

Cabinet

Date: 17 February 2014

Subject: Financial Report 2013/14 – December 2013

Lead officer: Paul Dale

Lead member: Mark Allison

Recommendations:

- A. That Cabinet note the financial reporting data relating to revenue budgetary control, showing a forecast underspend at year end of £1,070k (which is 0.65% of the gross Council Budget) after allowing for a £512k transfer to the Capital Programme, £1,500k transfer to balancing the budget reserve, £1,742k carry forward of Public Health funds and consider any relevant action they may wish to take in respect of variations
- B. Cabinet approve adjustments and capital virements detailed in Appendix 5b and the Current Capital Programme as detailed in Appendix 5a and the new budgets identified in paragraph 4.3.
- C. Cabinet note current progress to date on savings.
- D. That Cabinet note the latest position with regard to the collection of miscellaneous debt, as at the end of December 2013.
- E. That Cabinet note Cashflow Statement attached as Appendix 11.

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 This is the regular financial monitoring report for 2013/14 presented to Cabinet in line with the financial reporting timetable. It is based on expenditure and income as at 31st December 2013.

This financial monitoring report provides:-

- The latest budgetary control information on revenue expenditure and income, forecasting a year end underspend of £1.07m (£1.583m underspend reported last month);
- An update on the capital programme and detailed monitoring information;
- An update on Corporate Items in the budget 2013/14;
- Progress on the delivery of the 2013/14 revenue savings

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

2.1 **Executive summary** - As at December, the forecast is expected to be a net £1.070m underspend compared to the current budget.

Summary Position as at 31st December 2013

	Current Budget 2013/14 £000s	Full Year Forecast (Dec.) £000s	Forecast Variance at year end (Dec.) £000s	Forecast Variance at year end (Nov.) £000s
Department				
3A. Corporate Services	12,140	10,785	(1,355)	(1,356)
3B. Children, Schools and Families	50,925	52,151	1,226	1,231
3C. Community and Housing	63,610	62,691	(919)	(1,314)
3D. Public Health	0	0	0	0
3E. Environment & Regeneration	26,107	25,398	(709)	(531)
NET SERVICE EXPENDITURE	152,782	151,026	(1,756)	(1,969)
3E. Corporate Items				
Impact of Capital on revenue budget	13,878	13,878	0	0
Central budgets	(3,312)	(2,926)	686	386
Levies	914	914	0	0
TOTAL CORPORATE PROVISIONS	11,480	12,166	686	386
TOTAL GENERAL FUND	164,262	163,192	(1,070)	(1,583)
FUNDING				
Revenue Support Grant	(47,221)	(47,221)	0	0
Business Rates	(32,020)	(32,020)	0	0
Other Grants	(8,356)	(8,356)	0	0
Council Tax and Collection Fund	(76,664)	(76,664)	0	0
FUNDING	(164,262)	(164,261)	0	0

A detailed table is provided as Appendix 1.

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

Service Expenditure - Forecast Year End Variance

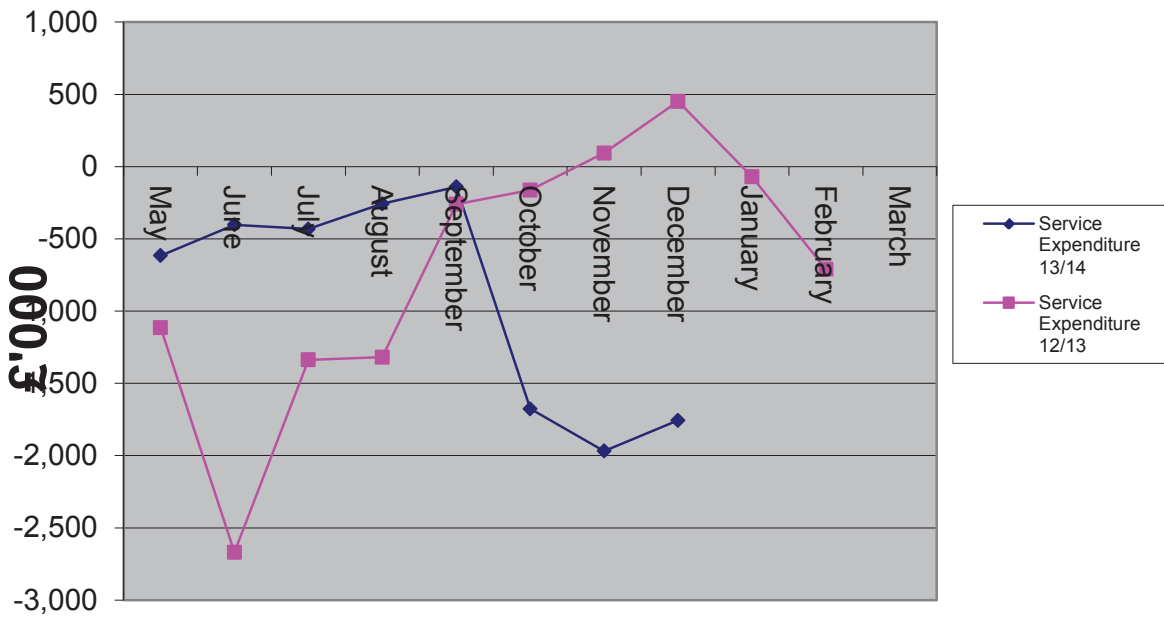
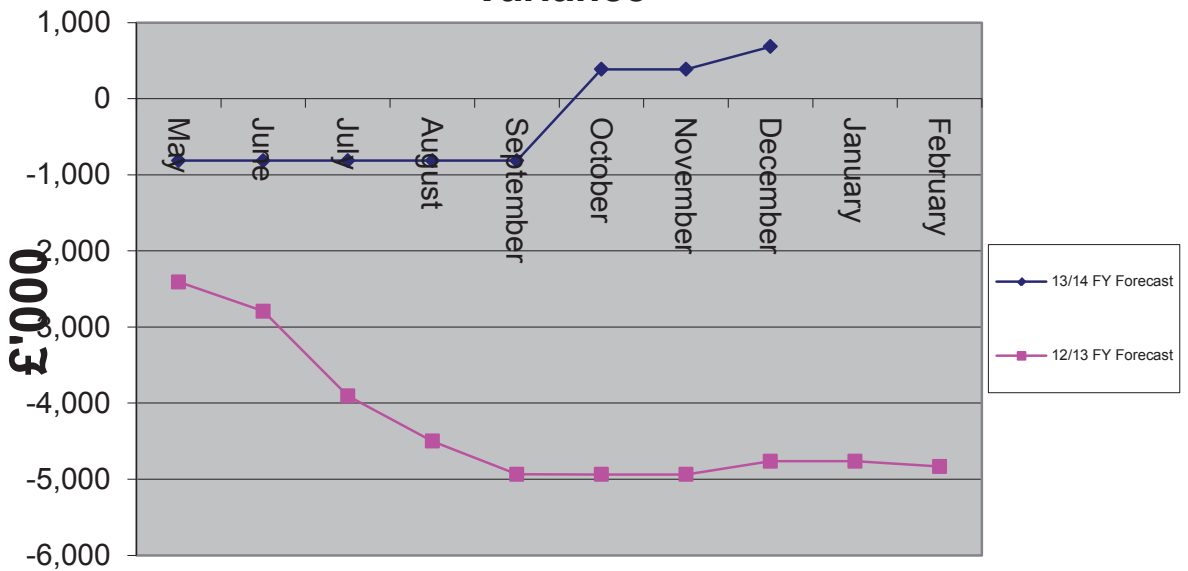


Chart 2 shows the forecast year end variance for corporate provisions with a comparison against 2012/13.

Corporate Provisions - Year End Forecast Variance



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

	Current Budget 2013/14	Full Year Forecast (Dec)	Forecast Variance at year end (Dec)	Forecast Variance at year end (Nov)
Expenditure	£000	£000	£000	£000
Employees	92,647	93,133	486	337
Premises Related Expenditure	10,011	9,385	(626)	(700)
Transport Related Expenditure	13,159	13,529	370	1
Supplies and Services	163,313	162,464	(849)	(707)
Third Party Payments	88,214	85,333	(2,881)	(2,362)
Transfer Payments	95,945	107,565	11,620	11,575
Support Services	32,417	32,417	(0)	(0)
Depreciation and Impairment Losses	13,783	13,780	(3)	(3)
Corporate Provisions	11,480	12,166	686	386
GROSS EXPENDITURE	520,970	529,773	8,803	8,527
Income				
Government Grants	(242,925)	(254,753)	(11,829)	(12,004)
Other Grants, Reimbursements and Contribs	(21,769)	(23,082)	(1,313)	(859)
Customer and Client Receipts	(53,773)	(54,137)	(364)	(132)
Interest	(44)	(24)	20	20
Recharges	(34,296)	(34,295)	1	1
Balances	(3,901)	(290)	3,611	2,865
GROSS INCOME	(356,708)	(366,581)	(9,873)	(10,110)
NET EXPENDITURE	164,262	163,192	(1,070)	(1,583)

The £12.4m government grant forecast variance is mainly the Housing Benefits grant. This is based on the DWP mid year estimate. The reasons for the increase are an increase in caseload for private rented sector of over 5% and claims for non-HRA rent rebate (bed and breakfast and licenced accommodation) have also increased over the past 18 months.

A) Corporate Services Department

	2013/14 Current Budget	Full year Forecast December	Forecast variance at year end (Dec)	Forecast variance at year end (Nov)	2012/13 Variance at year end
	£000	£000	£000	£000	£000
Business Improvement	2,255	2,246	(8)	1	4
Infrastructure & Transactions	9,057	8,868	(189)	(203)	20
Resources	7,534	7,272	(263)	(192)	(141)
Human Resources	2,194	2,106	(87)	(87)	253
Corporate Governance	4,523	4,440	(84)	(71)	(195)
Customer Services	2,346	1,588	(758)	(690)	460
Corporate Items including redundancy costs	1,326	1,359	34	(114)	(9)
Total (controllable)	29,234	27,879	(1,355)	(1,356)	393

Overview

At period 9 (December) the Corporate Services department is forecasting an underspend of £1,355k. Although this is similar to last month there are some movements within the divisions. The main variances are summarised in the table below.

13/14	<u>Budget</u> <u>£000</u>	<u>Dec</u> <u>forecast</u> <u>variance</u> <u>£000</u>	<u>Nov</u> <u>forecast</u> <u>variance</u> <u>£000</u>
<u>Human Resources</u>			
School's SLA	(376)	42	42
Training costs	393	(153)	(153)
Other costs	2,177	24	24
<u>Total Human Resources</u>	<u>2,194</u>	<u>(87)</u>	<u>(87)</u>
<u>Resources</u>			
Audit Fee	422	(185)	(185)
Other costs	7,112	(78)	(7)
<u>Total Resources</u>	<u>7,534</u>	<u>(263)</u>	<u>(192)</u>
<u>Customer Services</u>			
Corporate Communications Income	(203)	160	155
Shared Bailiff's service with LB Sutton	(150)	115	115
Local welfare support programme funding	(367)	(316)	(308)
CHAS	0	(222)	(222)
Summons costs	(930)	(170)	(120)
Other costs	3,996	(325)	(310)
<u>Total Customer Services</u>	<u>2,346</u>	<u>(758)</u>	<u>(690)</u>

Customer Services – forecast underspend £758k

The Local Welfare Support discretionary scheme continues to show a forecast underspend due to the number of claims to date being significantly lower than anticipated and this is similar across London. Based on year to date claims this budget is expected to underspend by £316k, but the scheme is being kept under review.

The recovery of court costs forecast has increased by £50k as the estimated number of summonses to be issued for non payment council tax has increased. Estimating accurately in advance can be difficult as reliant on payment patterns of taxpayers which is not always predictable.

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

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

There is a forecast underspend of £200k due to vacant posts within the division.

Infrastructure and Transactions – forecast underspend £189k

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

Resources – forecast underspend £263k

The audit fee saving of £185k for future years has been captured early in the current year. Some supplies and services budgets are also forecasting an underspend of £70k.

Human Resources (HR) – forecast underspend £87k

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

Corporate Governance – forecast underspend £84k

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

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

The forecast underspend of £84k is on various supplies and services budgets within the division.

Corporate Items

There is a forecast overspend of £47k on the coroners court.

Management Action

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

(B) Children Schools and Families

Children, Schools and Families	2013/14 Current Budget £000	Full year Forecast (Dec) £000	Forecast Variance at year end (Dec) £000	Forecast Variance at year end (Nov) £000	2012/13 Variance at year end £000
Commissioning, Strategy and Performance	9,886	10,365	479	411	548
Education	15,510	16,182	672	582	144
Social Care and Youth Inclusion	11,760	11,764	4	167	(521)
PFI	7,070	7,141	71	71	68
Redundancy costs	2,042	2,042	0	0	(51)
Total (controllable)	46,268	47,494	1,226	1,231	188

Overview

At the end of period 9 (December) Children Schools and Families is forecasting a net overspend of £1,226k on local authority funded services.

