to maintain Bank Rate at 0.75%. The Committee voted unanimously to maintain the stock of sterling non-financial investment-grade corporate bond purchases, financed by the issuance of central bank reserves, at £10 billion. The Committee also voted unanimously to maintain the stock of UK government bond purchases, financed by the issuance of central bank reserves, at £435 billion.

In the minutes to its December meeting, the MPC note that "there continue to be some signs that the labour market is loosening, although it remains tight. Employment growth has slowed and vacancies have fallen, but the unemployment rate has remained stable and the employment rate is around its record high. Although pay growth has eased somewhat, unit labour costs have continued to grow at rates above those consistent with meeting the inflation target in the medium term. CPI inflation remained at 1.5% in November and core CPI inflation remained at 1.7%, broadly as expected. The headline rate is still expected to fall to around 1¼% by the spring, owing to the temporary effects of falls in regulated energy and water prices. Monetary policy could respond in either direction to changes in the economic outlook in order to ensure a sustainable return of inflation to the 2% target. The Committee will, among other factors, continue to monitor closely the responses of companies and households to Brexit developments as well as the prospects for a recovery in global growth."

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 (December 2019)			
	Lowest %	Highest %	Average %
2019 (Quarter 4)			
CPI	1.4	2.3	1.7
RPI	1.8	3.2	2.3
LFS Unemployment Rate	3.8	4.1	3.9
2020 (Quarter 4)	Lowest %	Highest %	Average %
CPI	1.4	3.3	1.9
RPI	1.8	4.2	2.6
LFS Unemployment Rate	3.8	4.6	4.1

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

Independent medium-term projections for the calendar years 2019 to 2023 are summarised in the following table:-

Source: HM Treasury - Forecasts for the UK Economy (December 2019)					
	2019	2020	2021	2022	2023
	%	%	%	%	%
CPI	1.8	1.8	1.9	2.1	2.1
RPI	2.6	2.4	2.7	3.3	3.4
LFS Unemployment Rate	3.9	4.0	4.0	4.1	4.0

Treasury Management: Outlook

At its meeting ending on 18 December 2019, the MPC voted by a majority of 7-2 to maintain Bank Rate at 0.75%. The Committee voted unanimously to maintain the stock of sterling non-financial investment-grade corporate bond purchases, financed by the issuance of central bank reserves, at £10 billion. The Committee also voted unanimously to maintain the stock of UK government bond purchases, financed by the issuance of central bank reserves, at £435 billion.

In the minutes to the December 2019 meeting the MPC state that “Monetary policy could respond in either direction to changes in the economic outlook in order to ensure a sustainable return of inflation to the 2% target. The Committee will, among other factors, continue to monitor closely the responses of companies and households to Brexit developments as well as the prospects for a recovery in global growth. If global growth fails to stabilise or if Brexit uncertainties remain entrenched, monetary policy may need to reinforce the expected recovery in UK GDP growth and inflation. Further ahead, provided these risks do not materialise and the economy recovers broadly in line with the MPC’s latest projections, some modest tightening of policy, at a gradual pace and to a limited extent, may be needed to maintain inflation sustainably at the target. The MPC judges at this meeting that the existing stance of monetary policy is appropriate.”

The outlook for interest rates looking forward will be heavily dependent on the Brexit outcome. The MPC say that “The MPC sets monetary policy to meet the 2% inflation target, and in a way that helps to sustain growth and employment. In pursuing that objective, the main challenges the Committee faced had been to assess the economic implications of the United Kingdom withdrawing from the European Union against a backdrop, more recently, of weaker global growth, and to identify the appropriate policy response to that changing outlook. That outlook depended significantly on the nature and timing of EU withdrawal, in particular: the form of new trading arrangements between the European Union and the United Kingdom; whether the transition to them was abrupt or smooth; and how households, businesses and financial markets responded. The implications for the appropriate path of monetary policy would depend on the balance of the effects on demand, supply and the exchange rate.”

In terms of the likely path of interest rates the MPC state that “Financial markets had remained sensitive to domestic policy developments. Since the November Report, the sterling exchange rate had appreciated by 2% and UK-focused equities had outperformed their international counterparts. The expected path for Bank Rate in three years’ time was around 10 basis points higher than the 15-day average on which the November Report projections had been conditioned. These movements probably reflected a perceived reduction in tail risks around the Brexit process as well as an updated judgement among market participants about the likely central outcome.”

The Quarterly “Inflation Report now “The Monetary Policy Report”

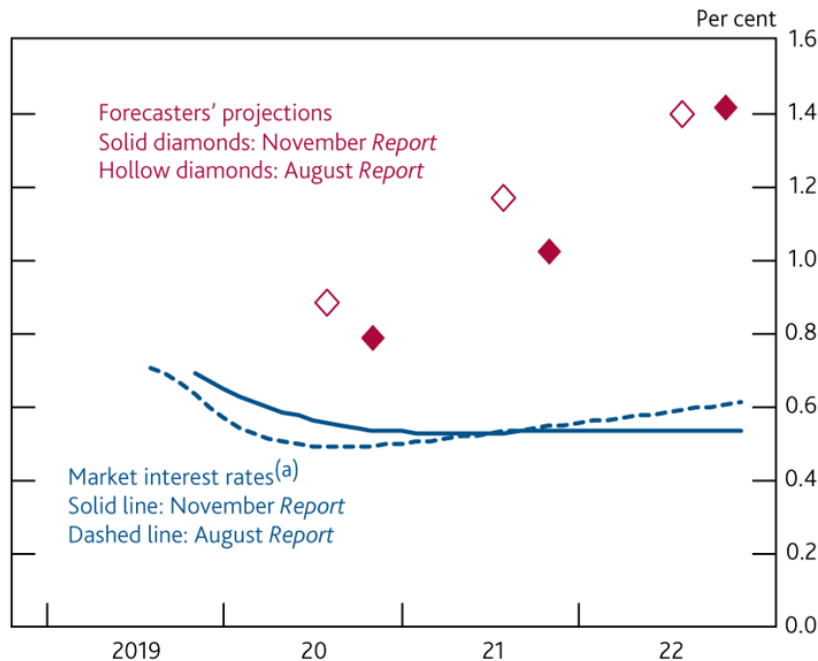
Starting on 7 November, the Bank of England Inflation Report became the Monetary Policy Report. The Report is also to undergo some changes to its structure

These changes are part of the Bank’s ongoing efforts to improve its communications and ensure that those outside the institution have the information they need in order to understand our policy decisions and to hold the Bank to account.

External forecasters’ central projections for Bank Rate in one and two years’ time were lower, on average, than three months ago, while they were broadly similar at the three-year horizon (See Chart below). The average central projection for Bank Rate remained well above the market-implied path upon which the MPC’s November Report forecast assumptions are conditioned.

	2019 Qtr.4	2020 Qtr.4	2021 Qtr.4	2022 Qtr.4
MPC's Market implied Bank Rate (November 2019)	0.7	0.5	0.5	0.5
External forecasters projections (November 2019)		0.8	1.0	1.4

Market interest rates and averages of forecasters' central projections of Bank Rate



Sources: Bloomberg Finance L.P. and projections of outside forecasters as of 25 October 2019 and 19 July 2019.

