

## **Cabinet**

**Date: 30 June 2014**

**Subject: Budget Out-turn 2013/14 and Business Plan Monitoring Report**

Lead officer: Paul Dale

Lead member: Mark Allison

### **Recommendations:**

- A. That Cabinet note the draft provisional revenue outturn for 2013/14
  - B. That Cabinet consider the issues around the quality of revenue budget monitoring and agree that the areas highlighted in the report should be the subject of particular focus in 2014/15.
  - C. That Cabinet approve the virements, new funding and adjustments contained in Appendix 4
  - D. That cabinet approve the requests for revenue virement contained in Section 8
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### **1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY**

This report outlines the provisional; out-turn position for the last financial year (2013/14) and the issues that arise from it.

Section 2 – Summarises the draft outturn position of the Authority.

Section 3 – Reviews the outturn position for corporate items

Section 4 – Reviews the outturn position for service items

Section 5 – Reviews the detailed outturn position for service departments

Section 6- Provides information on the capital outturn

Section 7 – Summarises the movement in reserves

Section 8 – Requests a virement in 2014/15

## Section 2 – DRAFT REVENUE OUTTURN 2013/14

The following table summarises the out turn position for 2013/14 and more detail is provided in Appendix 1. Some transfers to reserves had been agreed in the year or are statutory. After allowing for these the overall under spending is c£2m or 1.25% of the net budget. This underspend has been taken to the OCPB and the provision for capital financing. There has been a sustained reduction in under spending over recent years. The gross position is an underspend of c.£5.6m after these transfers to reserves of £1.5m in respect of the pension fund, £1.6m to an earmarked grant reserve for Public Health and £315k to a reserves for the local welfare support scheme

### Revenue Outturn (net direct period 12 excluding overheads)

	Current Budget 2013/14 £000s	Outturn £000s	Outturn Variance to Budget £000s
<b><u>Department</u></b>			
Corporate Services	29,195	28,463	(732)
Children, Schools and Families	47,117	47,673	556
Community and Housing	58,326	57,204	(1,122)
Public Health	0	0	0
Environment & Regeneration	22,739	22,163	(576)
Recharges	(1,976)	(1,921)	55
<b>Net Service Expenditure</b>	<b>155,402</b>	<b>153,582</b>	<b>(1,820)</b>
<b><u>Corporate Items</u></b>			
Impact of capital on revenue budget	13,972	13,972	0
Pension fund	5,087	5,108	21
Pay and price inflation	371	57	(314)
Contingencies and provisions	4,736	5,581	845
Income items	0	(177)	(177)
Net transfers to reserves	45	45	0
Depreciation and impairment	(16,267)	(16,264)	3
Levies	914	914	0
<b>Total Corporate Provisions</b>	<b>8,858</b>	<b>9,236</b>	<b>378</b>
Transfer to Earmarked Reserves	0	2,051	2,051
<b>Total General Fund</b>	<b>164,260</b>	<b>164,869</b>	<b>609</b>
<b>Funding</b>	<b>(164,260)</b>	<b>(164,869)</b>	<b>(609)</b>
<b>Net transfer to the General Fund balance</b>	<b>0</b>	<b>0</b>	<b>0</b>