Local Authority Funded Services

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

Description	Budget £000	Dec £000	Nov £000
Fostering and residential placements (ART)	4,926	528	407
Legal fees	519	46	46
Other small over and underspends	4,441	(95)	(42)
Subtotal Commissioning, Strategy and Performance	9,886	479	411
Children with Disabilities staff cover	409	196	189
Children with Disabilities personal support	148	235	235
Early Years	548	0	(12)
Statement support team staff cover	337	63	63
SEN Transport	2,912	325	294
SEN transitions and Integrated service support teams	221	(85)	(85)
Contributions above budget	259	(47)	(47)
Other small over and underspends	10,676	(15)	(55)
Subtotal Education	15,510	672	582
Central Social Work	876	159	143
CAMHS	290	(90)	(110)
Family support	444	(121)	(133)
Section 17	159	114	114
Recruitment	121	(64)	(36)
Serious case reviews	75	(75)	(75)
Mash and fire response staffing	586	211	281
Adoption	596	(97)	0
Other small over and underspends	8,613	(33)	(17)
Subtotal Children's Social Care and Youth Inclusion	11,760	4	167
Subtotal PFI	7,070	71	71
Subtotal Redundancy cost	2,042	0	0
Grand total Children, Schools and Families	46,268	1,226	1,231

Commissioning, Strategy and Performance Division

- The numbers of Looked After Children and the relative complexity of a significant proportion of cases are combining to cause the net estimated overspend of £528k. This includes on-going pressures in independent agency fostering, in-house fostering, remand costs which now fall to the Council, residential placement budgets, mother and baby placements, as well as secure accommodation.
- The legal budget is expected to overspend by £46k due to additional support required from legal services, including specialist commissioned legal support not available within the council.
- There are various other small over and underspends predicted across the division netting to a £95k underspend. These combine with the significant items described above to arrive at the total reported divisional overspend forecast of £479k.

Education Division

- Due to the number of vacancies at both social worker and manager level in the Children with Disabilities section, agency cover was recruited to sustain the required service delivery. It is likely that agency cover will continue to the end of the financial year resulting in a net estimated overspend of £196k. Recruitment of permanent post holders is on-going.
- The Children with Disability section is also forecasting a £235k overspend on their personal support budgets due to rising numbers of children with complex needs being supported in this way. These payments often prevent higher cost interventions being required, e.g. residential out of borough care placements.
- There is one particular new client with full year costs of over £400,000 that has placed pressure on a number of budgets: £250k of spend under children with disability personal support, £120k on SEN Transport, and the balance within DSG education. This prompts more forensic analyses of options around delivering the highest cost cases. The department is working with the Merton and Sutton Clinical Commissioning Group (CCG) to review the panel and processes for commissioning complex needs placements across education, care and health, including the funding of health elements.
- The statement support team salary budget is estimated to overspend by £63k due to agency staff covering permanent vacancies.
- SEN and FE transport cost are expected to overspend by £325k due to the increased number of service users and higher than anticipated charges from the service provider. This total includes the cost of the case mentioned above as well as more children with challenging behaviour requiring individual transport with accompanying escorts as well as the additional costs of providing cover for transport escorts who are off sick. Work continues to ensure the most cost effective routing for individual young people.
- The SEN transitions and integrated service support teams are expected to underspend by £85k due to posts kept vacant to offset overspends in other areas of the service.
- Maximising income and contributions from other bodies and sections are expected to provide £47k of additional funding which will be used to offset overspends.

- There are various other small over and underspends predicted across the division netting to a £15k underspend. These combine with the significant items described above to arrive at the total reported divisional overspend forecast of £672k.

Children's Social Care and Youth Inclusion

- Staffing pressures are causing an estimated £159k overspend in the Children's Central Social Work Service due to an increased number of children in the system and the need to have safe and manageable caseloads.
- Analysis of our increasing LAC population reveals a number of trends. Earlier in the year it was identified that higher than expected numbers of children are being brought into care by the Police using their protection powers, these children often stay in care for a very short time but can be quite costly due to the nature of securing emergency placements. This has now reduced but the in year costs remain. There is also a continued rise in older children 15+ becoming LAC. This is a combination of an increase in Unaccompanied Asylum Seekers (who are allocated to London boroughs), young people who are homeless, and an increase in children with disabilities who trigger LAC status due to the length of placements. At the other end of the spectrum over the course of the year we have had an unusual number of relinquished babies to accommodate. This is affecting both CSC staffing requirements and placement costs dealt with under CSP Division above.
- The Children and Adolescent Mental Health Service (CAMHS) is expecting to underspend by £90k due to vacancies.
- Due to staff vacancies, the Family Support Service is forecasting a £121k underspend for the year.
- The Section 17 and "no recourse to public funds" (NRTPF) budgets are forecast to overspend by £114k for the current financial year. The council has to respond to recent case law regarding housing families with no recourse to public funds (Zambrano & Clue cases). The families presenting needs are housing. Meetings have been held with the council's housing service to discuss alternative housing pathways for young homeless people to see how we can better stimulate supply. The expansion of the Merton Action for Single Homeless Hostel agreed at Cabinet will assist but much greater local supply is required. Discussions are on-going regarding the most economic way of procuring housing for families with no recourse to public funds.
- A task group has been set up to review the NRTPF cases of the CSF department. Twenty eight families have been identified with an estimated cost of £500k. This group is reviewing the processes and procedures for managing the service and will also review each case with the aim to reduce the overall caseload and cost.
- Recruitment and various other administration budgets are expected to underspend by £64k.
- The serious case review budget is expected to underspend by £75k because there has been no further need to commission reviews during the current financial year.
- The MASH and first response team is expected to overspend by £211k. The overspend resulted from a combination of agency cover which is more expensive than budgeted posts and additional

staffing required as a result of increase in caseloads. In order to manage this increased requirement management agreed a realignment of the team through redeploying staff from other teams. This move aims to reduce the financial impact of the additional requirement with the aim to reduce this overspend in future months.

- The adoption team is forecasting a net underspend of £97k relating to staff vacancies.
- There are various other small over and underspends predicted across the division netting to a £33k underspend. These combine with the significant items described above to arrive at the total reported divisional overspend forecast of £4k.

Dedicated Schools Grant

DSG funded services are expected to underspend by £1,722k in 2013-14. These budgets are not within the council's general fund and such underspends cannot be offset against overspends on local authority funded budgets. Any underspend at year-end will be added to the DSG reserve and applied as agreed by the Schools Forum. Variances between individual subjectives have been shown in the overall departmental subjective analyses.

Based on current client costs, independent residential SEN placements are expected to underspend by £1,479k by the end of the year. New assessments during the remainder of the financial year could reduce this underspend, as spend is volatile depending on caseload and the needs of individual children.

Management Action

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

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

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

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

Staffing: the department has to operate safe caseloads and working practices including having sufficient social workers and supervising social workers (ATMs, Team managers etc.) This means

that vacancies have to be covered and the cost of agency staff exceeds the costs of permanent staff. Currently we have c30 agency staff posts covering vacant posts and a small number of additional posts to manage the current volume of activity. These are all reviewed regularly by the AD CSC/AD Education and the relevant service managers.

(C) Community and Housing

As at the end of period 9 (Dec), C&H is forecast to under-spend by £919k

Community and Housing	2013/14 Current Budget	Full Year Forecast (Dec)	Forecast Variance (Dec)	Forecast Variance (Nov)	2012/13 Variance at year end
	£000	£000	£000	£000	£000
Access and Assessment	43,512	42,086	(1,426)	(1,518)	(1,380)
Commissioning	5,091	5,085	(6)	51	(324)
Direct Provision	4,779	5,230	451	125	48
Directorate	892	910	18	8	81
Adult Social Care	54,274	53,311	(963)	(1,334)	(1,575)
Libraries and Heritage	2,512	2,532	20	(23)	4
Merton Adult Education	(95)	49	144	144	(3)
Housing General Fund	1,738	1,617	(120)	(147)	(230)
Total (controllable)	58,429	57,510	(919)	(1,314)	(1,804)

Access and Assessment - £1,426k under-spend

Access and Assessment	Forecast Variance
	£000
Miles –Reablement underspend	(310)
A&A net overspend	213
Gross Placements overspend	2,590
Sub-total Net over-spend	2,493
Net over-achievement of Income	
Over achievement of Client Contribution	(65)
Over achievement of CCG Contribution	(1,178)
NHS Social Care Transfer Income	(2,676)
Sub-Total over-achievement of Income	(3,919)
Total A&A Forecast under-spend	(1,426)

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

Commissioning - £6k under-spend

Employee under-spend in the commissioning teams £204k

Supporting People Grant £61k overspend and Voluntary organisations contracts £79k underspend. £216k additional Transition funding approved to voluntary organisations is included in the forecast.

Direct Provision £451k overspend

Supported Living - £185k overspend

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

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

Zero based budgets have been produced for the service to identify staffing levels now required at all the Supported Living sites. There is an urgent need for Access and Assessment to produce proposals for agreement as to how this is to be funded.

The estimated that the recharge is £155k.

It is probable that the only funding source will be a reduction in the placements budget, but clarity is needed on how this can realistically be done in an overspending area.

It is estimated that £70k of client contribution will be invoiced and this is included in the figures above. There are 29 clients and majority of the clients have now been assessed . Access and Assessment team will be confirming the support hours agreed. Decision is yet to be made to either back-date charges to April 2013 or continue from the date when the client is assessed. Carers will be notified as soon as decision is made.

Day centres £40k net over-spend .

£116k of the over-spend is transport related costs

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Residential - £235k overspend

£185k of the variance is under-achievement of income due to adjustment required to write back income charged in 2012/13 and loss of client contribution income for a client.

Libraries – £20k overspend.

Underachievement in income is being balanced with staff vacancies.

Overspend for this year is mainly attributed to one off unexpected spend such as self-service upgrades to ensure COCO compliance and a one off invoicing problem.

MAE is forecast to over-spend by £144k

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

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

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

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

Housing is forecast to under-spend by £120k

The Temporary accommodation budget is forecast to under-spend by £41k ,

Homelessness prevention - £23k, Housing needs and supply and development is £81k , Merton Action Single Homeless - £11k & Ethnic Minorities Innovation fund - £15k.

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

Placements

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

The Gross placements budget is forecast to over-spend by £2.590m. This is based on the latest data but is subject to wide potential variation.

There is £105k forecast over-spend on transport related

The impact of the savings on the budget position for 2013-14 and future years are being monitored closely. There is a potential risk that £851k savings proposals relating to placements may not be achieved. Alternative proposals are being considered.

The table below identifies the movement in care package numbers:

	No of Care Packages as at October 2012 (budget setting)	No of Care Packages as at Dec 2013	Increase/ (decrease) since Budget Setting	Total Yearly Commitment @ Dec 13 £000
Activity Data – Care Package Numbers				
Service Area				
Mental Health	175	153	(22)	£1,655
Physical and Sensory	275	292	17	£3,982
Learning Disabilities	375	381	(6)	£12,639
Older People	1,634	1,689	55	£20,722
Substance Misuse	10	7	(3)	£180
No recourse to public funds	21	14	(7)	£196
Transport				324
Other Placement Expenditure				355
TOTAL Gross placement expenditure	2,490	2,536	46	£40,053

Income

The income budget was increased by £800k to reflect historic understatement . Against this revised budget the current net estimated over-achievement of Income is a further £1,102k.

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

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

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

Winter Pressures

ASC have been allocated Winter pressures funding of £36k from Sutton CCG and £95k from Wandsworth CCG.

There is an existing need to increase capacity for certain key functions and a requirement to report on the outcomes achieved through the additional funding. It is important that this does not generate on-going commitments into 2014/15 as this is one off funding.

Public Health

The allocation of the Public Health budget are detailed below

Description	2013/14 Current budget £000	Full Year Forecast (Dec) £000	Forecast Variance (Dec) £000	Forecast Variance (Nov) £000
PH - Directorate	626	527	(99)	(57)
PH- Contraception*	582	583	1	14
PH - STI Testing and Treatment (GUM)*	2,024	2,024	0	4
PH - SH Advice, Prevent and Promotion*	334	326	(8)	(13)
PH - NHS Health check*	226	151	(75)	0
PH - Falls Prevention	64	56	(8)	(8)
PH - Obesity	339	372	33	33
PH - Community Development and Health Course	6	6	0	0
PH – Livewell (including smoking cessation)	346	346	0	0
PH - Health Promotion Resources	16	16	0	0
PH - Substance Misuse (drugs and alcohol)	2,086	1,864	(222)	(200)
PH - School Nursing (including National Child Measurement programme)*	611	581	(30)	0
PH - Surveillance and Control of Infectious Diseases	63	7	(56)	(53)
PH - Community Services Contract Estates	187	187	0	179
PH - New Investments	1,378	100	(1,278)	(1,154)
Underspend on grant to transfer to Public Health reserve			1,742	(1,255)
Total (Controllable)	8,888	7,633	0	0

It is estimated that £100k of the allocated new investments will be incurred in this financial year. The underspend will be carried forward for Public health use as it is a ring fenced grant.