(a) Estimated using instantaneous forward overnight index swap rates in the 15 working days to 30 October 2018 and 24 July 2019 respectively.

Source: Monetary Policy Report November 2019 (Bank of England – MPC)

In order to maintain price stability, the Government has set the Bank's Monetary Policy Committee (MPC) a target for the annual inflation rate of the Consumer Prices Index of 2%. Subject to that, the MPC is also required to support the Government's economic policy, including its objectives for growth and employment.

The MPC's projections are underpinned by four key judgements :-

Key Judgement 1:

Global GDP growth is projected to remain slow in the first part of the forecast period, partly reflecting the impact of trade protectionism, before rising gradually towards potential rates.

Key Judgement 2:

Supply growth is subdued.

Key Judgement 3:

Uncertainty is reduced by the Withdrawal Agreement — providing some support to UK demand growth.

Key Judgement 4:

CPI inflation declines further below 2% in the near term given lower utilities prices, before rising slightly above the target by the end of the forecast owing to building domestic price pressures.

Office for Budget Responsibility (OBR) Economic and Fiscal Outlook (EFO)

Following the outcome of the General Election, the OBR published its “Restated March 2019 Forecast” on 16 December 2019. The main conclusions in the OBR’s report as to how the forecast has changed since March 2019 are that:-

- World GDP and trade growth are materially weaker, with the International Monetary Fund having revised down its forecasts for growth in advanced and emerging economies over the next two years
- UK GDP growth this year has been more uneven than expected, with output declining in the second quarter and rebounding in the third. Business surveys have weakened further in recent months and consumer confidence remains subdued.
- Average earnings growth has continued to pick up and unemployment remains low.
- ONS Blue Book revisions point to a higher saving ratio than previously estimated.
- New ONS population projections suggest less fiscally unfavourable demographics over the coming five years, with lower fertility and higher mortality (both reducing pressure on spending) but higher net migration (adding to employment and receipts growth).
- Year-to-date borrowing has risen proportionately faster than the OBR’s full-year March forecast. Mechanically extrapolating the increase over the year to date would imply a full-year upward revision of around £10 billion

Capital Budget Monitoring- November 2019

	Actuals	Budgeted Spend to Date	Variance to Date	Final Budget	Final Year Forecast 2019/20	Full Year Variance
Capital	13,760,262	15,111,841	(1,351,578)	26,875,360	26,527,739	(347,621)
Corporate Services	1,753,152	2,358,010	(604,858)	7,149,230	6,950,649	(198,581)
Customer, Policy and Improvmen	138,539	150,000	(11,461)	472,660	292,858	(179,802)
Customer Contact Programme	138,539	150,000	(11,461)	472,660	292,858	(179,802)
Facilities Management Total	558,464	592,630	(34,166)	1,280,420	1,261,641	(18,779)
Works to other buildings	230,630	288,800	(58,170)	569,210	550,431	(18,779)
Civic Centre	268,530	238,830	29,700	544,770	544,770	0
Invest to Save schemes	59,304	65,000	(5,696)	166,440	166,440	0
Infrastructure & Transactions	1,037,175	1,605,380	(568,205)	3,466,180	3,466,180	0
Business Systems	63,168	163,800	(100,632)	536,860	536,860	0
Social Care IT System	96,903	185,000	(88,097)	425,240	425,240	0
Planned Replacement Programme	877,104	1,256,580	(379,476)	2,504,080	2,504,080	0
Resources	18,974	10,000	8,974	24,970	24,970	0
Financial System	18,974	10,000	8,974	24,970	24,970	0
Corporate Items	0	0	0	1,905,000	1,905,000	0
Westminster Ccl Coroners Court	0	0	0	5,000	5,000	0
Housing Company	0	0	0	1,900,000	1,900,000	0
Community and Housing	557,461	498,700	58,761	1,057,490	957,490	(100,000)
Adult Social Care	3,349	0	3,349	5,000	5,000	0
Telehealth	3,349	0	3,349	5,000	5,000	0
Housing	513,699	410,000	103,699	927,160	827,160	(100,000)
Disabled Facilities Grant	513,699	410,000	103,699	927,160	827,160	(100,000)
Libraries	40,413	88,700	(48,288)	125,330	125,330	0
Library Enhancement Works	754	48,700	(47,946)	48,700	48,700	0
Libraries IT	39,659	40,000	(342)	76,630	76,630	0

Capital Budget Monitoring- November 2019

	Actuals	Budgeted Spend to Date	Variance to Date	Final Budget	Final Year Forecast 2019/20	Full Year Variance
Children Schools & Families	6,391,293	6,567,413	(176,119)	9,062,400	9,049,340	(13,060)
Primary Schools	911,419	995,613	(84,193)	1,637,420	1,622,090	(15,330)
Hollymount	0	12,180	(12,180)	16,240	16,912	672
West Wimbledon	36,917	52,778	(15,861)	90,370	90,370	0
Hatfeild	35,884	45,363	(9,478)	80,000	80,000	0
Hillcross	141,711	174,555	(32,844)	232,740	227,750	(4,990)
Joseph Hood	36,460	31,350	5,110	41,800	36,460	(5,340)
Dundonald	(3,871)	0	(3,871)	0	0	0
Garfield	82,546	73,835	8,711	126,780	137,100	10,320
Merton Abbey	21,479	17,843	3,636	23,790	23,790	0
Pelham	67,618	76,418	(8,800)	85,890	77,434	(8,456)
Poplar	18,896	20,303	(1,406)	27,070	32,000	4,930
Wimbledon Chase	116,251	114,835	1,416	133,780	136,700	2,920
Wimbledon Park	0	1,800	(1,800)	1,800	0	(1,800)
Abbotsbury	32,067	53,655	(21,588)	184,540	184,540	0
Morden	(2,219)	3,970	(6,189)	3,970	0	(3,970)
Bond	107,640	91,450	16,190	120,600	121,200	600
Cranmer	3,680	10,073	(6,393)	34,430	34,150	(280)
Gorringe Park	10,970	7,500	3,470	83,970	83,970	0
Haslemere	30,464	31,130	(666)	36,840	36,840	0
Liberty	34,003	61,370	(27,367)	92,300	85,000	(7,300)
Links	64,651	60,110	4,541	74,480	69,000	(5,480)
St Marks	278	0	278	0	0	0
Lonesome	20,000	16,300	3,700	76,300	80,000	3,700
Sherwood	42,367	25,598	16,769	51,130	51,130	0
Stanford	(1,768)	0	(1,768)	0	0	0
William Morris	15,396	13,200	2,196	18,600	17,744	(856)

Please note negative actual spend figures relate to retention and accrued invoices that are still to be paid