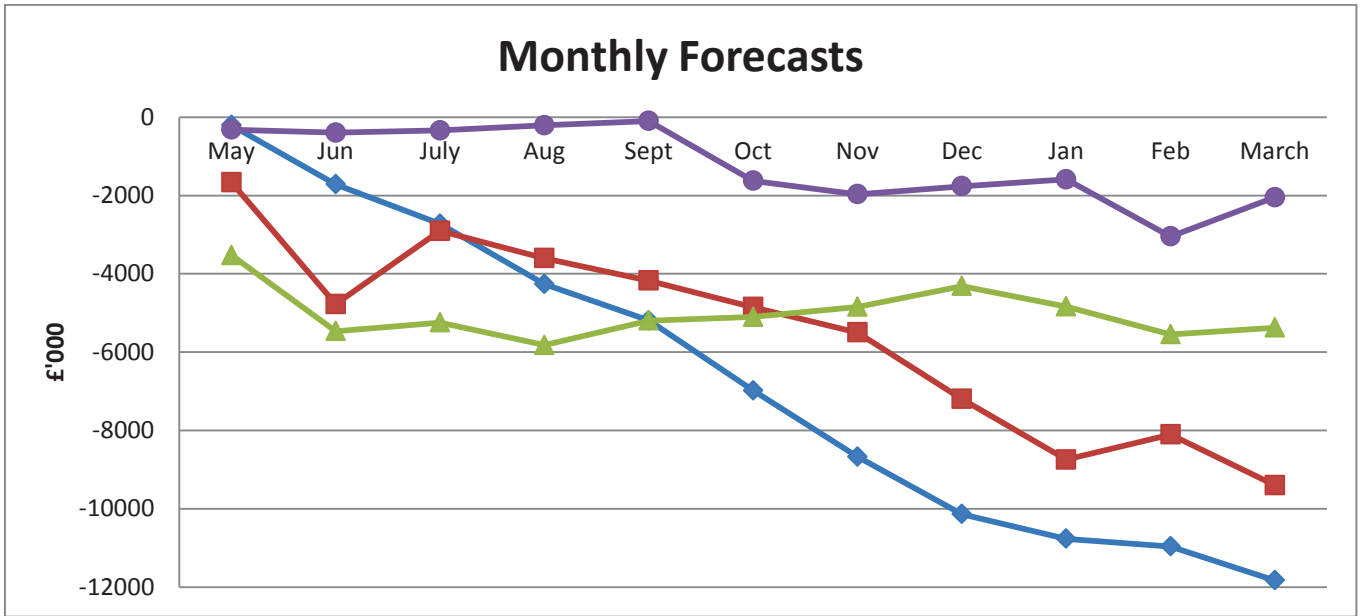
<b>Subjective analysis of Expenditure 2013/14</b>	<b>Current Budget 2013/14</b>	<b>Outturn 2013/14</b>	<b>Outturn variance</b>
<b>Expenditure</b>	<b>£000</b>	<b>£000</b>	
Employees	92,392	92,668	275
Premises Related Expenditure	9,796	8,905	(891)
Transport Related Expenditure	13,406	13,426	20
Supplies and Services	162,840	164,773	1,933
Third Party Payments	88,127	86,021	(2,106)
Transfer Payments	95,945	102,387	6,442
Support Services	32,417	33,919	1,501
Depreciation and Impairment Losses	16,264	16,264	(0)
Corporate Provisions (inc. Transfers to reserves)	8,858	11,287	2,429
<b>GROSS EXPENDITURE</b>	<b>520,046</b>	<b>529,650</b>	<b>9,603</b>
<b>Income</b>			
Government Grants	(243,636)	(250,061)	(6,425)
Other Grants, Reimbursements and Contribs	(19,147)	(21,507)	(2,361)
Customer and Client Receipts	(54,239)	(55,379)	(1,141)
Interest	(44)	(19)	25
Recharges	(34,296)	(35,741)	(1,446)
Balances	(4,426)	(2,073)	2,352
<b>GROSS INCOME</b>	<b>(355,787)</b>	<b>(364,781)</b>	<b>(8,994)</b>
<b>NET EXPENDITURE</b>	<b>164,261</b>	<b>164,869</b>	<b>609</b>

Arising from this the issues that need to be examined are;

- The scale of the under spending
- The sources of the under spending
- Comparisons to recent years
- The quality of forecasting.