(D). Environment & Regeneration

Environment & Regeneration	2013/14 Current Budget £000	Full year Forecast (Dec) £000	Forecast Variance at year end (Dec) £000	Forecast Variance at year end (Nov) £000	2012/13 Variance at year end £000
Public Protection & Development	(6,603)	(6,355)	247	261	229
Sustainable Communities	2,002	1,857	(145)	(163)	(190)
Traffic & Highways	8,303	8,442	139	131	728
Waste Services	16,666	15,793	(872)	(705)	(651)
Safer Merton	979	861	(118)	(107)	(77)
Other	(522)	(482)	40	53	(76)
Total (Controllable)	20,825	20,116	(709)	(530)	(37)

Description	2013/14 Current Budget £000	Forecast Variance at year end (Dec) £000	Forecast Variance at year end (Nov) £000
Shortfall in Building & Development Control (B&DC) income	(1,816)	234	289
Employee underspend within B&DC	1,644	(88)	(116)
General Supplies & Services underspend within B&DC	232	(81)	(74)
Employee underspend within Parking Services	2,407	(88)	(84)
Underachievement of Customer & Client Receipts in Parking Services	(11,725)	312	225
Employee overspend within EHTS&L	1,518	99	104
Other	1,137	(141)	(83)
Total for Public Protection & Development	(6,603)	247	261
Employee overspend within Greenspaces	2,265	88	88
Premises related underspend within Greenspaces	899	(106)	(106)
Underachievement of Customer & Client Receipts in Greenspaces	(2,273)	178	178
General Supplies & Services underspend within Greenspaces	537	(32)	(32)
Underachievement of Customer & Client Receipts in Leisure & Culture	(493)	86	89
Premises related underspend within Property Management	407	(74)	(89)
Overachievement of property rental income	(4,046)	(60)	(24)
Employee overspend within FutureMerton	1,102	65	62
Employee underspend within Senior Mgmt & Support	767	(35)	(33)
Other	2,837	(255)	(296)
Total for Sustainable Communities	2,002	(145)	(163)
Employee overspend within Waste Services	7,351	496	691
Reduced SLWP related costs	8,520	(1,339)	(1,434)
Transport related underspend within Waste Services	2,004	(190)	(158)
Shortfall in Waste Services income – principally Commercial Waste	(2,527)	268	286
Employee related underspend within Traffic & Highways	1,851	(171)	(175)
Reduction in ability to Capitalise expenditure	(691)	443	443
Overspend on highways maintenance contract reactive works	640	170	170
Premises related underspend within Traffic & Highways	1,318	(81)	(185)
Overachievement of Customer & Client Receipts in Traffic & Highways	(1,444)	(123)	32
Transport Services	(522)	40	53
Other	7,947	(206)	(244)
Total for Street Scene & Waste	24,447	(693)	(521)
Employee related underspend	925	(94)	(86)
Other	54	(24)	(21)
Total for Safer Merton	979	(118)	(107)
Total Excluding Overheads	20,825	(709)	(530)

Overview

The department is currently forecasting an underspend of £709k at year end. The main areas of variance are Traffic & Highways, Greenspaces, Parking Services, and Building & Development Control that are forecasting overspends whilst Waste Services, Property Management, and Safer Merton are forecasting an underspend.

Pressures

Public Protection & Development

Building & Development Control

The section is currently forecasting an overspend of £63k due to the recent and further anticipated changes in permitted development rights. This will impact on the section's fee revenue, as well as potentially the New Homes Bonus and S106 contributions for affordable housing received by the Council. Work is currently being undertaken to assess the extent of the impact on revenue arising from the permitted development changes and to explore ways to counter this shortfall. Similarly, the section's building control market share is subject to further analysis involving the development of a commercialisation strategy designed to increase market share and, by association, revenue levels.

Parking Services

The section is currently forecasting an overspend of £224k mainly due to a shortfall in parking income compared to estimates for the year. This is being partially offset by an employee underspend.

In addition, free parking was offered in car parks for weekends in December leading up to Christmas, which is estimated to have created an additional revenue pressure of £60k.

Sustainable Communities

Greenspaces

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

Property Management

The section is currently forecasting an underspend of £152k, mainly as a result of leasing previously void lets and, therefore, no longer being liable for the associated NNDR costs, whilst receiving increased rental income.

Street Scene & Waste

Traffic & Highways

The section is forecasting an overspend of £139k, mainly as a result of a clearer understanding of guidelines and actual patterns of expenditure meaning that the section charges a lower level of highways maintenance spend to Capital than previously and, as a result, incurs increased revenue costs. This increased cost is being partially offset by an employee underspend of about £171k, and a one-off rebate of about £120k due to previous overpayments on electricity usage.

During Period 9, new revenue budgets were set up within the section following advice from the Capital team in relation to TfL grant funded work, some of which has been deemed to be revenue as opposed to capital related. This has resulted in an increase to both their expenditure and income budgets of £213k, but has not affected their overall budget total.

Waste Services

The section is currently forecasting an underspend of £872k, which is mainly due to renegotiating the SLWP contract costs, and a reduction in the levels of residual waste being taken to landfill.

However, there are a few notable pressures. The first notable pressure relates to Commercial activities (including Commercial Waste, clinical waste and bulky waste collection), which is forecasting an income shortfall of around £386k. This compares to a shortfall of £245k in 2012/13. However, an agreed saving of £150k has been implemented in 2013/1 for Commercial Waste. A review of the commercial waste business has been carried out and an action plan is being delivered to address issues around future growth of the business together with improved efficiencies and cost control. As part of this work, the section has increased its customer base to 28% of the available market.

In addition, the section is currently projecting an employee related over spend of about £496k. This is as a result of a combination of issues, including the need to realign the budget with the actual cost of activities undertaken by refuse collection and street cleansing. There is also an element of non-contractual overtime, and agency cover for sick leave absences. Actions are being taken in order to reduce this overspend wherever possible, including an action plan to reduce the level of sick leave absence, and not covering absences with agency staff where this does not impact on service delivery.

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

Transport Services

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

Safer Merton

Safer Merton is currently forecasting an underspend of £118k. This is mainly due to vacancies (£94k), especially within the Offender Management and ASB teams, which are funded through PRG.

During period 9, the budgets that are now the responsibility of Public Health were removed. This accounting adjustment resulted in a reduction in both their expenditure and income related budgets of c£1,474k, but had an overall net nil affect on the Safer Merton budgets.

Management Action

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

(E) Corporate Items

The details comparing actual expenditure up to 31 December 2013 against budget are contained in Appendix 2. The main areas of variance as at 31 December 2013 are:-

Corporate Items	Current Budget 2013/14 £000s	Full Year Forecast (Dec.) £000s	Forecast Variance at year end (Dec.) £000s	Forecast Variance at year end (Nov.) £000s
Cost of borrowing	14,261	14,095	-166	-164
Investment Income	-383	-729	-346	-254
Use for Capital Programme	0	512	512	418
Impact of Capital on revenue budget	13,878	13,878	0	0
Pension Fund	5,087	5,087	0	-300
Pay and Price Inflation	1,314	1,000	-314	-314
Contingencies and provisions	3,979	4,979	1,000	1,000
Depreciation and Impairment	-13,692	-13,692	0	0
Income Items	0	0	0	0
Central Items	10,566	11,252	686	386
Levies	914	914	0	0
TOTAL CORPORATE PROVISIONS	11,480	12,166	686	386

The change of £300k in December from the position reported in November reflects the intention to take this underspend into account in the Pension Revaluation calculation which will be reported as part of the business planning process. .

4. CAPITAL PROGRAMME 2013-17

4.1 Capital Expenditure

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

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

Department	Spend To December 2011	Spend To December 2012	Spend To December 2013	Variance 2011 to 2013	Variance 2012 to 2013
Community and Housing	1268	427	943	(325)	516
Corporate Services	2,594	1,619	3,071	477	1,452
Children Schools and Families	13,453	21,071	7,383	(6,070)	(13,688)
Environment and Regeneration	12,477	6,600	6,463	(6,014)	(137)
Total Capital	29,792	29,717	17,861	(11,931)	(11,856)

Outturn £000s	42,300	40,487	
Budget £000s			31,738
Projected Spend December 2013 £000s			31,493
Percentage Spend to Budget			56.28%
Percentage Spend to Outturn/Projection	70.43%	73.40%	56.72%

4.1.2 December is three quarters of the way through the financial year however departments have only spent 56.3% of their budget or 56.7% of their forecast, in the last two years spend was over 70% of the final outturn by this point. To achieve a projected spend of £31.5m officers will need to spend over £4.5m per month for each of the next 3 months. The table below shows that in December 2013 they managed to spend just under £2.4 million.

Department	Spend To November 2013	Spend To December 2013	Variance
Community and Housing	867,627	943,308	75,681
Corporate Services	2,417,702	3,071,277	653,575
Children Schools and Families	6,210,454	7,383,346	1,172,892
Environment and Regeneration	5,965,939	6,463,431	497,492
Total Capital	15,461,722	17,861,363	2,399,641

4.2 Capital Programme 2013/14

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

Department	Proactis Budget	Increase/ (Decrease)	Revised Budget
Community and Housing	1,776,180	(12,500)	1,763,680
Corporate Services	5,482,460	(536,000)	4,946,460
Children Schools and Families	12,862,110	0	12,862,110
Environment and Regeneration	12,244,240	(78,970)	12,165,270
Total Capital	32,364,990	(627,470)	31,737,520

As a result of the focus on the November capital monitoring to ensure figures used for budget setting were as accurate as possible, very few changes have been made in December:

- Community and Housing – Re-profiling of the remaining balance on Captive E-learning for Carefirst and Adult Social Care Collections
- Corporate Services – Re-profiling for IT Equipment scheme which as indicated last month is expected to slip into next financial year.
- Environment and Regeneration –Reprofiling of £90k for Fleet Vehicles and £130k for GPS Vehicle Tracking into 2014/15, £50k from 2014/15 back into 2013/14 for Play Space Pollards Hill and £91k new external funding for the Bridge to nowhere scheme.

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

Dept.	Approved Cabinet March 2013	Slippage from 2012/13	Re-profiling	Revenuisation / Relinquished	Clawed Back for Overspend 2012/13	Additional External Funding	New Internally Funded	Schools Contributions	Nov 2013 Cabinet Report	Increase / (Decrease)	Dec. Monitoring Report
C&H	1,535	303	(2,338)		0	2,276	0		1,776	(13)	1,764
CS	7,252	186	(2,210)	0	0		254		5,482	(536)	4,946
CSF	28,428	2,836	(18,094)	(718)	(175)	362	0	224	12,863	0	12,863
E&R	12,860	1,685	(3,036)	(124)	(361)	1,485	(265)		12,244	(79)	12,165
Total	50,075	5,010	(25,678)	(842)	(536)	4,123	(11)	224	32,365	(627)	31,738

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

Merton - December 2013 - Summary Departmental Capital Monitoring Information

Scheme Description	Total Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance	%
Community and Housing	1,763,680	943,309	1,274,235	(330,926)	1,763,682	2	(0.0)
Corporate Services	4,946,460	3,071,279	3,901,054	(829,775)	4,946,430	(30)	(0.0)
Children Schools and Families	12,862,110	7,383,347	9,778,634	(2,395,287)	12,679,771	(182,339)	(1.4)
Environment and Regeneration	12,165,270	6,463,435	8,281,862	(1,818,427)	12,102,827	(62,443)	(0.5)
Total Capital	31,737,520	17,861,370	23,235,785	(5,374,415)	31,492,710	(244,810)	(0.8)

- a) Children, Schools and Families – There is a £50k forecast underspend on School Equipment loans, the remainder of the variance is on school expansions.
- b) Environment and Regeneration – The forecast variance is made up of numerous smaller variances

4.3 Capital Programme 2013/17

4.3.1 The table below summarises all the adjustments being made to the capital programme 2013-17 since the report dispatched for Cabinet on 20th January 2014. These amendments are detailed in Appendix 5b, Appendix 5c details the impact on the funding of the Capital Programme for 2013-14:

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

Dept	Starting Budget 2013/14	Changes	Revised Budget 2013/14 (1+2)=	Original Budget 2014/15	Changes	Starting Budget 2014/15 (4+5)=	Original Budget 2015/16	Changes	Revised Budget 2015/16 (7+8)=	Original Budget 2016/17	Changes	Revised Budget 2016/17 (10+11)=
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
C&H	1,776	(12)	1,764	2,338	13	2,351	350	0	350	550	0	550
CS	5,482	(536)	4,946	6,784	1,074	7,858	3,091		3,091	3,362	0	3,362
CSF	12,862	0	12,862	28,187	(1,431)	26,756	12,157	2,565	14,722	22,087	0	22,087
E&R	12,244	(79)	12,165	16,401	778	17,179	21,153	(228)	20,925	6,657	1,611	8,268
Total	32,364	(626)	31,738	53,710	434	54,144	36,751	2,337	39,088	32,656	1,611	34,267

Corporate Services: £538k has been added to the Improving Information Systems budget for 2014/15, this is to reflect the additional cost if Merton jointly procures a new finance system with Richmond, any costs relating to the Richmond's share of the system would be fully funded by Richmond.

Children, Schools and Families:

£1,134,483 of Section 106 funding for education contributions has been received by the council since 2012, and can now be allocated subject to full council approval. The Section 106 funding is from a series of housing developments that increase the demand for school places, and the approach of the council is therefore to include it as a contribution to the school expansion programme.

Additional funding above that included in the existing capital programme is likely to be required for the Merton Abbey, Pelham, Singlegate and Dundonald schemes, which are all due to enter contract in the spring and summer of 2014, and possible further schemes to ensure sufficient places for September 2014. It is proposed that the section 106 funding is added to the primary school expansion contingency line to enable the expansion schemes to proceed once contract sums have been agreed.

Three of these major schemes will need approval to enter construction contracts after the 10 March Cabinet date. In view of there being no further Cabinet meetings set after this date until the council election and beyond, a report will be put to the 10 March Cabinet to agree an appropriate process for these schemes to be approved to commence timely construction.

Environment and Regeneration: Some additional schemes have been notified after the data for this report was produced, they are detailed in the table below and are entirely funded by grants and S106. They will be included in the capital programme in the Capital Strategy.