Capital Budget Monitoring- November 2019

	Actuals	Budgeted Spend to Date	Variance to Date	Final Budget	Final Year Forecast 2019/20	Full Year Variance
Secondary School	1,603,830	1,614,158	(10,328)	1,812,340	1,806,330	(6,010)
Harris Academy Merton	1,550	4,570	(3,020)	35,720	35,720	0
Raynes Park	28,749	31,983	(3,234)	37,680	37,200	(480)
Ricards Lodge	20,648	31,440	(10,792)	36,690	38,200	1,510
Rutlish	212,359	196,165	16,194	251,540	244,500	(7,040)
Harris Academy Wimbledon	1,340,523	1,350,000	(9,477)	1,450,710	1,450,710	0
SEN	3,645,438	3,725,203	(79,765)	5,260,650	5,269,370	8,720
Perseid	(31,704)	51,210	(82,914)	94,490	92,210	(2,280)
Cricket Green	3,025,947	3,017,743	8,204	4,148,160	4,159,160	11,000
Melrose	7,000	5,250	1,750	57,000	57,000	0
Secondary School Autism Unit	0	0	0	0	0	0
Unlocated SEN	541,029	550,000	(8,971)	820,000	820,000	0
Melbury College - Smart Centre	103,166	101,000	2,166	141,000	141,000	0
CSF Schemes	230,607	232,440	(1,833)	351,990	351,550	(440)
CSF IT Schemes	(1,353)	440	(1,793)	440	0	(440)
Devolved Formula Capital	231,960	232,000	(40)	351,550	351,550	0

Please note negative actual spend figures relate to retention and accrued invoices that are still to be paid

Capital Budget Monitoring- November 2019

	Actuals	Budgeted Spend to Date	Variance to Date	Final Budget	Final Year Forecast 2019/20	Full Year Variance
Environment and Regeneration	5,058,357	5,687,718	(629,361)	9,606,240	9,570,260	(35,980)
Public Protection and Developm	47,257	66,800	(19,543)	66,800	66,800	0
CCTV Investment	0	10,340	(10,340)	10,340	10,340	0
Public Protection and Developm	47,257	56,460	(9,203)	56,460	56,460	0
Street Scene & Waste	656,193	666,660	(10,467)	814,300	778,325	(35,975)
Fleet Vehicles	37,685	37,660	25	53,660	37,685	(15,975)
Alley Gating Scheme	7,508	18,000	(10,492)	30,000	10,000	(20,000)
Waste SLWP	611,000	611,000	0	730,640	730,640	(0)
Waste Bins	611,000	611,000	611,000	730,640	730,640	(0)
Sustainable Communities	4,354,906	4,954,258	(599,352)	8,725,140	8,725,135	(5)
Street Trees	0	10,000	(10,000)	60,000	60,000	0
Raynes Park Area Roads	0	0	0	26,110	26,110	0
Highways & Footways	2,338,017	2,525,490	(187,473)	4,585,650	4,585,650	0
Cycle Route Improvements	627,277	856,400	(229,123)	984,600	984,600	0
Mitcham Transport Improvements	349,360	456,590	(107,230)	931,590	931,590	0
Colliers Wood Area Regeneratio	0	0	0	15,000	15,000	0
Mitcham Area Regeneration	14,466	63,874	(49,408)	125,000	125,000	0
Wimbledon Area Regeneration	128,276	130,000	(1,724)	158,470	158,470	0
Borough Regeneration	146,267	165,000	(18,733)	389,150	389,145	(5)
Morden Leisure Centre	235,946	284,580	(48,634)	365,000	365,000	0
Sports Facilities	360,229	345,000	15,229	570,000	570,000	0
Parks	155,067	117,324	37,743	514,570	514,570	0

Please note negative actual spend figures relate to retention and accrued invoices that are still to be paid

Virement, Re-profiling and New Funding - November 2019

Appendix 5b

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		2019/20 Budget	Virements	Funding Adjustments	Reprofiling	Revised 2019/20 Budget	2020/21 Budget	Movement	Revised 2020/21 Budget	Narrative
-	-	£	£		£	£	£		£	
Corporate Service										
Invest to Save	(1)	266,440			(100,000)	166,440	300,000	100,000	400,000	Re-profiled in accordance with projected spend
Planned Replacement Programme - Data Centre	(1)	300,000			(150,000)	150,000	0	150,000	150,000	Re-profiled in accordance with projected spend
Planned Replacement Programme - Equipment Purchase	(1)	0	100,000			100,000	0	0	0	Vired from Corporate Cap Maint to cover projected costs
Other Buildings - Capital Maintenance	(1)	702,330	(100,000)			602,330	650,000	0	650,000	Vired to IT Planned Rep Prog to cover projected costs
Business Systems - Spectrum Spatial Analysis (GIS)		170,000				170,000	90,000	75,000	165,000	Vired from Corporate Cap Contingency in 2022-23
Housing Company	(1)	3,464,460			(1,564,460)	1,900,000	21,809,980	1,564,460	23,374,440	Re-profiled in accordance with projected spend
Westminster Coroners Court	(1)	460,000			(455,000)	5,000	0	455,000	455,000	Re-profiled in accordance with projected spend
Community and Housing										
Adult Social Care - Telehealth		43,750			(38,750)	5,000	0	38,750	38,750	Re-profiled in accordance with projected spend
Children, Schools and Families										
Singlegate Expansion		11,000	(11,000)			0	0	0	0	Vired to Perseid Expansion to cover projected costs
Perseid Expansion		51,210	11,000			62,210	0	0	0	Vired from Singlegate Expansion which is now complete
Dundonald Expansion		31,150	(31,150)			0	0	0	0	Vired to Harris Merton Expansion to cover projected costs
Harris Merton Expansion		4,570	31,150			35,720	0	0	0	Vired from Dundonald Expansion which is now complete
Hatfield - Capital Maintenance		105,710	(25,710)			80,000	0	0	0	Vired to Cricket Green Capital Maint to cover projected costs
Cricket Green - Capital Maintenance	(1)	88,750	102,250			191,000	0	0	0	Vired from various Cap Maint Schemes to cover projected costs
Goringe Park - Capital Maintenance		90,000	(17,000)			73,000	0	0	0	Vired to Cricket Green Capital Maint to cover projected costs
Cranmer - Capital Maintenance		56,430	(22,000)			34,430	0	0	0	Vired to Cricket Green Capital Maint to cover projected costs
Unallocated - Capital Maintenance		7,540	(7,540)			0	1,900,000	0	1,900,000	Vired to Cricket Green Capital Maint to cover projected costs
Raynes Park - Capital Maintenance		67,680	(30,000)			37,680	0	0	0	Vired to Cricket Green Capital Maint to cover projected costs
Melrose Primary SEMH		100,000			(50,000)	50,000	1,500,000	50,000	1,550,000	Re-profiled in accordance with projected spend
Melbury College - Healthy Schools		30,000			(30,000)	0	0	30,000	30,000	Re-profiled in accordance with projected spend
Cricket Green Expansion	(1)	4,057,160			(100,000)	3,957,160	0	100,000	100,000	Re-profiled in accordance with projected spend
Environment and Regeneration										
Parks Investment - Merton Parks Green Walks		38,000			(38,000)	0	0	38,000	38,000	Re-profiled in accordance with projected spend
Parks Investment - Abbey Recreation Ground		39,750			(39,750)	0	0	39,750	39,750	Re-profiled in accordance with projected spend
Parks Investment - Gap Road Corner Park		0		42,130		42,130	0		0	£32k Contributions, £8k S106 and £2k Neighbourhood CIL
Replacement Fleet Vehicles	(1)	337,660			(284,000)	53,660	300,000	284,000	584,000	Re-profiled in accordance with projected spend
SLWP - Wheelie Bins	(1)	760,990			(30,350)	730,640	0	30,350	30,350	Re-profiled in accordance with projected spend
SLWP - Premises/IT		17,690			(17,690)	0	0	17,690	17,690	Re-profiled in accordance with projected spend
Highways & Footways - Casualty Reduction		304,000			(70,000)	234,000	0	70,000	70,000	Re-profiled in accordance with projected spend
Highways & Footways - Traffic Schemes	(1)	250,000			(100,000)	150,000	150,000	100,000	250,000	Re-profiled in accordance with projected spend
Highways & Footways - Bridges and Structures	(1)	250,000			(100,000)	150,000	380,000	100,000	480,000	Re-profiled in accordance with projected spend
Cycle Routes Imps - Cycle Access and Parking		17,000			(10,000)	7,000	0	10,000	10,000	Re-profiled in accordance with projected spend
Mitcham Transport Imps - Figges Marsh Bus Priority		916,990			(55,000)	861,990	0	55,000	55,000	Re-profiled in accordance with projected spend
Wimbledon Area Regen - Crowded Places/Hostile Vehicle	(1)	417,500		8,970	(268,000)	158,470	0	268,000	268,000	Re-profiled in accordance with projected spend
Borough Regeneration - Haydons Rd Shopfronts	(1)	224,000			(204,000)	20,000	0	204,000	204,000	Re-profiled in accordance with projected spend
Parks Investment - Canons Parks for the People	(1)	715,300			(688,300)	27,000	500,000	688,300	1,188,300	Re-profiled in accordance with projected spend
Mitcham Area Regen - Canons Parks for the People	(1)	1,319,290			(1,244,290)	75,000	1,000,000	1,244,290	2,244,290	Re-profiled in accordance with projected spend
Colliers Wood Area Regen - Wandle Waymarking		0		15,000		15,000	0		0	New Section 106 Scheme
Morden Leisure Centre		596,820		(231,820)		365,000	0		0	Scheme complete relinquished budget
Sports Facilities - Wimbledon Park Lake	(1)	1,393,160			(1,318,160)	75,000	0	1,318,160	1,318,160	Re-profiled in accordance with projected spend
Parks Investment - Resurface Tennis Courts (Wimb Pk)	(1)	0		150,440		150,440	0		0	Funded by a contribution from a renewal reserve
Total		17,706,330	0	(15,280)	(6,955,750)	10,735,300	28,579,980	7,030,750	35,610,730	