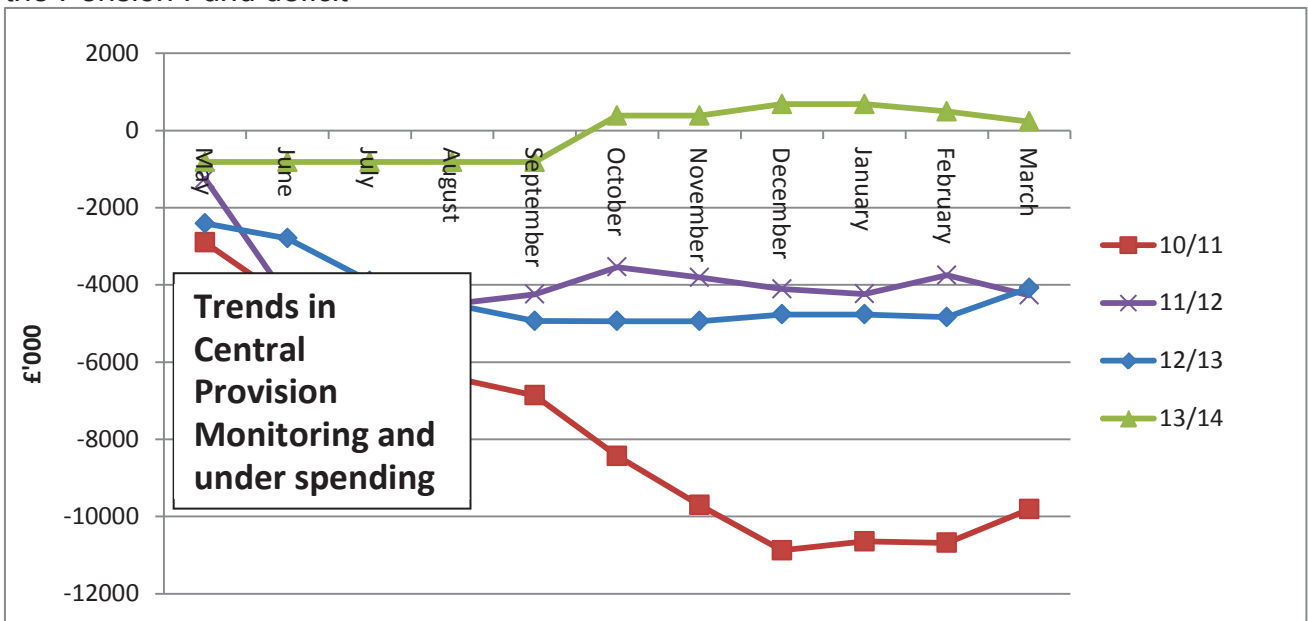
# Quality of Budgetary Control

In recent years the quality of budgetary control has been somewhat erratic. In overall terms the quality of budget monitoring has very substantially improved over the last 4 years. The overall quality of forecasting was further improved in 2013/14.



## Central budgets

Central budgets have in recent years been an area of significant under spending and variability of monitoring. The graph below shows a major improvement in terms of under spending in 2013/14 and also the quality of monitoring. The move from a forecast under spend to spending close to budget reflects a formal decision to apply £1.5m to forward fund the Pension Fund deficit



## Section 3 Corporate Items

These budgets cover a wide range of significant areas including treasury management, contingency, contributions to past service deficiency on the pensions fund and contributions from government grants and use of reserves. The details comparing actual expenditure with budget are contained in Appendix 1 and 2. The summary position is as below.

Corporate Items	Current Budget 2013/14	Outturn	Variance
	£000s	£000s	£000s
Cost of Borrowing	14,355	14,130	-225
Investment Inc.	-383	-831	-448
- Underspend set aside for capital financing	0	673	673
<b>Impact of Capital on revenue budget</b>	<b>13,972</b>	<b>13,972</b>	<b>0</b>
Pension Fund	5,087	5,108	21
Pay and Price Inflation	371	57	-314
Contingencies and provisions	4,736	5,581	845
Income	0	-177	-177
Transfers to Reserves	45	2,096	2,051
<b>Central Items</b>	<b>10,239</b>	<b>12,665</b>	<b>2,426</b>
Levies	914	914	0
Depreciation and Impairment	-16,267	-16,264	3
<b>TOTAL CORPORATE PROVISIONS</b>	<b>8,858</b>	<b>11,287</b>	<b>2,429</b>

The out-turn in the current year was close to budget. The £2.4m overspend is after of transfers of c. £3.5m. Central provisions have been an area where there had been substantial underspends in previous years. In the past underspending mainly arose from heavily overprovided budgets for the costs of financing the capital programme and central provisions for uncertain items that proved not to be required because there was sufficient scope within departmental budgets to contain all in year expenditure pressures. This has now substantially been resolved, but will be reviewed again as part of setting the 2015/16 budget.

### a) Impact of Capital on Revenue Budget

The net underspend and slippage of the capital programme and decisions on financing of the programme as part of that years closing of accounts produced a net under spending of c£0.225m. Combined with an increase in investment income arising from slippage of capital spend, improved cash flow and treasury management this has led to an overall underspend of c. £0.7m. In line with the

treasury strategy agreed in setting the 2013/14 budget this has been utilised in 2013/14 as part of the funding strategy for the capital programme.

- b) Pay and Price Inflation  
The central provision for pay awards was required for the first time in some years. However, the provision for excess inflation was not distributed and hence underspent as there was no requirement for this in 2013/14.
- d) Contingencies and provisions  
The budget for 2013/14 included a range of contingencies as set out in Appendix 2. There was an under spending overall before transfer to reserves. Elements not required, e.g. most of the Revenuisation budget and unspent part of the general contingency were used to fund a previously agreed transfer to reserves to use for advance funding of the Pension Fund deficit as part of the MTFS.
- e) Depreciation and Impairment  
The accounting treatment of depreciation and impairment has no overall effect on the Council's net revenue expenditure as the charge to services is offset by a contra entry in corporate provisions.
- f) Income items  
Additional items of small grant income of £177k were received late in the financial year
- g) Transfers to Reserves  
The variance of c. £2.1m arising from transfers to reserves consists of transfers to the Revenue Reserve for capital/revenuisation and to the Outstanding Council Programme Board.