	Budget 2013/14	Budget 2014/15	Total
	£000s	£000s	£000s
Mitcham Common Conservators	0	100	100
Multi-Use Game Area – Cannons	50	170	220
St Marks Tennis Courts	65	55	120
Total	115	325	440

5. DELIVERY OF SAVINGS FOR 2013/14

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

SAVINGS	Proposed 2013/14 £000	Red £000	Amber £000	Green £000	Expected 2013/14 £000
Corporate Services	524	220	0	304	358
Children, Schools and Families	822	280	0	542	822
Environment and Regeneration	1,652	427	0	1,225	1,225
Community and Housing	6,317	1,127	567	4,623	5,240
TOTAL	9,315	2,402	567	6,346	7,645

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

7. MISCELLANEOUS DEBT

7.1 Attached as Appendix 10 is the debt report as at December 2013.

8. CASHFLOW STATEMENT

8.1 Merton's cash flow statement as a December 2013 is attached as Appendix 11.

9. CONSULTATION UNDERTAKEN OR PROPOSED

9.1 All relevant bodies have been consulted.

10. TIMETABLE

10.1 In accordance with current financial reporting timetables.

11. FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

11.1 All relevant implications have been addressed in the report.

12. LEGAL AND STATUTORY IMPLICATIONS

12.1 All relevant implications have been addressed in the report.

13. HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

13.1 Not applicable

14. CRIME AND DISORDER IMPLICATIONS

14.1 Not applicable

15. RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

15.1 Contained in the body of the report.

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

Appendix 1 – Detailed monthly position table
Appendix 2 – Detailed Corporate Items table
Appendix 3 – Pay and Price Inflation as at June 2013
Appendix 4 – Treasury Management: Outlook
Appendix 5a – Current Capital Programme 2013/14
Appendix 5b – Capital Adjustments
Appendix 5c - Capital Programme Funding summary
Appendix 6 – Progress on savings
Appendix 7 - Forecast year end variance by department
Appendix 8 – Forecast Movement in Reserves
Appendix 9 – Customer and client receipts
Appendix 10 – Miscellaneous Debt Report – December 2013

17. BACKGROUND PAPERS

17.1 Budgetary Control files held in the Corporate Services department.

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**Summary Position as at 31
December 2013**

APPENDIX 1

	Original Budget 2013/14 £000s	Current Budget 2013/14 £000s	Year to Date Budget (Dec) £000s	Year to Date Actual (Dec) £000s	Full Year Forecast (Dec) £000s	Forecast Variance at year end (Dec) £000s	Forecast Variance at year end (Nov) £000s
Department	-	-	-	-	-	-	-
3A. Corporate Services	10,529	12,140	20,139	18,844	10,785	(1,355)	(1,356)
3B. Children, Schools and Families	50,712	50,925	139,535	124,065	52,151	1,226	1,231
3C. Community and Housing	-	-	-	-	-	-	-
Adult Social Care	58,040	58,125	44,037	42,830	57,162	(963)	(1,334)
Libraries & Adult Education	3,476	3,517	2,790	2,724	3,681	164	167
Housing General Fund	1,958	1,968	1,999	1,054	1,848	(120)	(147)
3D. Public Health	-	0	18	(5,495)	0	0	0
3E. Environment & Regeneration	25,777	26,107	12,627	7,633	25,398	(709)	(531)
NET SERVICE EXPENDITURE	150,492	152,782	221,145	191,656	151,026	(1,756)	(1,969)
3E. Corporate Items	-	-	-	-	-	-	-
Impact of Capital on revenue budget	13,878	13,878	4,732	2,589	13,878	0	0
Other Central items	-1,022	-3,312	5,266	4,250	-2,626	686	386
Levies	914	914	641	641	914	-	-
TOTAL CORPORATE PROVISIONS	13,770	11,480	10,638	7,480	12,166	686	386
TOTAL GENERAL FUND	164,262	164,262	231,784	199,136	163,192	-1,070	-1,583
- Funding	-	-	-	-	-	-	-
- Business Rates	-32020	-32020	-24015	-24015	-32020	0	0
- RSG	-47221	-47221	-29508	-29508	-47221	0	0
- Council Tax Freeze Grant 2011/12	-835	-835	-763	-763	-835	0	0
- Council Tax Freeze Grant 2013/14	-2724	-2724	-2110	-2110	-2724	0	0
- New Homes Bonus	-4797	-4797	-3598	-3598	-4797	0	0
- PFI Grant	-32020	-32020	-24015	-24015	-32020	0	0
Grants	-87,597	-87,597	-59,994	-59,994	-87,597	0	0
Collection Fund	-2545	-2545	0	0	-2545	0	0
Council Tax	-	-	-	-	-	-	-
- General	-73850	-73850	55388	-55388	-73850	0	0
- WPC	-269	-269	-202	-202	-269	0	0
Council Tax and Collection Fund	-76664	-76664	0	0	-76664	0	0
FUNDING	-164,261	-164,261	-59,994	-59,994	-164,261	0	0

	Original Budget 2013/14	Current Budget 2013/14	Year to Date Budget (Dec)	Year to Date Actual (Dec)	Full Year Forecast (Dec)	Forecast Variance at year end (Dec)	Forecast Variance at year end (Nov)
Expenditure	£	£000	£000	£000	£000	£000	£000
Employees	85,766	92,647	68,254	67,469	93,133	486	337
Premises Related Expenditure	8,153	10,011	8,010	5,522	9,385	(626)	(700)
Transport Related Expenditure	10,617	13,159	9,726	9,098	13,529	370	1
Supplies and Services	163,012	163,313	120,686	104,396	162,464	(849)	(707)
Third Party Payments	83,137	88,214	63,241	56,153	85,333	(2,881)	(2,362)
Transfer Payments	98,995	95,945	7,507	7,259	107,565	11,620	11,575
Support Services	34,317	32,417	60	2	32,417	(0)	(0)
Depreciation and Impairment Losses	13,990	13,783	(155)	0	13,780	(3)	(3)
Corporate Provisions	13,770	11,480	10,638	7,480	12,166	686	386
GROSS EXPENDITURE	511,757	520,970	287,968	257,380	529,773	8,803	8,527
Income							
Government Grants	(237,082)	(242,925)	(7,043)	(9,215)	(254,753)	(11,829)	(12,004)
Other Grants, Reimbursements and Contribs	(17,646)	(21,769)	(9,574)	(6,190)	(23,082)	(1,313)	(859)
Customer and Client Receipts	(55,695)	(53,773)	(37,504)	(39,797)	(54,137)	(364)	(132)
Interest	(44)	(44)	(33)	0	(24)	20	20
Recharges	(36,047)	(34,296)	0	(930)	(34,295)	1	1
Balances	(1,080)	(3,901)	(2,030)	(2,110)	(290)	3,611	2,865
GROSS INCOME	(347,594)	(356,708)	(56,184)	(58,243)	(366,581)	(9,873)	(10,110)
NET EXPENDITURE	164,162	164,262	231,785	199,136	163,192	(1,070)	(1,583)

Appendix 2

3E. Corporate Items	Council 2013/14 £000s	Original Budget 2013/14 £000s	Current Budget 2013/14 £000s	Year to Date Budget Dec.) £000s	Year to Date Actual (Dec.) £000s	Full Year Forecast (Dec.) £000s	Forecast Variance at year end (Dec.) £000s	Forecast Variance at year end (Nov.) £000s
Cost of Borrowing	14,221	14,221	14,261	5,019	3,136	14,095	-166	-164
Investment Inc.	-343	-343	-383	-287	-547	-729	-346	-346
Use for Capital Programme	0	0	0	0	0	512	512	510
Impact of Capital on revenue budget	13,878	13,878	13,878	4,732	2,589	13,878	0	0
Pension Fund	5,087	5,087	5,087	4,910	4,910	5,087	0	-300
Corporate Provision for Pay Award	790	790	0	0	0	0	0	0
Provision for inflation in excess of 1.5%	314	314	314	0	0	0	-314	-314
Utilities Inflation Provision	1,000	1,000	1,000	0	0	1,000	0	0
Pay and Price Inflation	2,104	2,104	1,314	0	0	1,000	-314	-314
Contingency	1,500	1,500	1,494	0	0	994	-500	-500
Single Status/Equal Pay	474	474	474	356	377	474	0	0
Bad Debt Provision	500	500	500	0	0	500	0	0
CHAS - change in basis	1,226	1,226	0	0	0	0	0	0
Cost of disposals - 4%	0	0	-52	0	0	-52	0	0
T/F to Closing the Budget Gap Reserve	0	0	0	0	1,500	1,500	1,500	1,500
Revenuisation and miscellaneous	1,778	1,778	1,563	0	3	1,563	0	0
Contingencies and provisions	5,478	5,478	3,979	356	1,880	4,979	1,000	1,000
Local Services Support Grant	0	0	0	0	-76	0	0	0
Education Services Grant	0	0	0	0	-2,464	-3,344	-3,344	-3,344
Use for capital purposes(net of appropriate adjustment for new school becoming an academy)	0	0	0	0	0	3,344	3,344	3,344
VAT Savings	0	0	0	0	0	0	0	0
Income Items	0	0	0	0	-2,540	0	0	0
Depreciation and Impairment	-13,691	-13,691	-13,692	0	0	-13,692	0	0
Central Items	12,856	12,856	10,566	9,997	6,839	11,252	686	386
Levies	914	914	914	752	752	914	0	0
TOTAL CORPORATE PROVISIONS	13,770	13,770	11,480	10,749	7,591	12,166	686	386

Pay and Price Inflation as at December 2013

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

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

Pay:

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

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

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

Prices:

CPI annual inflation stands at 2.0% in December 2013, which is down from 2.1% in November 2013. The main reasons for the fall were a reduction in the prices for food and non-alcoholic beverages and recreational goods & services. These were partially offset by an upward contribution from motor fuels. The overall price increase for gas and electricity in December 2013 was slightly larger than the rises a year earlier resulting in a small upward contribution to inflation.

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

RPI annual inflation stands at 2.7% in December 2013, up from 2.6% in November 2013.

Outlook for inflation:

On 9 January 2014, the Bank of England's Monetary Policy Committee (MPC) voted to maintain the Bank Base Rate at 0.5%. The Committee also voted to continue with its programme of asset purchases totalling £375 billion, financed by the issuance of central bank reserves.

The MPC reached its decisions in the context of the monetary policy guidance announced alongside the publication of the August 2013 Inflation Report.

The MPC's latest economic projections are set out in the latest Inflation Report published on 13 November 2013.

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

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

MPC minutes to be published 22 January 2014.

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 2013)			
	Lowest %	Highest %	Average %
2013 (Quarter 4)			
CPI	2.0	2.7	2.3
RPI	2.6	3.2	2.8
LFS Unemployment Rate	7.3	7.8	7.5
2014 (Quarter 4)			
CPI	1.6	3.3	2.4
RPI	2.3	4.0	3.1
LFS Unemployment Rate	6.5	8.2	7.1

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.

Treasury Management: Outlook

The Bank Base Rate has been kept at its low of 0.5% since March 2009. The Bank of England's Monetary Policy Committee (MPC) on 9 January 2014 voted to maintain the official Bank Base Rate at 0.5%. The MPC also voted to maintain the level of Quantitative Easing (QE) at £375billion financed by the issuance of central bank reserves.

The MPC reached its decisions in the context of the monetary policy forward guidance announced alongside the publication of the August 2013 Inflation Report.

This guidance was summarised and reported in the July monitoring report.

For the MPC in the months ahead the key will be whether the relatively strong output growth results in a faster reduction in the unemployment rate than it anticipated in August. The MPC will publish its next quarterly inflation report in February.

The MPC has agreed its intention not to raise Bank Rate from its current level of 0.5% or to reduce its stock of asset purchases at least until the LFS headline unemployment rate has fallen to a threshold of 7%, subject to three 'knockout' conditions. Current projections are for inflation to remain above 7% until at least 2015.

MPC minutes to be published on 22 January 2014.

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

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

Corporate Services Capital Monitoring - December 2013

Scheme Description	Total Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance
Business Improvement	2,000	4,202	2,000	2,202	2,000	0
Corporate Items	30,730	30,730	0	30,730	30,730	0
Facilities Management	3,282,110	2,297,498	2,597,744	(300,246)	3,282,110	0
IT	1,631,620	738,849	1,301,310	(562,461)	1,631,590	(30)
Corporate Services Total	4,946,460	3,071,279	3,901,054	(829,775)	4,946,430	(30)

Community and Housing Capital Monitoring - December 2013

Scheme Description	Total Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance
Adult Social Care	662,040	185,298	482,387	(297,089)	662,042	2
Adult Education and Community	0	(1,989)	0	(1,989)	0	0
Housing	1,101,640	760,000	791,848	(31,848)	1,101,640	0
Total Community and Housing	1,763,680	943,309	1,274,235	(330,926)	1,763,682	2

Children, Schools & Families Capital Monitoring - December 2013

Scheme Description	Total Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance
Aragon Expansion	187,770	92,176	152,830	(60,654)	187,774	4
BENEDICT PRIMARY SCHOOL EXP	36,670	(37,313)	27,251	(64,564)	36,670	0
Cranmer Expansion	1,989,000	1,117,502	888,420	229,082	1,989,000	0
Hollymount Primary School Exp	30,000	16,566	30,000	(13,434)	30,000	0
Joseph Hood Primary School Exp	194,910	(55,423)	194,910	(250,333)	194,910	0
William Morris PCP	32,740	9,614	32,740	(23,126)	32,740	0
Holy Trinity Expansion	242,490	172,644	220,120	(47,476)	242,490	0
St Mary's expansion	514,250	351,650	524,826	(173,176)	514,250	0
Pupil Growth - Unallocated	0	84,567	0	84,567	0	0
All Saints/ South Wim YCC exp	219,940	132,767	169,940	(37,173)	219,940	0
Gorrington Park expansion	850,750	764,682	744,241	20,441	828,410	(22,340)
Hillcross School Expansion	669,130	201,923	669,130	(467,207)	669,130	0
Merton Abbey Temp Accomodation	663,520	376,151	400,000	(23,849)	663,516	(4)
Pelham School Expansion	558,560	391,350	500,000	(108,650)	558,562	2
Cricket Grn Exp-Chapel Orchard	47,340	30,435	43,496	(13,061)	47,340	0
Dundonald expansion	200,130	118,222	195,190	(76,968)	200,130	0
Poplar Permanent Expansion	1,021,750	479,406	778,584	(299,178)	1,021,747	(3)
Liberty expansion	76,190	11,726	73,689	(61,963)	76,190	0
Singlegate expansion	314,010	137,037	200,000	(62,963)	314,010	0
Wimbledon Park expansion	2,573,490	1,829,207	1,796,150	33,057	2,463,490	(110,000)
Peiseid Primary Phase	200,000	159,490	200,000	(40,510)	200,000	0
Wimbledon Chase Expansion	78,220	0	78,220	(78,220)	78,220	0
Total Primary Expansion	10,700,860	6,384,379	7,919,737	(1,535,358)	10,568,519	(132,341)