1) Requires Cabinet Approval

2) Requires Council Approval

Virement, Re-profiling and New Funding -November 2019

		2021/22 Budget	Reprofiling	Revised 2021/22 Budget	2022/23 Budget	Reprofiling	Revised 2022/23 Budget	Narrative
-	-	£	£	£	£	£	£	
Corporate Services	-							
Corporate Capital Contingency				0	4,908,900	(75,000)	4,833,900	Vired to Spectrum Spatial Analysis (GIS) in 2020-21 to cover projected costs
Total		0	0	0	4,908,900	(75,000)	4,833,900	

1) Requires Cabinet Approval

2) Requires Council Approval

Capital Programme Funding Summary 2019/20

	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
Approved Capital Programme - Oct Monitoring	23,504	10,342	33,846
<u>Corporate Services</u>			
Invest to Save	(100)	0	(100)
Planned Replacement Programme - Data Centre	(150)	0	(150)
Housing Company	(1,564)	0	(1,564)
Westminster Coroners Court	(455)	0	(455)
<u>Community and Housing</u>			
Adult Social Care - Telehealth	(39)	0	(39)
<u>Children, Schools and Families</u>			
Melrose Primary SEMH	(50)	0	(50)
Melbury College - Healthy Schools	0	(30)	(30)
Cricket Green Expansion	(100)	0	(100)
<u>Environment and Regeneration</u>			
Parks Investment - Merton Parks Green Walks	(38)	0	(38)
Parks Investment - Abbey Recreation Ground	(40)	0	(40)
Parks Investment - Gap Road Corner Park	10	32	42
Replacement Fleet Vehicles	(284)	0	(284)
SLWP - Wheelie Bin	(30)	0	(30)
SLWP - Premises/IT	(18)	0	(18)
Highways & Footways - Casualty Reduction	0	(70)	(70)
Highways & Footways - Traffic Schemes	(100)	0	(100)
Highways & Footways - Bridges and Structures	(100)	0	(100)
Cycle Routes Imps - Cycle Access and Parking	0	(10)	(10)
Mitcham Transport Imps - Figges Marsh Bus Priority	0	(55)	(55)
Wimbledon Area Regen - Crowded Places/Hostile Vehicle	(268)	9	(259)
Borough Regeneration - Haydons Rd Shopfronts	(204)	0	(204)
Parks Investment - Canons Parks for the People	(149)	(539)	(688)
Mitcham Area Regen - Canons Parks for the People	(256)	(988)	(1,244)
Colliers Wood Area Regen - Wandle Waymarking	15	0	15
Morden Leisure Centre	(232)	0	(232)
Sports Facilities - Wimbledon Park Lake	(1,318)	0	(1,318)
Parks Investment - Resurface Tennis Courts Wimb Pk	150	0	150
Proposed Capital Programme - Nov Monitoring	18,184	8,691	26,875

Capital Programme Funding Summary 2020/21

	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
Approved - Oct. Monitoring	37,890	4,819	42,708
<u>Corporate Services</u>			
Invest to Save	100	0	100
Planned Replacement Programme - Data Centre	150	0	150
Business Systems - Spectrum Spatial Analysis (GIS)	75	0	75
Housing Company	1,564	0	1,564
Westminster Coroners Court	455	0	455
<u>Community and Housing</u>	0		
Telehealth	39	0	39
<u>Children, Schools and Families</u>			
Melrose Primary SEMH	50	0	50
Melbury College - Healthy Schools	0	30	30
Cricket Green Expansion	100	0	100
<u>Environment and Regeneration</u>			
Parks Investment - Merton Parks Green Walks	38	0	38
Parks Investment - Abbey Recreation Ground	40	0	40
Replacement Fleet Vehicles	284	0	284
SLWP - Wheelie Bind	30	0	30
SLWP - Premises/IT	18	0	18
Highways & Footways - Casualty Reduction	0	70	70
Highways & Footways - Traffic Schemes	100	0	100
Highways & Footways - Bridges and Structures	100	0	100
Cycle Routes Imps - Cycle Access and Parking	0	10	10
Mitcham Transport Imps - Figges Marsh Bus Priority	0	55	55
Wimbledon Area Regen - Crowded Places/Hostile Vehicle	268	0	268
Borough Regeneration - Haydons Rd Shopfronts	204	0	204
Parks Investment - Canons Parks for the People	149	539	688
Sports Facilities - Wimbledon Park Lake	1,318	0	1,318
Mitcham Area Regen - Canons Parks for the People	256	988	1,244
Approved - Oct. Monitoring	43,228	6,511	49,739

Capital Programme Funding Summary 2022/23

	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
Approved Oct Monitoring	21,578	2,180	23,758
<u>Corporate Services</u>			
Corporate Capital Contingency	(75)	0	(75)
Proposed Nov Monitoring	21,503	2,180	23,683

APPENDIX 6

Department	Target Savings 2019/20	Projected Savings 2019/20	Period 8 Forecast Shortfall	Period Forecast Shortfall (P8)	Period 7 Forecast Shortfall	2020/21 Expected Shortfall
	£000	£000	£000	%	£000	£000
Corporate Services	1,484	1,401	83	5.6%	83	35
Children Schools and Families	572	572	0	0.0%	0	0
Community and Housing	1,534	1,416	118	7.7%	121	0
Environment and Regeneration	3,370	2,097	1,273	37.8%	1,273	130
Total	6,960	5,486	1,474	21.2%	1,477	165

DEPARTMENT: CORPORATE SERVICES - PROGRESS ON SAVINGS 19-20

Ref	Description of Saving	2019/20 Savings Required £000	2019/20 Savings Expected £000	Period 8 Shortfall forecast	19/20 RAG	2020/21 Savings Expected £000	2020/21 Expected Shortfall £000	20/21 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/underspend? Y/N
Customers, Policy & Improvement											
CS2016 -05	Increase income through translations	15	15	0	G	15	0	G	Sean Cunniffe		
CS2016 -07	Cash Collection Reduction	30	30	0	G	30	0	G	Sean Cunniffe		
2018-19 CS09	Reduction/rationalisation in running costs budgets across multiple budgets	35	35	0	G	35	0	G	Sean Cunniffe		
CS2016 -06	Merton Link - efficiency savings								Sean Cunniffe	Saving has been re-profiled to 20/21 as the efficiencies expected from the customer contact programme have not yet been realised. To offset this, a £30k saving on the Registrars service (2019-20 CS05) planned for 20/21 has been brought forward to 2019/20 (see below).	
2019-20 CS05	Registrars Reduction in staff	30	15	15	A	30	0	G	Sean Cunniffe	Saving brought forward from 20/21 to 19/20 to offset CS2016-06 reprofiled from 19/20 to 20/21. Staff reduction expected mid-year, with the shortfall being met from elsewhere in the division.	Y
Infrastructure & Technology											
CS2016-08	Potential income derived from letting two floors of vacant office space within the Civic Centre to external/partner organisations.	190	190	0	G	190	0	G	Edwin O'Donnell		
2018-19 CS01	Revenue saving associated with current MFD contract	150	150	0	G	150	0	G	Richard Warren		
2018-19 CS02	Reduction in the level of building repairs and maintenance undertaken on the corporate buildings	100	100	0	G	100	0	G	Edwin O'Donnell		
2018-19 CS04	Delete or full cost recovery of one post within FM	36	18	18	A	31	5	A	Edwin O'Donnell	Energy team restructure mid-year is in the process of being implemented. Only a part-year impact in 19/20.	Y
2018-19 CS14	M3 support to Richmond/Wandsworth	20	0	20	R	20	0	A	Clive Cooke	This is dependent on agreement with RSP. may be at risk if they don't migrate to M3 system.	Y
Corporate Governance											
CSREP 2019-20 (1)	Increase in income from Legal Services relating to S106, property and court fees	50	50	0	G	50	0	G	Fiona Thomsen		
CSREP 2019-20 (6)	Legal services - reduce employment and HR support by 50%	30	30	0	G	30	0	G	Fiona Thomsen		
Resources											
CS2016-02	Restructure of HB section to roll out universal credit	66	66	0	G	66	0	G	David Keppler		
2018-19 CS05	Reduction in permanent staffing	30	0	30	R	0	30	R	Roger Kershaw	Saving will require replacement. For 19/20 the saving will be met by underspends elsewhere within the division.	Y
2018-19 CS10	Reduction in staffing	60	60	0	G	60	0	G	David Keppler		
2018-19 CS08	Increase in income from Enforcement Service	100	100	0	G	100	0	G	David Keppler		
2019-20 CS01	Amend discretionary rate relief policy	75	75	0	G	75	0	G	David Keppler		
CSREP 2019-20 (2)	Reduction in internal insurance fund contribution	250	250	0	G	250	0	G	Nemashe Sivayogan		
CSREP 2019-20 (3)	Increase in income from Enforcement service	50	50	0	G	50	0	G	David Keppler		
Corporate											
2019-20 CS12	Increase in Empty Homes Premium for long term empty properties	97	97	0	G	97	0	G	David Keppler		

DEPARTMENT: CORPORATE SERVICES - PROGRESS ON SAVINGS 19-20

Ref	Description of Saving	2019/20 Savings Required £000	2019/20 Savings Expected £000	Period 8 Shortfall forecast	19/20 RAG	2020/21 Savings Expected £000	2020/21 Expected Shortfall £000	20/21 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/underspend? Y/N
CSREP 2019-20 (4)	Increase in investment income	30	30	0	G	30	0	G	Nemashe Sivayogan		
CSREP 2019-20 (5)	CHAS dividend	40	40	0	G	40	0	G	Ian McKinnon		
	Total Corporate Services Department Savings for 2019/20	1,484	1,401	83		1,449	35				

DEPARTMENT: ENVIRONMENT & REGENERATION SAVINGS PROGRESS: 2019-20

Ref	Description of Saving	2019/20 Savings Required £000	2019/20 Savings Expected £000	Shortfall	2019/20 RAG	2020/21 Savings Expected £000	2020/21 Expected Shortfall £000	2020/21 RAG	Responsible Officer	Comments	R/A Included in Forecast Over/Underspend? Y/N
SUSTAINABLE COMMUNITIES											
E4	Income from Merantun Development Limited for services provided to the company by LBM	100	95	5	A	100	0	G	James McGinlay		Y
ENV1819-05	Highways advertising income through re-procurement of the advertising contract for the public highway. New contract due to be in place by last quarter of 2019/20.	55	28	27	R	55	0	G	James McGinlay	New contract expected to commence in the final quarter of 2019/20, so full saving won't be achieved this financial year.	Y
PUBLIC PROTECTION											
ENR1	Further expansion of the shared service.	100	100	0	A	100	0	A	Cathryn James		N
E1	Investigate potential commercial opportunities to generate income from provision of business advice. This follows on from the expansion of the RSP to include Wandsworth from November 2017, and increased resilience.	60	0	60	R	60	0	A	Cathryn James	This saving is conditional on income being generated from chargeable business advice/consultancy. A new income generating Business Development team has been established as part of the Regulatory Services Partnership restructure, which will now look to deliver these savings. However, it is unlikely to be delivered this financial year.	Y
ENR4	Charge local business' for monitoring of their CCTV	100	0	100	R	0	100	R	Cathryn James	Alternative Saving Required.	Y
ENV1819-03	The objective of the proposal is to support the delivery of key strategic council priorities including public health, air quality and sustainable transportation, in addition to managing parking, kerbside demand and congestion. Whilst implementation of the proposals will have the incident effect of generating additional revenue, it is difficult to assess the level of change in customer behaviour and any subsequent financial impact arising from the changes. This will be monitored after implementation and any resulting impacts will be considered during the future years' budget planning cycles. The above will be subject to the outcome of the consultation process in 2019.	1,900	950	950	R	1900	0	A	Cathryn James	The implementation date for the revised charges is still subject to committee approval. The original savings target was based on an October go live date. It is felt that a more prudent approach to the likely implementation date should be reflected in the savings targets.	Y
ALT2	Reduction of 2fte from the Parking establishment in administrative/processing roles as a result of the impending new permit system	57	57	0	G	57	0	G	Cathryn James		Y
ALT3	Reduction in the number of pay & display machines required.	14	3	11	R	14	0	G	Cathryn James		Y
PUBLIC SPACE											
ENR9	Increase level of Enforcement activities of internal team ensuring the operational service is cost neutral	200	200	0	A	200	0	A	John Bosley	This saving is currently being mitigated by the additional revenue delivered by the external enforcement contractor. (£140k) additional / alternative saving of c£60k needs to be agreed.	Y
E2	Thermal Treatment of wood waste from HRRC	30	0	30	R	0	30	R	John Bosley	Saving rejected by members due to impact on recycling rate and reputational damage.	Y
EV08	Increased recycling rate by 3% following education and communications activity funded by WCSS. This will be driven by the incentivisation and education programme due to commence in March 2014.	250	250	0	G	250	0	G	John Bosley		N
ALT4	Environmental Enforcement - Maintain a payment rate of 70% for all FPN issued.	54	54	0	G	54	0	G	John Bosley		Y
E5	Letting of remaining vacant facilities in Greenspaces	50	0	50	R	50	0	A	John Bosley		Y
E6	Increased tenancy income in Greenspaces	40	0	40	R	40	0	R	John Bosley	Alternative saving required	Y
ENR10	Two year extension of the GLL contract	300	300	0	G	300	0	G	John Bosley		N
ENV1819-01	Five year extension of the GLL contract	60	60	0	G	60	0	G	John Bosley		N
Total Environment and Regeneration Savings 2018/19		3,370	2,097	1,273		3,240	130				

DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2019/20										19/12/2019	APPENDIX 6
Ref	Description of Saving	Period 8 Forecast Shortfall	Period Forecast Shortfall (P8)	Shortfall £000	RAG	2020/21 Savings Expected £000	2020/21 Expected Shortfall £000	20/21 RAG	Responsible Officer	Comments	R / A Included in Forecast Over/Unders pend? Y/N
Adult Social Care											
CH35/36/52	Housing Related Support:- The purpose of the project is to review existing service provision linked to original SP funding, identify gaps and utilise the data to inform a new set of contract specifications to support the re-procurement of services aligned with the Council's Community and Housing strategic priorities. The objective of the project is to deliver successful procurement of contracted services that demonstrate effective outcomes for service users, effective performance management framework and value for money services.	309	309	0	G	309	0	G	Steve Langley	Achieved	Y
CH39	Extra Care Contracts:- This reduced savings of £57k is targeted on contract efficiencies and non-statutory support hours; eligible social care needs will not be affected. Providers will seek alternative resources to provide this support. Service will ensure that new specification requires providers to seek other support for residents. Impact will be reviewed as part of each service users annual review.	57	57	0	G	57	0	G	John Morgan	Achieved	Y
CH55	Promoting Independence:- The aim of this proposal has been to support people to remain independent and well. To support them to achieve their desired outcomes by enabling them to remain in their own homes, close to their friends, families, support networks and local communities.	553	553	0	G	553	0	G	John Morgan	Achieved	Y
CH70	Home Care:- The aim of this proposal is to maximise the benefit of the new home care contract arrangements. The new arrangements were implemented from February 2018. With a year to get established, it is planned to start to transfer cases with legacy providers who are not on the new contract as either prime or back-up providers. Some of these contracts are at higher hourly rates, so the transfer will generate a saving with no reduction in care. New care providers will be required to use a care visit monitoring system, which should increase the reliability of care.	301	301	0	G	301	0	G	John Morgan	Achieved	Y
CH88	Home Care Monitoring System:- The aim of this proposal is to roll out a home care monitoring system for all home care providers to ensure that we can monitor the delivery of home care visits.	40	40	0	G	40	0	G	John Morgan	Achieved through Forum. The plan is to enrol all major home providers on to the home monitoring system and only seek variations for when there is a need to utilise specialist providers as required.	Y
CH89	Older People Day Care Activities:- As less people are choosing to attend these formal day centre we currently having increasingly vacancies within these provisions which are not been utilised. The proposal seeks to assess and analyse the demand and supply of activity aimed at supporting older people to access community activity. This will objectively look at the supply of building based and non-building based activity, its utilisation and the limitations on providing what people expect and need within the current model. It is envisaged that this will include a rationalisation and reduction of the current level of building based 'day centre' activity. This is based on current demand statistics and will include consideration of the effect of 2018/19 reductions in contracted day centre services; which is covered in a separate EIA for that specific proposal.	236	118	118	R	236	0	G	Richard Ellis	Engagement with the new owner has established an agreed timeline that means that the majority of savings will not be achieved until the new year. The work is underway to ensure that delivery	Y
Subtotal Adult Social Care		1,496	1,378	118		1,496	0				
Library & Heritage Service											
CH67	Merton Arts Space income	38	38	0	G	38	0	G	Anthony Hopkins	On track	Y

DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2019/20										19/12/2019	APPENDIX 6
Ref	Description of Saving	Period 8 Forecast Shortfall	Period Forecast Shortfall (P8)	Shortfall £000	RAG	2020/21 Savings Expected £000	2020/21 Expected Shortfall £000	20/21 RAG	Responsible Officer	Comments	R / A Included in Forecast Over/Underpend? Y/N
	Total C & H Savings for 2019/20	1,534	1,416	118		1,534	0				

DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES - PROGRESS ON SAVINGS 19-20

Ref	Description of Saving	2019/20 Savings Required £000	2019/20 Savings Expected £000	Period 8 Forecast Shortfall	Period Forecast Shortfall (P8)	2020/21 Savings Expected £000	2020/21 Expected Shortfall £000	20/21 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Undersp end? Y/N
	Education										
CSF2018-03	Review Early Years : raise income or cease some services in preparation for 2020 where we'd consider withdrawing from direct provision of a childcare offer.	49	49	0	G	49	0	G	Jane McSherry		
CSF2018-04	Review schools trade offer, raise charges or consider ceasing services from 2020.	30	30	0	G	30	0	G	Jane McSherry		
CSF2018-07	Reorganisation of Admissions, My Futures and School Improvement Teams and reduction in contribution to the MSCB (Safeguarding Partnership)	100	100	0	G	100	0	G	Jane McSherry		
CSF2018-11	Reduction of SENDIS early intervention service and reduction in spend associated with the introduction of the web based EHCP Hub	72	72	0	G	72	0	G	Jane McSherry		
	Children Social Care & Youth Inclusion										
CSF2018-01	Reduced costs/offer through the national centralised adoption initiative	30	30	0	G	30	0	G	El Mayhew		
CSF2018-02	Reorganisation of the Children with Disability (CWD), Fostering and Access to Resources (ART) teams and a review of the Common and Shared Assessment (CASA) service.	130	130	0	G	130	0	G	El Mayhew		
CSF2018-05	Delivery of preventative services through the Social Impact Bond	45	45	0	R	45	0	R	El Mayhew	We expect to achieve the savings target as numbers of LAC are stable. The overall service will still overspen however because UASC costs have increased over the past few years and the growth received was not sufficient to offset this pressure. Placements are reviewed on an on-going basis and detailed analysis to back up movement caseloads and placement costs reported to DMT.	Y
CSF2018-06	South London Family Drug and Alcohol Court commissioning	45	45	0	R	45	0	R	El Mayhew	We expect to achieve the savings target as numbers of LAC are stable. The overall service will still overspen however because UASC costs have increased over the past few years and the growth received was not sufficient to offset this pressure. Placements are reviewed on an on-going basis and detailed analysis to back up movement caseloads and placement costs reported to DMT.	Y
CSF2018-12	Further reduction in staffing at Bond Road. This will include a FGC post and a contact worker.	71	71	0	G	71	0	G	El Mayhew		
	Total Children, Schools and Families Department Savings for 2019/20	572	572	0		572	0				