Children, Schools & Families Capital Monitoring - December 2013

Scheme Description	Total Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance
Devolved Formula Capital	421,000	299,107	326,417	(27,310)	421,000	0
SEN Centre of Excellence	0	1,634	0	1,634	0	0
Early Years	0	(59,158)	0	(59,158)	0	0
Garden PCP	289,320	223,443	246,513	(23,070)	289,320	0
Schools Access Initiative Inc	34,750	(6,020)	24,325	(30,345)	34,750	0
Bishop Gilpin New Classroom	0	(5,531)	0	(5,531)	0	0
SS Peter & Paul PCP	20,000	17,859	20,000	(2,141)	20,000	0
Behaviour Unit	3,910	0	3,910	(3,910)	3,910	0
Primary school autism unit	20,000	0	20,000	(20,000)	20,000	0
Short Breaks Disabled Children	89,540	83,028	62,678	20,350	89,540	0
Primary Capital Improvements	45,300	35,358	36,134	(776)	45,302	2
Former Royal Sun Alliance SG	103,420	13,283	103,420	(90,137)	103,420	0
Schools Loans	50,000	0	50,000	(50,000)	0	(50,000)
Ursuline School Loan	600,000	0	600,000	(600,000)	600,000	0
Youth Centres	119,010	110,563	110,000	563	119,010	0
CSF Other	365,000	285,402	255,500	29,902	365,000	0
Total Other	2,161,250	998,968	1,858,897	(859,929)	2,111,252	(49,998)
Total Children, Schools and Families	12,862,110	7,383,347	9,778,634	(2,395,287)	12,679,771	(182,339)

Environment and Regeneration Capital Monitoring - December 2013

Scheme Description	Total Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance
Footways Planned Works	1,065,390	664,681	643,415	21,266	1,065,390	0
Greenspaces	896,640	416,242	540,206	(123,964)	877,296	(19,344)
Highways General Planned Works	471,470	390,939	198,320	192,619	476,085	4,615
Highways Planned Road Works	1,590,000	859,854	1,060,000	(200,146)	1,590,000	0
Leisure Centres	303,500	9,896	200,000	(190,104)	303,500	0
Other E&R	1,431,890	921,718	1,232,390	(310,672)	1,425,593	(6,297)
On and Off Street Parking	100,000	56,704	100,000	(43,296)	100,000	0
Plans and Projects	74,090	74,368	51,530	22,838	71,530	(2,560)
Regeneration Partnerships	829,660	141,971	375,484	(233,513)	813,180	(16,480)
Street Lighting	644,580	478,993	359,580	119,413	644,580	0
Street Scene	339,450	141,092	271,770	(130,678)	339,450	0
Transport for London	2,460,990	1,038,095	1,483,297	(445,202)	2,502,657	41,667
Traffic and Parking Management	282,000	106,025	273,340	(167,315)	276,000	(6,000)
Transport and Plant	162,470	46,166	195,200	(149,034)	94,236	(68,234)
Safer Merton - CCTV & ASB	25,000	5,818	0	5,818	25,000	0
Environmental Health	1,329,810	1,088,489	1,060,000	28,489	1,330,000	190
Waste Operations	158,330	22,384	237,330	(214,946)	168,330	10,000
Environment and Regeneration	12,165,270	6,463,435	8,281,862	(1,818,427)	12,102,827	(62,443)

CAPITAL VIREMENTS AND REPROFILING DECEMBER 2013 MONITORING

	2013/14 Budget	Adjustments	Virements	Reprofiling	Revised 2013/14 Budget	2014/15 Budget	Adjustments	Virements	Reprofiling	Revised 2014/15 Budget
	£			£	£	£			£	£
Corporate Services										
IT Equipment	1,536,030			(536,000)	1,000,030	182,000			536,000	718,000
Improving Information Systems	0				0	561,700				1,100,000
Total Corporate Services	1,536,030	0	0	(536,000)	1,000,030	743,700	0	0	536,000	1,818,000

	2013/14 Budget	Adjustments	Virements	Reprofiling	Revised 2013/14 Budget	2014/15 Budget	Adjustments	Virements	Reprofiling	Revised 2014/15 Budget
	£			£	£	£			£	£
Community and Housing										
Adult Social Care Collections	10,000			(10,000)	0	0			10,000	10,000
Captive E-learning CareFirst	3,660			(2,500)	1,160	5,850			2,500	8,350
Total Community and Housing	13,660	0	0	(12,500)	1,160	5,850	0	0	12,500	18,350

	2013/14 Budget	Adjustments	Revised 2013/14 Budget	2014/15 Budget	Adjustments	Reprofiling	Revised 2014/15 Budget	2015/16 Budget	Adjustments	Revised 2015/16 Budget
	£		£	£	£	£	£			£
Children, Schools and families										
Primary School Contingency	0	0	0	2,000,000	169,000	(1,600,000)	569,000	0	965,480	2,565,480
Total Children, Schools and Families	0	0	0	2,000,000	169,000	(1,600,000)	569,000	0	965,480	2,565,480

CAPITAL VIREMENTS AND REPROFILING DECEMBER 2013 MONITORING

Environment and Regeneration	2013/14 Budget	Adjustments	Virements	Reprofiling	Revised 2013/14 Budget	2014/15 Budget	Adjustments	Reprofiling	Revised 2014/15 Budget	2015/16 Budget	Adjustments	Revised 2015/16 Budget
	£			£	£	£		£	£			
Greenspaces												
Tamworth Paddling Pool	0				0	0	160,000		160,000	0		0
Play Space Pollards Hill	0			50,000	50,000	50,000		(50,000)	0			0
Leisure Centres					0				0			0
Leisure Centre Plant and Machine	300,000		3,500		303,500				0			0
Other E&R					0				0			0
Mobile Working Initiative	69,000		(3,500)		65,500				0			0
Transport for London					0				0			0
Bridge to Nowhere	92,000	91,030		0	183,030	0			0			0
Unallocated					0	1,839,000	398,000		2,237,000	1,839,000	(228,000)	1,611,000
Transport and Plant					80,000	500,000			590,000			0
Replacement of Fleet Vehicles	170,000			(90,000)	80,000			90,000	590,000			0
Waste Operations					0				0			0
GPS Vehicle Tracking	130,000			(130,000)	0	0		130,000	130,000			0
Total Environment and Regeneration	761,000	91,030	0	(170,000)	682,030	2,389,000	558,000	170,000	3,117,000	1,839,000	(228,000)	1,611,000

CAPITAL PROGRAMME FUNDING SUMMARY 2013/14

Appendix 5c

	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
Revised - Cabinet January 2013	12,747	19,618	32,362
Environment and Regeneration			
Bridge to Nowhere		91	91
Play Space Pollards Hill		50	50
Replacement of Fleet Vehicles	(90)		(90)
Leisure Centre Plant and Machinery	4		4
Mobile Working Initiative	(4)		(4)
GPS Vehicle Tracking	(130)		(130)
Corporate Services			0
IT Equipment	(536)		(536)
Community and Housing			0
Adult Social Care Collections		(10)	(10)
Captive E-learning CareFirst		(3)	(3)
Revised - Cabinet February 2013	11,992	19,747	31,736

DEPARTMENT: CORPORATE SERVICES - PROGRESS ON SAVINGS 13-14

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

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

APPENDIX 6

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

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

APPENDIX 6

DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS

Ref	Description of Saving	Type of Saving (see key)	2013/14 Savings Required £000	2013/14 Savings Expected £000	RAG	Comments
ASC17	Service Description Adult Social Care Optimise use of shared lives		200	0	R	One LD customer identified to move so far - suspended because of family objection. A meeting to look at specific challenges scheduled for 12.09.13 - the project is unlikely to achieve the savings target for 2013-14
ASC7	Service Description Adult Social Care 0% inflation uplift to third party suppliers		600	600	G	
ASC8 / ASC38	Service Description Adult Social Care Optimising the use of block and spot contracts		600	150	R	Circa £100k achieved to date through releasing voids; further re-negotiations on-going; unlikely to meet full year target
ASC18	Service Description Adult Social Care Fanon & Imagine Contract		154	154	G	
ASC36	Service Description Adult Social Care CADL's (complex equipment)		100	100	G	
ASC13 & ASC34	Service Description Adult Social Care CFC + high cost. (Brokerage)		200	165	G	
ASC14	Service Description Adult Social Care Supported Living (Incl de-registration)		233	313	G	
ASC35	Service Description Adult Social Care Supporting People		350	289	A	There is still circa £61k savings to find - there is a risk this project will not meet the full savings target
ASC43	Service Description Adult Social Care Procurement opportunities		42	18	G	
ASC39	Service Description Adult Social Care Reviewed Service packages		110	96	A	Circa £96k savings achieved to date (pre LBM Finance verification); reviews continue - this project should meet the full target
ASC37	Service Description Adult Social Care Care-tech contract		50	50	G	
ASC16	Service Description Adult Social Care Transitions		25	18	G	
ASC19 & ASC40	Service Description Adult Social Care Monitoring of high value/high cost placements		75	39	A	Circa £31k projected to date - further reviews being identified

Ref	Description of Saving		Type of Saving (see key)	2013/14 Savings Required £000	2013/14 Savings Expected £000	RAG	Comments
ASC6	Service Description	Adult Social Care Transport		112	0	R	Budget manager is in discussion with transport services for Core routes for Day centres
ASC10	Service Description	Adult Social Care Optimise telecare usage		165	0	R	It is suggested that telecare for new customers is cost avoidance - not savings against current customers - this project will meet the savings target for 2013-14
ASC41	Service Description	Adult Social Care Staffing savings in Direct Provision		114	114	G	
ASC42	Service Description	Adult Social Care Reduction in Mental Health Placement		32	32	G	This project should achieve its target
ASC23	Service Description	Adult Social Care Partnerships :The health and social care system . Reablement		3,000	3,000	G	
66	Service Description	Merton Adult Education Increase income from commercial courses and cafe		50	6	R	Due to delayed implementation of the new commercial structure generating the target profit is unlikely to happen. New roles have been recruited to and will work on making up time.
	Service Description	Merton Adult Education Reduce administrative and marketing costs		18	36	G	The slowing pace of enrolments has required increased marketing activity and intervention . However re-structure has resulted in saving target being achieved
	Service Description	Merton Adult Education Close Canons House site and seek alternative venues without incurring costs		32	5	A	Closure of canons house occurred at the end of July
	Service Description	Libraries Completion of changes to opening hours, rationalisation of a number of small contracts and increase in income.		13	13	G	
	Service Description	Housing Deletion of 1x Strategy Officer post.		42	42	G	
	Total Community & Housing Department Savings for 2013-14			6,317	5,240		

Appendix 6

DEPARTMENT: ENVIRONMENT & REGENERATION SAVINGS PROGRESS: 2013-2014

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

Appendix 6

DEPARTMENT: ENVIRONMENT & REGENERATION SAVINGS PROGRESS: 2013-2014

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

Appendix 6

DEPARTMENT: ENVIRONMENT & REGENERATION SAVINGS PROGRESS: 2013-2014

Ref	Description of Saving	Type of Saving (see key)	2013/14 Savings Required £000	2013/14 Savings Expected £000	RAG	Comments
ER18	Waste Management Introduction of 6 day working week for refuse, recycling and food collection from Oct 2012		271	271	G	
ER20	Traffic & Highways Introduce Streetworks Permitting Scheme, income from fixed penalty notices(FPN's), savings on energy and service charges associated with the existing Street Lighting Contract.		245	203	R	£42k relating to renegotiation of Highways contract not likely to be met.
ER21	Traffic & Highways 15% reduction in staffing and reductions in Footway Maintenance/Street Furniture/Ditchingwatercourses/Street Lighting & Walksheet budgets.		79	79	G	
ER22	Traffic & Highways A further 15% reduction in staffing		60	60	G	
ER23	Commercial Services Potential to income generate In Commercial Waste and Recycling due to withdrawal of the LATS requirement.		150	0	R	Saving unlikely to be met. Work continuing in order to maximise income potential.
EN01	Legal Budget/PP&D Reduction in spend on legal cases by way of a combination of proactive resolution of issues at first point and/or drawing on section budgets to cover shortfall.		14	14	G	
EN08	Building and Development Control 10% increase in pre application planning fees and additional charge for tree pre-application advice		10	10	G	
EN15	Waste and Street Cleansing Operations Improved performance management and implementation of the Council's new sickness policy resulting in a reduction in agency staff usage.		25	25	G	
EN22	Traffic and Highways Reduction in Street Lighting Budget		50	50	G	
EN30	Traffic and Highways Reduction in supplies and Services Costs		6	6	G	

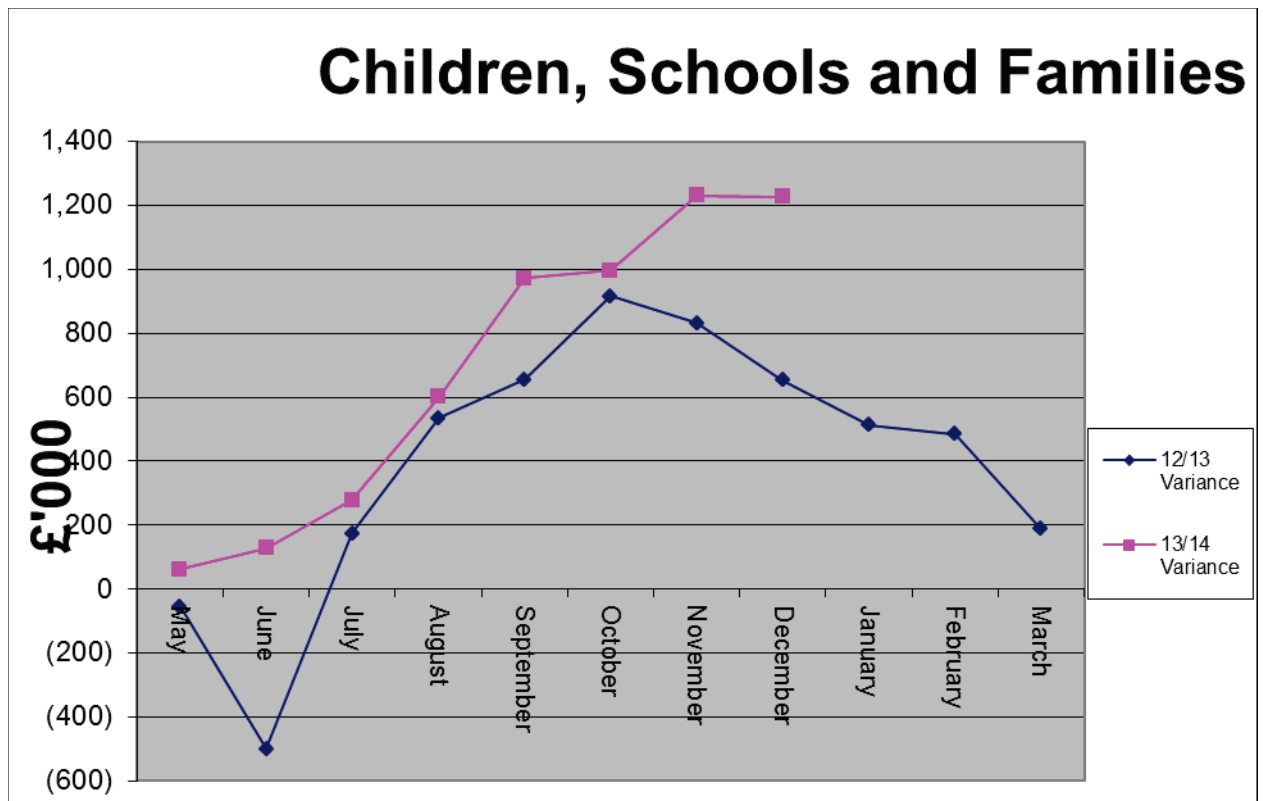
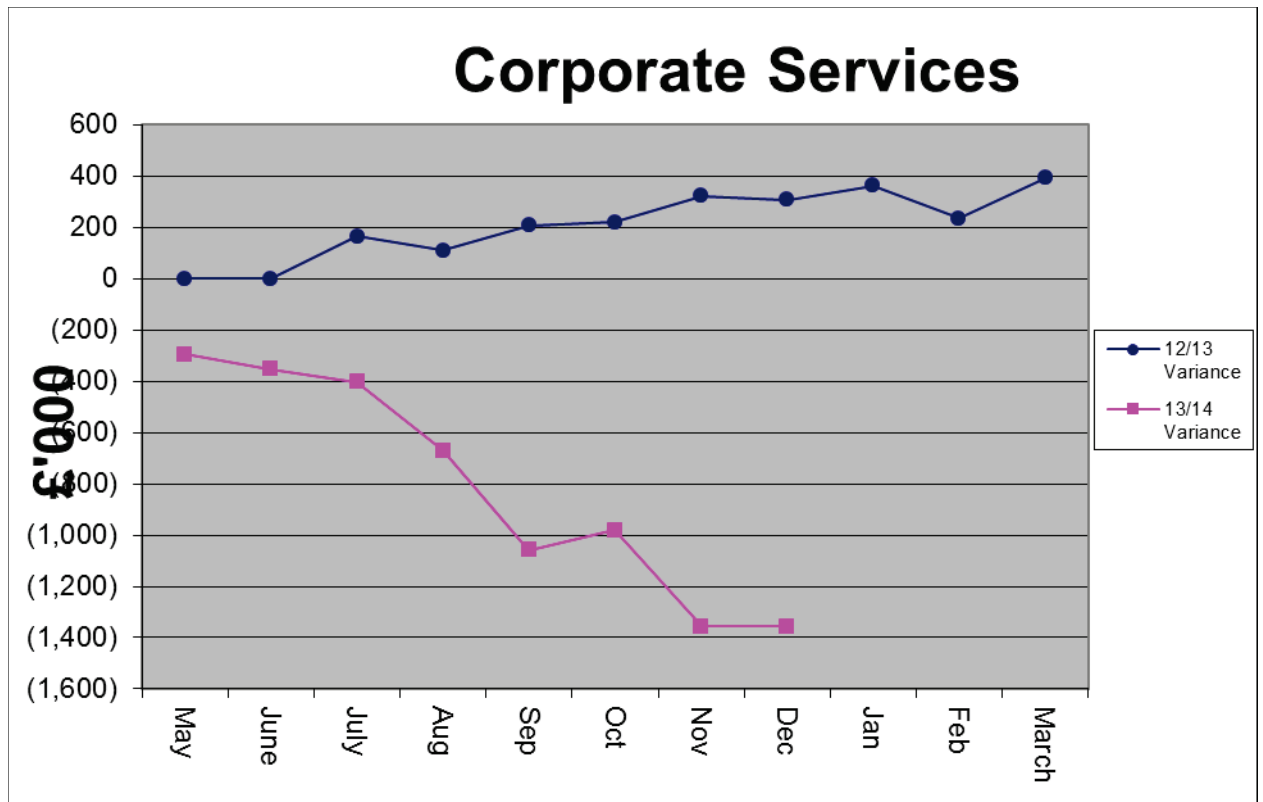
Appendix 6

DEPARTMENT: ENVIRONMENT & REGENERATION SAVINGS PROGRESS: 2013-2014

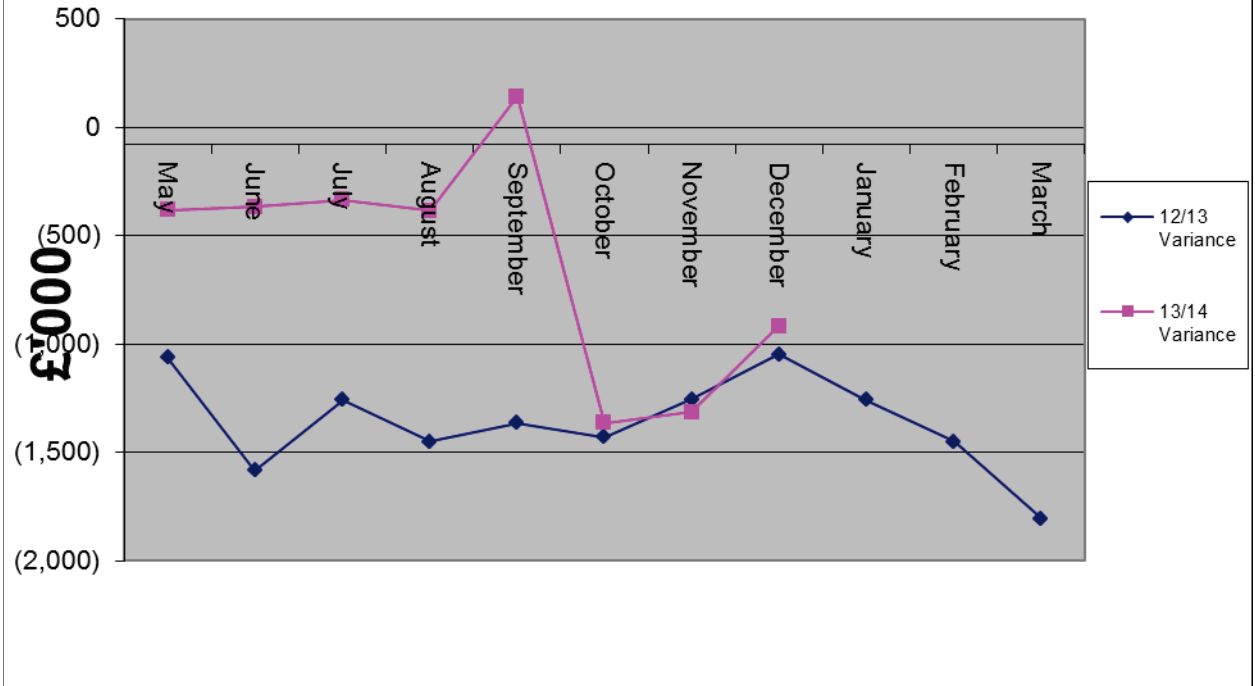
Ref	Description of Saving	Type of Saving (see key)	2013/14 Savings Required £000	2013/14 Savings Expected £000	RAG	Comments
EN34	Service Description Leisure & Culture Development Team Various Budgets - Reduction in supplies & services		6	6	G	
EN38	Service Description Leisure & Culture Development Team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

APPENDIX 7

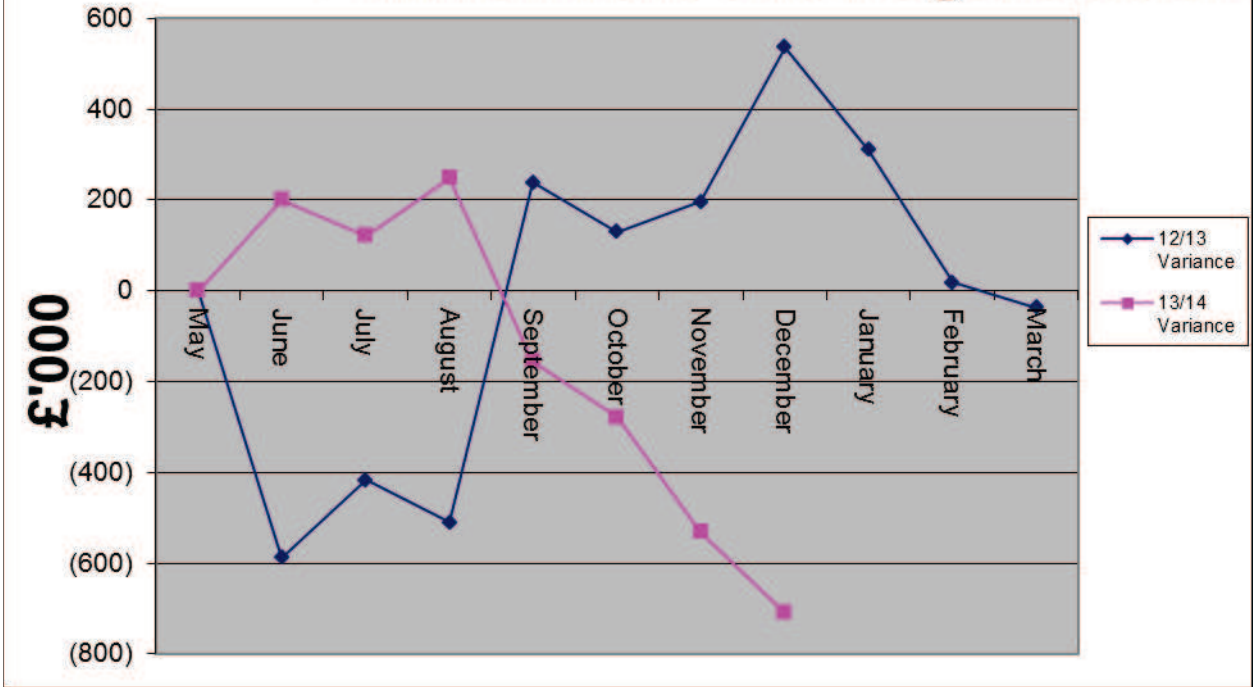
The following charts show the forecast year end variance by department with a comparison for 2012/13:



Community and Housing



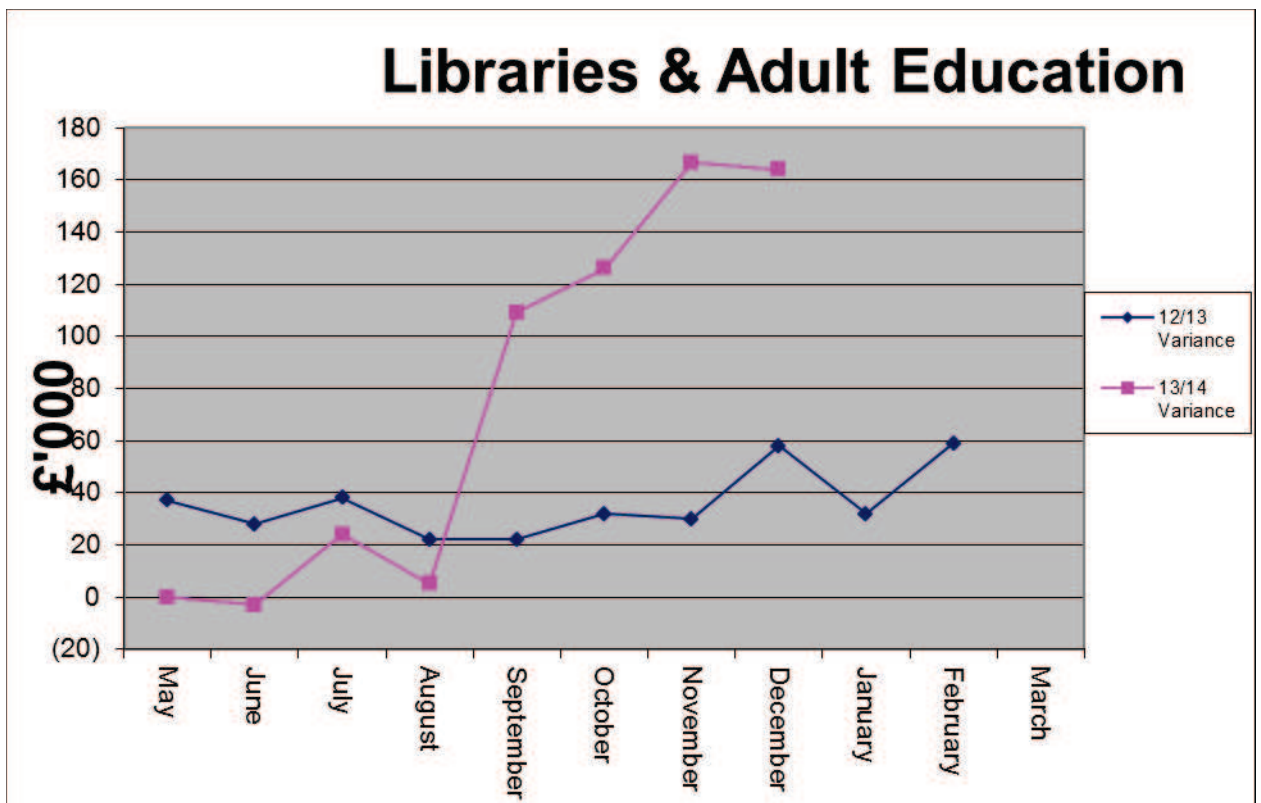
Environment and Regeneration



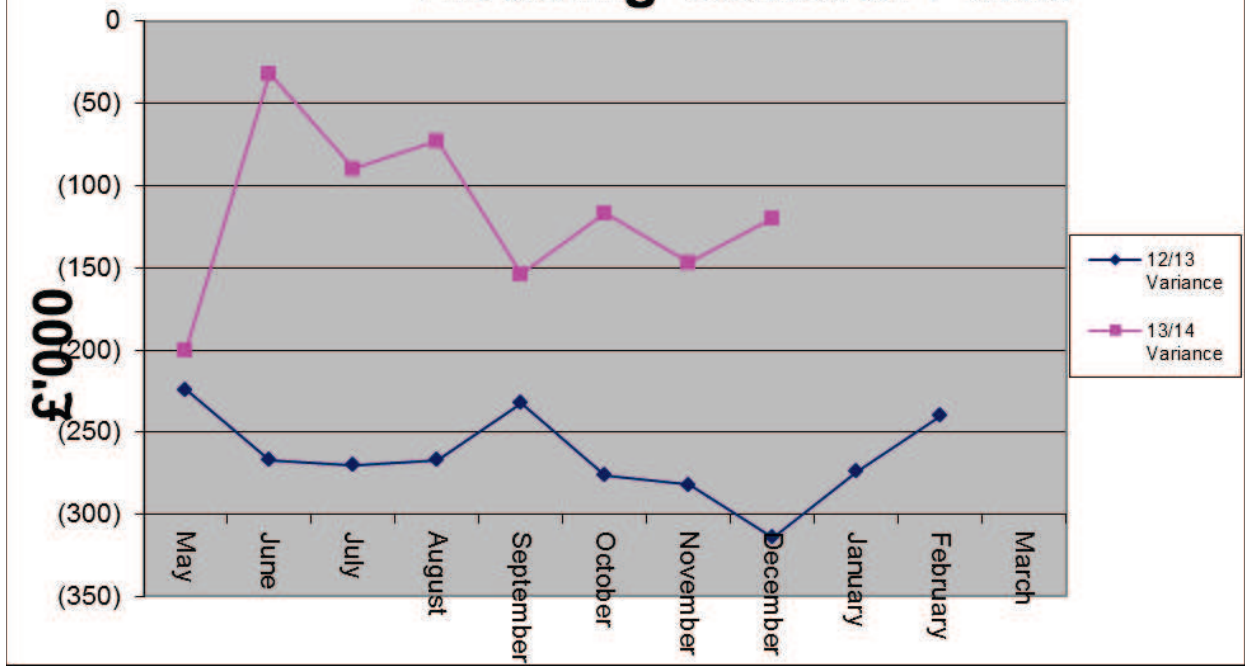
Adult Social Care



Libraries & Adult Education



Housing General Fund



Reserves

Appendix 8

Forecast Movement in Reserves 2013/14	Actual Bal at 31/3/13	Net Movt. in year	Bal. at 31/3/14
	£'000	£'000	£'000
General Fund Reserve (including HRA)	18,838	0	18,838
Earmarked Reserves	34,544	-6,954	27,590
Grants & Contributions	4,597	557	5,154
Total Available Gen. Fund Rev. Reser	57,979	-6,397	51,582
Fixed to Contracts	1,954	0	1,954
Total General Fund revenue reserves	59,933	-6,397	53,536

Analysis			
Earmarked Reserves			
Outstanding Council Programme Board	9,789	-1219	8,571
For use in future years for budget	9,752	-1500	8,252
Revenue Reserves for Capital / Revn.	4,269	-1650	2,619
Energy renewable reserve	1,441	0	1,441
Repairs & Renewal Fund	1,424	0	1,424
Transforming families reserve	1,318	-508	810
Pension Fund additional contribution	1,078	-1078	0
Local Land Charges Reserve	1,075	170	1,245
Apprenticeships	1,000	-85	915
Community Care Reserve	1,790	-39	1,751
Performance Reward Grant	651	-385	266
Economic Development Strategy	623	-594	29
Wimbledon Tennis Courts Renewal	28		28
MertonActionSingleHomelessness	50		50
Campus closure	7		7
Other	249	-67	182
Earmarked Reserves	34,544	-6954	27,590
Adult Social care contributions	1,482	-100	1,382
Culture and Environment contributions	931	-304	627
Culture and Environment grant	852	-284	568
Childrens & Education grant	780	-235	545
Adult Social care grants	101	-101	0
Housing Planning Development grant	345	-162	183
Housing GF grants	106	0	106
Public Health	0	1743	1743
Grants & Contributions	4,597	557	5,154
Total	39,141	-6397	32,744

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

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

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

APPENDIX 9

Customer & Client Receipts - £000's									
2013/14									
Department	Division/Service	Total Budget	Year to Date Actual (P9)	Year to Date Budget (P9)	Year to Date Over (under) Spend	Latest Forecast	Forecast Variance	Internal Receipts Forecast	External Receipts Forecast
Childrens Schools & Families	Schools Buy Back	-2,653	-1,560	-1,768	209	-2,930	-277	-78	-2,930
	PDC	-247	-119	-185	66	-252	-5	-78	-174
	Early Years & Childrens Centres	-1,192	-1,043	-886	-156	-1,179	12	-1,179	-1,179
	Other	-218	-334	-164	-170	-422	-204	-422	-422
	CSF Total	-4,309	-3,055	-3,004	-52	-4,782	-473	-78	-4,704
Corporate Services	Customer Services	-2,138	-1,754	-1,603	-151	-2,424	-286	-130	-2,294
	Corporate Governance	-366	-346	-232	-114	-350	16	0	-350
	Human Resources	-533	-347	-356	9	-494	39	-128	-366
	Infrastructure & Transactions Resources	-1,990	-1,078	-1,419	341	-2,227	-237	-1,555	-672
	Business Improvement	-739	-578	-554	-24	-874	-135	-1	-873
CS Total	-5,844	-4,142	-4,165	23	-6,488	-644	-1,892	-4,595	
Environment & Regeneration	Street Scene & Waste	-11,580	-8,195	-7,988	-207	-11,858	-278	-7,599	-4,259
	Public Protection & Development	-13,887	-10,054	-10,356	302	-13,386	501	-95	-13,291
	Sustainable Communities	-7,118	-6,289	-5,068	-1,221	-6,908	210	-1,102	-5,806
	Safer Merton	-6	-114	-4	-110	-1	5	0	-1
	E&R Total	-32,591	-24,652	-23,416	-1,236	-32,153	438	-8,796	-23,357
Community & Housing	Adult Social Care - Client Contribution & Other Cont	-9,980	-7,273	-6,095	-1,178	-9,789	191	-49	-9,740
	MAE & Libraries	-956	-560	-765	205	-778	178	-86	-692
	Housing	-94	-115	-60	-55	-147	-53	0	-147
	C&H Total	-11,030	-7,948	-6,920	-1,028	-10,714	316	-135	-10,579
Grand Total		-53,774	-39,797	-2,293	-54,138	-364	-10,901	-43,236	

Appendix 10

Subject: Miscellaneous Debt Update December 2013

1. LATEST ARREARS POSITION – MERTON'S AGED DEBTORS REPORT

1.1 A breakdown of departmental net miscellaneous debt arrears, as at 31st December, is shown in column F of Table 1 below.

Table 1 – Debtors aged balance – December 2013 – not including debt that is less than 39 days old

Department a	39 days to 6 months b	6 months to 1 year c	1 to 2 years d	Over 2 years e	Dec 2013 arrears f	Oct 2013 arrears	Direction of travel
	£	£	£	£	£	£	
Env & Regeneration	340,872	99,644	284,746	82,277	807,539	931,932	↓
Corporate Services	44,012	129,161	134,457	64,956	372,586	361,358	↑
Housing Benefits	388,880	456,435	733,619	1,457,918	3,036,852	2,934,448	↑
Children, Schools & Families	77,288	9,746	1,341	7,300	95,675	144,054	↓
Community & Housing	1,379,167	919,985	1,066,806	900,319	4,266,277	3,891,349	↑
Chief Executive's	0	500	0	0	500	500	
Total	2,230,219	1,615,471	2,220,969	2,512,770	8,579,429	8,263,641	↑
Dec-12	3,313,178	1,888,023	1,725,701	2,090,971	9,017,873		
Variance Dec 12 to Dec 13	-1,082,959	-272,552	495,268	421,799	-438,444		↓

1.2 Since the position was last reported in October 2013, the net level of arrears, i.e. invoices over 39 days old, has increased by £315,788

1.3 The net level of level of arrears has reduced by £438,344 when compared to the position at the end of December 2012.

1.4 Table 2 below shows the total net level of arrears for the last five years – not including debt that is less than 39 days old.

Table 2 – net miscellaneous debt December 2009 to December 2013 – not including debt that is less than 39 days old

Department	Dec 2009	Dec 2010	Dec 2011	Dec 2012	Dec 2013
	£	£	£	£	£
Env & Regeneration	583,497	285,724	403,880	803,040	807,539
Corporate Services	197,341	133,545	306,021	504,275	372,586
Housing Benefits	1,914,665	2,003,148	2,715,178	3,172,438	3,036,852
Children, Schools & Families	160,875	249,172	252,669	761,010	95,675
Community & Housing	2,175,069	2,387,277	2,843,344	3,777,081	4,266,277
Chief Executive's	0	0	2,280	0	500
Total	5,031,447	5,058,866	6,523,372	9,017,844	8,579,429

1.5 The figures in table 2 (above) show that the major area of increase in debt over the four year period is housing benefit overpayments and Community and Housing. Housing benefit overpayments have increased by £1.1 million over the 4 year period. It should be noted that the amount of housing benefit paid out has also increased over this period. In 2008/09 £61.3 million was paid out and an estimated £100 million will be paid in 2013/14.

1.5 The action being taken to recover the largest debts is outlined below.

2 THE PROCESS FOR COLLECTION OF MISCELLANEOUS DEBT

2.1 In considering the current levels of debt, it is important to outline the general process Merton currently has in place to collect its arrears. In general terms the process has 5 stages, as detailed below, although processes employed vary by debt type. It is important to note that most debtors can not pay their outstanding liabilities other than by payment arrangements. Once a payment arrangement has been made it can not be changed without the debtors consent.

Table 3 – the process for collecting debt

Stage 1	Stage 2	Stage 3	Stage 4	Stage 5
Invoice issued to debtor with 30 days allowed for payment.	After 30 days and following two requests for payment, a final warning notice is issued and the case passed to the Debt Recovery team.	The debt and debtor is evaluated to ensure the most effective recovery action is taken to attempt recovery. This will include contacting debtors' direct and collecting payment or agreeing repayment plans and passing the debt to collection agents to collect on our behalf, bankruptcy proceedings, attachment to benefit etc.	If the debt remains unpaid then County Court action is taken by the Debt Recovery team's solicitor who administers this process.	The final stage is consideration of the debt for write-off if all other attempts to collect the debt have failed.