APPENDIX 7

Department	Target Savings 2018/19	2018/19 Shortfall	2019/20 Projected shortfall	2020/21 Projected shortfall
	£000	£000	£000	£000
Corporate Services	2,024	505	395	10
Children Schools and Families	489	0	0	0
Community and Housing	2,198	442	0	0
Environment and Regeneration	926	523	172	97
Total	5,637	1,470	567	107

DEPARTMENT: CORPORATE SERVICES - PROGRESS ON SAVINGS 18-19

Ref	Description of Saving	2018/19 Savings Required £000	2018/19 Shortfall	18/19 RAG	2019/20 Expected Shortfall £000	19/20 RAG	2020/21 Expected Shortfall £000	20/21 RAG	Responsible Officer	Comments
	Infrastructure & transactions									
CS2015-10	FM - Energy invest to save	465	465	R	365	A	0	G	Richard Neal	The capital spend to achieve this was slipped and hence the saving was delayed with £100k expected in 19/20 and the balance in 20/21. In 19/20 the unachieved saving will be met from the Corporate Services reserve.
CSREP 2018-19 (13)	Business Improvement - Business Systems maintenance and support reduction	10	10	R	10	R	10	R	Clive Cooke	Saving to be reviewed during 19/20 to identify if this can be met or if a replacement saving is required.
CSREP 2018-19 (14)	M3 support to Richmond/Wandsworth	20	20	R	20	R	0	A	Clive Cooke	This is dependent on agreement with RSP, may be at risk if they don't migrate to M3 system.
	Corporate Governance									
CSD43	Share FOI and information governance policy with another Council	10	10	R					Karin Lane	Replacement saving identified. From 19/20 this saving will be replaced by a reduction to the Corporate Governance AD's budget
	Total Corporate Services Department Savings for 2018/19	505	505		395		10			

DEPARTMENT: ENVIRONMENT & REGENERATION SAVINGS PROGRESS: 2018-19

APPENDIX 7

Ref	Description of Saving	2018/19 Savings Required £000	2018/19 Savings Expected £000	Shortfall	18/19 RAG	2019/20 Savings Expected £000	2019/20 Expected Shortfall £000	19/20 RAG	2020/21 Expected Shortfall £000	20/21 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
SUSTAINABLE COMMUNITIES													
ENV20	D&BC: Increased income from building control services.	35	0	35	R	35	0	G	0	G	James McGinlay	Based on the P5 forecast, the income targets are now being achieved.	N
PUBLIC PROTECTION													
ENV07	Parking: Reduction in supplies & services/third party payment budgets.	60	13	47	R	13	47	R	47	R	Cathryn James	Saving has been reviewed and a part-alternative saving is required.	Y
ENV08	Regulatory Services: Funding of EH FTE by public health subsidy. As agreed between DPH and Head of PP.	40	0	40	R						Cathryn James	Alternative saving has been agreed for 2019/20.	Y
ENV09	Regulatory Services: Investigate potential commercial opportunities to generate income	50	0	50	R	50	0	A	0	A	Cathryn James	This saving is conditional on income being generated from chargeable business advice/consultancy. A new income generating Business Development team has been established as part of the Regulatory Services Partnership restructure, which will now look to deliver these savings.	Y
ENR2	Parking & CCTV: Pay & Display Bays (On and off street)	44	0	44	R	44	0	G	0	G	Cathryn James		Y
ENR3	Parking & CCTV: Increase the cost of existing Town Centre Season Tickets in Morden, Mitcham and Wimbledon.	17	0	17	R	17	0	G	0	G	Cathryn James	Saving is being delayed as it will now form part of the wider discussion on parking charges.	Y
ALT1	Parking: The further development of the emissions based charging policy by way of increased charges applicable to resident/business permits as a means of continuing to tackle the significant and ongoing issue of poor air quality in the borough.	440	390	50	R	440	0	G	0	G	Cathryn James		N
PUBLIC SPACE													
ENV32	Transport: Review of Business Support requirements	30	0	30	R						John Bosley	Alternative saving has been agreed and implemented for 2019/20.	Y
ENR6	Waste: Wider Department restructure in Waste Services	200	0	200	R	75	125	R	50	R	John Bosley	This was not delivered in 2018. Review of the current wider Public Space structure is being assessed and business needs along with resource gap being identified. Scheduled. The restructure is now scheduled for the first quarter 2020/21	Y
ENR7	Transport Services: Shared Fleet services function with LB Sutton	10	0	10	R						John Bosley	Alternative saving has been agreed and implemented for 2019/20.	Y
Total Environment and Regeneration Savings 2018/19		926	403	523		674	172		97				

Updated 20/11/2019											APPENDIX 7
DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2018/19											
Ref	Description of Saving	2018/19 Savings Required £000	Shortfall £000	RAG	2019/20 Savings Expected £000	2019/20 Expected Shortfall £000	19/20 RAG	2020/21 Expected Shortfall £000	19/20 RAG	Responsible Officer	Comments
	Adult Social Care										
CH73	A review of management and staffing levels of the AMH team in line with the reductions carried out in the rest of ASC.	100	23	R	100	0	G	0	G	Richard Ellis	Balance deferred to 2019/20
CH36	Single homeless contracts (YMCA, Spear, Grenfell) - Reduce funding for contracts within the Supporting People area which support single homeless people -Reduced support available for single homeless people - both in terms of the numbers we could support and the range of support we could provide. In turn this would reduce their housing options. (CH36)	38	38	R	38	0	G	0	G	Steve Langley	£38k deferred to 2019/20
CH71	Transport: moving commissioned taxis to direct payments. Service users can purchase taxi journeys more cheaply than the council.	50	50	R	50	0	R	0	G	Phil Howell	Deferred to 2020/21.
CH72	Reviewing transport arrangements for in-house units, linking transport more directly to the provision and removing from the transport pool.	100	100	R	100	0	R	0	G	Richard Ellis	£100k deferred to 2020/21. Part of the Transport review which is about to commence
CH71	The implementation of the MOSAIC social care system has identified the scope to improve the identification of service users who should contribute to the costs of their care and assess them sooner, thus increasing client income. Assessed as a 3% improvement less cost of additional staffing	231	231	R	231	0	G	0	G	Richard Ellis	Team resources have increased and this has enabled to team to catch up on reviews and nil payers, which has netted more then £200k in additional income
	Total C & H Savings for 2018/19	519	442		519	0		0			

DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES SAVINGS PROGRESS 2018/19

Ref	Description of Saving	2018/19 Savings Required £000	Shortfall £000	RAG		2019/20 Savings Expected £000	2019/20 Expected Shortfall £000	19/20 RAG	2020/21 Expected Shortfall £000	19/20 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
Total Children, Schools and Families Department Savings for 2018/19		489	0			489	0		0				