3 DEBT OVER ONE YEAR OLD

3.1 Debt over 1 year old has increased by £1,048,067 since the end of April 2012.

Table 4 – Debt over 1 year old compared to April 2012

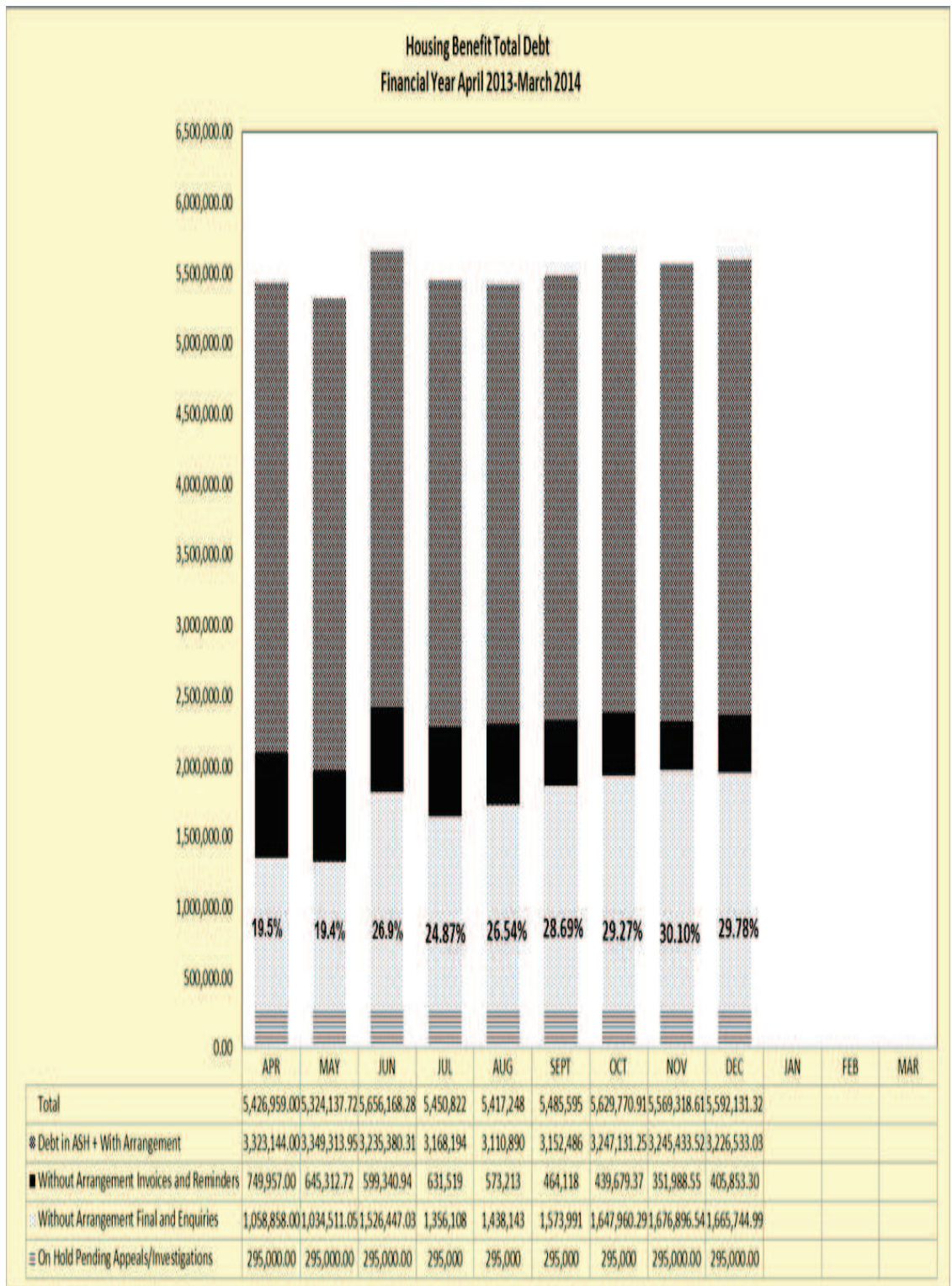
Department	April 2012	December 2013	Variance	% Variance
Env & Regeneration	65,104	367,023	301,919	82.26
Corporate Services	45,461	199,413	153,952	77.20
Housing Benefits	1,695,646	2,191,537	495,891	22.63
Childrens, Schools & Families	54,992	8,642	-46,350	-536.33
Community & Housing	1,421,831	1,967,125	545,294	27.72
Chief Executives	0	0	0	0.00
Total	3,283,034	4,733,740	1,450,706	30.65

3.2 The majority of debt over 1 year old is for Community and Housing debts and Housing Benefit overpayments.

3.3 The debt for Community and Housing over a year old has increased by £545,294 since April 2012. There is an upward trend in outstanding debt.

- 3.4 The total debt figure for Community and Housing, including debt that is less than 39 days old, is £5.26 million. Of this debt £1.0 million is under 39 days and therefore no formal recovery action has taken place other than issuing an invoice and reminder. £2.3 million is between 39 days and a year old and £1.96 million is over a year old. Of this £4.26 million collectable debt approximately £2.1 million is on arrangements, undertaking legal action or secured with Charging Orders (over £1.2 million in debt is secured against properties). Active recovery action is taking place on the remaining £2.1 million unsecured debt with the aim of securing the debt with payment arrangements or against the property with Charging Orders.
- 3.5 Housing benefit overpayment debt over a year old has increased by £495,891 since April 2012. The total amount of housing benefit debt is £5.6 million, which has reduced slightly since it was last reported at the end of October 2013. Of this debt £1.7 million is being recovered from on going benefit by reducing current housing benefit payments, this equates to approximately £85,000 per month being reduced from payments to off-set these overpayments. Over £3.25 million is on a payment arrangement or recovery from on going benefit. .
- 3.6 It should be noted that the level and number of housing benefit overpayments continues to increase due to the continued drive to identify fraud and failure to declare change in claimant circumstances. In 2012/13 £3.4 million of overpayments were identified and over £1.85 million either recovered or off set against housing benefit.
- 3.7 The graph below shows breakdown of all housing benefit overpayments by recovery action.
- 3.8 There has been an increase of over £0.3 million in Environmental Services debt over a year old. The majority of this debt is within Estates and some miscellaneous debt which is being reviewed.

Graph 1 – Total Housing Benefit Debt by recovery action from April 2013



- 3.9 Of the total debt outstanding shown in the graph 29.78% requires further recovery action. This figure is the same as when it was last reported in October 2013.

4. PROVISION FOR BAD AND DOUBTFUL DEBTS

- 4.1 Provision has been made available for writing off bad and doubtful debts held with the ASH and Housing benefits systems.. These provisions are £2.557m for ASH miscellaneous debt (including £0.308m for Housing Benefit debt) and £3.232m for debt held in the Housing Benefits system, making a total General Fund provision for bad and doubtful debts of £5.789m.. Clearly, every attempt is made to collect debts before write-off is considered. The current level of provision is analysed in the table below.
- 4.2 The Council adheres to the requirements of the SORP when calculating its provisions. Merton's methodology is to provide on the basis of expected non collection using the collection rates for individual departmental debt, and the age of the debt. 6.3

Provision for Bad and Doubtful Debts

Department	Less than 1 year £000's	Over 1 year £000's	Total provision £000's
Env & Regeneration	79	198	277
Corporate Services	45	174	219
Housing Benefits	1,293	2,248	3,541
Children, Schools & Families	35	64	99
Community & Housing	1,002	651	1,653
Chief Executive's	0	0	0
Total	2,454	3,335	5,789

5. EXECUTIVE SUMMARY / CONCLUSION

- 5.1.1 Merton's total level of miscellaneous debt arrears i.e. invoices over 39 days old, as at 31st December 2013 is £8,579,429. The net level of arrears, when the matter was last reported in October 2013 was £8,263,637.

6. TOTAL DEBT DUE TO MERTON

The total amount due to Merton as at 31st December 2013 is detailed in table 6 below.

Table 6 – Total debt outstanding as at 31st December 2013 and compared with previous periods over the past 15 months

	Oct-12	Dec-12	Feb-13	Jun-13	Oct-13	Dec-13
	£	£	£	£	£	£
Miscellaneous sundry debt Note 1	11,531,061	11,649,664	18,154,293	11,565,929	11,960,990	12,415,856
HB debt in Benefit system Note 2	2,451,628	2,314,607	2,427,121	2,282,190	2,532,921	2,469,412
Housing Rent Note 3	231,236	230,060	110,936,	108,058	103,451	103,371
Parking Services	1,913,322	2,127,613	2,342,502	2,208,764	2,553,803	2,545,573
Council Tax Note 4	4,166,454	3,817,752	3,402,427	5,056,682	4,263,977	3,906,022
Business Rates Note 5	1,656,657	1,281,928	1,114,885	3,032,636	2,404,348	1,998,789
Total	21,950,358	21,421,624	27,441,228	24,254,259	23,819,490	23,439,023

Note 1 This figure differs from the amount shown in Table 1 as it shows all debt, including that which is less than 39 days old.

Note 2 This is the housing benefit debt within the benefits system

Note 3 This is former tenants rent arrears – leaseholder debts are included in miscellaneous sundry debt

Note 4 Council tax debt does not include the current year council tax collection.

Note 5 Business rates debt does not include the current year business rates collection

- 6.1 The overall debt outstanding has increased by £2.02 million since December 2012. The largest area of increase in debt is miscellaneous debt which has increased by £0.76 million and business rates which has increased by £0.71 million.
- 6.2 The increase in business rates debt is mainly due to the lower in year collection of business rates during 2012/13 which resulted in larger outstanding arrears from April 2013.

6.3 Detailed breakdowns of the Council Car Parking figures are shown in the Table 7 below:

Table 7 – Car Parking Aged Debtors - December 2013

Age of Debt	Outstanding £	Number of PCNs
0-3 months	749,057	6,780
3-6 months	418,410	2,765
6-9 months	316,679	1,899
9-12 months	227,315	1,401
12-15 months	208,755	1,301
Older than 15 months	625,359	4,086
Total October 2013	2,545,575	18,232

Total October 2013 **2,553,807** **18,148**

Increase **(8,232)** **84**

APPENDIX AUTHOR - David Keppler (020 8545 3727/david.keppler@merton.gov.uk)

2013/14 CASHFLOW SEPTEMBER 2013 POSITION

Appendix 11
Forecast

	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Total 2013/14
Opening Cash Balance as													
Total 2011/12	(24,770,775)	(8,205,448)	(1,713,636)	(2,089,603)	(3,646,017)	(1,992,554)	(7,604,725)	(2,033,748)	(2,054,106)	(3,412,176)	(2,113,005)	(1,923,005)	(38,674,653)
Total 2012-13	(41,408,059)	(8,205,448)	(1,713,636)	(2,089,603)	(3,646,017)	(1,992,554)	(7,604,725)	(2,033,748)	(2,054,106)	(3,412,176)	(2,113,005)	(1,923,005)	(80,082,712)
REFDESC	(38,183,884)	(1,439,716)	(3,171,926)	(1,680,661)	(2,171,892)	(2,941,894)	(1,893,611)	(2,544,963)	(2,399,643)	(4,496,262)	(5,496,262)	(5,496,262)	(28,236,830)
TOTAL OTHER EXPENDITURE	(3,224,215)	(3,765,732)	(541,710)	(408,942)	(474,125)	(1,050,660)	(811,114)	(488,785)	(654,463)	(915,914)	(608,743)	(426,743)	(6,445,822)
CAPITAL EXPENDITURE													
PFI RELATED PAYMENTS													
CHEQUES - FMIS (formerly part of daily debits from CHEQUES (H/ANNDR/CTAX) (formerly part of daily													
BACS SUPPORT FOR INVOICES													
RATE SUPPORT GRANT													
MID MONTH PAYROLL													
END MTH PAYROLL MAIN													
CHAS PAYROLL & OTHER DISBURSEMENTS													
END MONTHPAYROLL 2													
TEACHERS PAYROLL													
TEACHERS PENSION													
HOUSING BENEFIT													
H BENEFIT RUN FOR MPH													
S106 PAYMENTS													
INLAND REVENUE													
PAYROLL PENSIONERS (GF)													
ESTIMATED TOTAL EXPENDITURE	(658,676,068)	(657,547,753)	(651,688,341)	(657,193,955)	(656,026,174)	(651,454,053)	(650,402,166)	(652,261,520)	(659,092,758)	(653,132,644)	(656,505,005)	(653,917,005)	(659,431,974)
TOTAL OTHER CREDITS	165,007,178	17,897,059	11,297,414	13,281,689	13,271,008	10,898,548	11,833,356	13,682,236	11,441,394	12,014,993	11,397,943	15,626,903	155,920,414
TOTAL GRANTS	186,345,580	5,892,584	3,930,946	2,155,936	4,310,394	7,717,768	2,294,562	2,143,370	6,452,988	1,958,268	15,337,047	6,884,638	87,285,277
CITAX REC'D VIA ALL P													
COUNCIL TAX D/D													
BUSINESS RATES D/D													
DEPT OF WORKS AND PENSION													
DSG													
PUBLIC HEALTH GRANT (DGH)													
SCHOOLS PAYROLL PAYMENT													
VAT REIMBURSEMENT													
ESTIMATED TOTAL INCOME	667,942,060	674,120,445	674,120,445	674,120,445	674,120,445	674,120,445	674,120,445	674,120,445	674,120,445	674,120,445	674,120,445	674,120,445	674,120,445
NET INCOME/EXPENDITURE	9,265,992	16,572,692	16,572,692	16,572,692	16,572,692	16,572,692	16,572,692	16,572,692	16,572,692	16,572,692	16,572,692	16,572,692	16,572,692
Interest on Deposits													
Interest on Long Term Debt													
Tax on Long term Interest paid													
Interest on Short Term Debt													
ESTIMATED TOTAL INTEREST PAID/RECEIVED	(5,921,662)	(5,999,470)	(5,999,470)	(5,999,470)	(5,999,470)	(5,999,470)	(5,999,470)	(5,999,470)	(5,999,470)	(5,999,470)	(5,999,470)	(5,999,470)	(5,999,470)
Premium on P-tenature													
Repayment of Debt													
DEBT REPAID													
ESTIMATED TOTAL PREMIUM/DISCOUNT	0	0	0	0	0	0	0	0	0	0	0	0	0
ESTIMATED CASH BALANCE	52,344,310	10,773,222	10,773,222	10,773,222	10,773,222	10,773,222	10,773,222	10,773,222	10,773,222	10,773,222	10,773,222	10,773,222	10,773,222
Closing Balance Investments													
closing bank balance													
YEAR END CLOSING CASH BALANCE	67,000,000	67,470,000	67,470,000	67,470,000	67,470,000	67,470,000	67,470,000	67,470,000	67,470,000	67,470,000	67,470,000	67,470,000	67,470,000
Outstanding Temporary Borrowing													
Long Term Debt													
Add Estimated New Long Term borrowing													
Less Debt Repaid in Year													
ESTIMATED CLOSING LONG TERM DEBT	0	0	0	0	0	0	0	0	0	0	0	0	0
LIABILITY BENCHMARK	10M	10M	10M	10M	10M	10M	10M	10M	10M	10M	10M	10M	10M

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