There were no red savings for CSF

APPENDIX 8

Department	Target Savings 2017/18	2017/18 Shortfall	2018/19 shortfall	2019/20 Projected shortfall
	£000	£000	£000	£000
Corporate Services	2,316	196	0	0
Children Schools and Families	2,191	7	0	0
Community and Housing	2,673	0	0	0
Environment and Regeneration	3,134	2,188	694	305
Total	10,314	2,391	694	305

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

Ref	Description of Saving	2017/18 Savings Required £000	2017/18 Expected Shortfall £000	17/18 RAG	2018/19 Shortfall £000	18/19 RAG	2019/20 Expected Shortfall £000	19/20 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Undersp end? Y/N
CSF2012-07	Children Social Care Family and Adolescent Services Stream - Transforming Families (TF), Youth Offending Team (YOT) and in Education, Training and Employment (ETE). 2016/17 savings will be achieved by the closure of Insight and deletion of YJ management post.	100	7	R	0	G	0	G	Paul Angeli	The ETE saving was delivered from July 2017 and the short for the first quarter covered through reduced grant-funding for targeted intervention services.	N
	Total Children, Schools and Families Department Savings for 2017/18		7		0		0				

DEPARTMENT: CORPORATE SERVICES - PROGRESS ON SAVINGS 17-18

Ref	Description of Saving	2017/18 Savings Required £000	2017/18 Shortfall	17/18 RAG	2018/19 Shortfall £000	18/19 RAG	2019/20 Expected Shortfall £000	19/20 RAG	Responsible Officer	Comments
	Business improvement									
CSD42	Restructure functions, delete 1 AD and other elements of management	170	70	R					Sophie Ellis	Replacement saving identified and approved for 18/19 - CSREP 2018-19 (1-16)
CS2015	Staffing support savings	13	13	R					Sophie Ellis	Replacement saving identified and approved for 18/19 - CSREP 2018-19 (1-16)
	Infrastructure & transactions									
CS70	Apply a £3 administration charge to customers requesting a hard copy paper invoice for services administered by Transactional Services team	35	35	R					Pam Lamb	Replacement saving identified and approved for 18/19 - CSREP 2018-19 (1-16)
	Resources									
CSD26	Delete 1 Business Partner	78	78	R	0	G		G	Caroline Holland	Due to delays in projects this saving was not achieved until 18/19
	Total Corporate Services Department Savings for 2017/18		196		0		0			

Updated 20/11/19											
DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2017/18											
Ref	Description of Saving	2017/18 Savings Required £000	2017/18 Shortfall £000	17/18 RAG	2018/19 Shortfall £000	18/19 RAG	2019/20 Expected Shortfall £000	19/20 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend ? Y/N
	<u>Adult Social Care</u>										
	Total C & H Savings for 2017/18									No Reds	

DEPARTMENT: ENVIRONMENT & REGENERATION SAVINGS PROGRESS: 2017-18

Ref	Description of Saving	2017/18 Savings Required £000	2017/18 Savings Achieved £000	Shortfall	17/18 RAG	2018/19 Savings Expected £000	2018/19 Shortfall £000	18/19 RAG	2019/20 Savings Expected £000	2019/20 Expected Shortfall £000	19/20 RAG	Comments	R /A Included in Forecast Over/Underpend? Y/N
SUSTAINABLE COMMUNITIES													
ER23b	Restructure of team to provide more focus on property management and resilience within the team.	18	0	18	R	0	18	R	18	0	A	Business Case for restructure in progress, but due to the delay it's unlikely to be fully achieved this financial year. Saving being achieved through rents (reported through monthly budget return).	Y
D&BC1	Fast track of householder planning applications	55	0	55	R							A replacement saving (ALT1) implemented in 2018/19, was agreed by Cabinet in November 2017.	N
D&BC2	Growth in PPA and Pre-app income	50	0	50	R							A replacement saving (ALT1) implemented in 2018/19, was agreed by Cabinet in November 2017.	N
D&BC3	Commercialisation of building control	50	0	50	R							A replacement saving (ALT1) implemented in 2018/19, was agreed by Cabinet in November 2017.	N
D&BC4	Deletion of 1 FTE (manager or deputy) within D&BC	45	0	45	R	45	0	G	45	0	G		N
D&BC5	Eliminate the Planning Duty service (both face to face and dedicated phone line) within D&BC	35	0	35	R							A replacement saving (ALT1) implemented in 2018/19, was agreed by Cabinet in November 2017.	N
D&BC6	Stop sending consultation letters on applications and erect site notices only	10	0	10	R							A replacement saving (ALT1) implemented in 2018/19, was agreed by Cabinet in November 2017.	N
ENV15	Reduction in street lighting energy and maintenance costs. Would require Capital investment of c£400k, which forms part of the current capital programme - Investment in LED lights in lamp Colum stock most capable of delivering savings	148	100	48	R	148	0	G	148	0	G		N
ENV20	Increased income from building control services.	35	0	35	R							A replacement saving (ALT1) implemented in 2018/19, was agreed by Cabinet in November 2017.	N
PUBLIC PROTECTION													
E&R14	Further expansion of the Regulatory shared service.	100	0	100	R	100	0	G	100	0	G		Y
ENV02	Review the current CEO structure, shift patterns and hours of operation with the intention of moving toward a two shift arrangement based on 5 days on/2 days off.	190	0	190	R	0	190	R	0	190	R	Alternative saving required	Y
ENV03	Reduction number of CEO team leader posts from 4 to 3	45	0	45	R	0	45	R	0	45	R	Alternative saving required	Y
ENV06	Reduction in transport related budgets	46	0	46	R							A replacement saving (ALT1) implemented in 2018/19, was agreed by Cabinet in November 2017.	N
ENV09	Investigate potential commercial opportunities to generate income	50	7	43	R	0	50	R	50	0	A		Y
PUBLIC SPACE													
E&R16	Joint procurement of waste, street cleansing, winter maintenance and fleet maintenance services (Phase C)	1,500	795	705	R	1,257	243	R	1500	0	A	Actual savings delivered are being monitored closely	N
E&R25	Joint procurement of greenspace services as part 2 of the Phase C SLWP procurement contract with LB Sutton	160	44	116	R	160	0	G	160	0	G		N
ENV12	Loss of head of section/amalgamated with head of Greenspaces	70	0	70	R	0	70	R	0	70	R	Saving has been delayed but in the process of being reviewed but not expected to be achieved until 2020/21.	N
ENV13	Staff savings through the reorganisation of the back office through channel shift from phone and face to face contact.	70	0	70	R	70	0	G	70	0	G		N
ENV18	Increased income from events in parks	100	0	100	R							A replacement saving (ALT1) implemented in 2018/19, was agreed by Cabinet in November 2017.	N
ENV21	Reduction in the grant to Wandle Valley Parks Trust	6	0	6	R	6	0	G	6	0	G		N
ENV23	Further savings from the phase C procurement of Lot 2.	160	0	160	R	82	78	R	160	0	G		N
ENV25	Department restructure of the waste section	191	0	191	R	191	0	G	191	0	G		Y
Total Environment and Regeneration Savings		3,134	946	2,188		2,059	694		2,448	305			

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