## Section 4 Overall Service Spending

### Major out – turn issues

There has been a major reduction in both central and service under spending between 2011/12, where the net under spending was around £11m, and 2013/14. On services this mainly arises from previously overprovided budgets in the areas of Waste and Adult social care being reduced by offering them up as savings in setting the budget. Whilst this is a much preferable situation to overspending, looking forward it does require a review of the amounts that were included in the initial budget. An exercise needs to be completed assessing the impact of under and overspendings on the 2013/14 budget. Specific areas are discussed in the service section below.

In recent years the same 3 areas of the budget, as shown in the table below, were responsible for the majority of under spending. The scale of this was substantially reduced in 2012/13 and reduced by a marginal amount further in 2013/14, and Children's Social Care in aggregate is now overspending.

Service Spending 2013/14	Current Budget	Outturn Variance to budget	Outturn Variance to budget	Budget as % of Council Budget	Forecast Variance	Forecast Variance	Under
					(Feb)	(Jan)	spend 2012/13
	£'000	£'000	%	£'000	£'000	£'000	£'000
Adult Social Care	54,259	-1,088	-2.01%	34.92%	-1,536	-1,243	-1,575
Waste	17,139	-1,116	-6.51%	11.03%	-1,518	-1,112	-650
Social Care & Youth Inclusion, including ART placements	16,754	267	1.59%	10.78%	279	688	-472
<b>Total 3 major areas</b>	<b>88,152</b>	<b>-1,937</b>	<b>-2.20%</b>	<b>56.73%</b>	<b>-2,775</b>	<b>-1,667</b>	<b>-2,697</b>
The Rest	67,250	117	0.17%	43.27%	-225	-33	1,439
<b>Total</b>	<b>155,402</b>	<b>-1,820</b>	<b>-1.17%</b>	<b>100.00%</b>	<b>-3,000</b>	<b>-1,700</b>	<b>-1,258</b>

In setting the 2013/14 budget £800,000 of the excess income in adult social care that should previously have been offset against growth was clawed back. Growth of £500,000 that had not been required in waste was also clawed back. Both these areas contained spending in 2013/14 within the reduced budget. In these services there remains a need to improve monitoring as they were late in providing accurate estimates of likely spending.

In 2013/14, whilst the Children's Social Care and Youth Inclusion Division (CSC & YI) underspent, there was substantial overspending on commissioning budgets in the Commissioning, Strategy and Performance Division (CSP) for placements of children, which more than offset the CSC & YI Division under spending.

Outside these major services, in recent years, there has been a low aggregate variation from the budget. However, in 2012/13 a worrying level of overall overspending emerged on

remaining services and a substantial number of services showed large positive and negative spending variations. In addition the quality of forecasting was poor with the scale of the over and under spending not emerging until late in the year. There has been a very substantial improvement in the picture in 2013/14. There are far fewer areas with significant variations. The large overspendings will require investigation and action taken to ensure that they do not occur. These will need to be a focus of monitoring activity in 2014/5. Most areas of under spending arose from savings being taken early. They were a useful partial counter balance to the overspending areas.

Analysis of "other" budgets and under and over spending	2013/14 Current Budget	2013/14 Actual	Variance	Variance	Forecast variance at year end (Feb)	Forecast variance at year end (Jan)	2012/13 Variance at year end
	£'000	£'000	£'000	%	£'000	£'000	£'000
Corporate Items including redundancy costs	1,282	1,978	696	54.29%	50	207	-9
Transport (Provider side) <sup>1</sup>	-651	-114	537	-	506	262	-77
Education	15,856	16,226	370	2.33%	558	524	144
Public Protection & Development	-6,572	-6,269	303	-4.61%	324	352	229
<b>Total Major Over spends</b>	<b>9,915</b>	<b>11,821</b>	<b>1,906</b>	<b>19.22%</b>	<b>1,438</b>	<b>1,345</b>	<b>287</b>
Corporate Governance	4,523	4,338	-185	-4.09%	-122	-90	-195
Resources	7,532	7,248	-284	-3.77%	-301	-233	-141
Customer Services <sup>2</sup>	2,341	1,589	-752	-	-773	-748	460
<b>Total Major underspends</b>	<b>14,396</b>	<b>13,175</b>	<b>-1,221</b>	<b>-8.48%</b>	<b>-1,196</b>	<b>-1,071</b>	<b>124</b>
<b>Other</b>	<b>42,939</b>	<b>42,371</b>	<b>-568</b>	<b>-1.32%</b>	<b>-467</b>	<b>-307</b>	<b>1,075</b>
<b>Total</b>	<b>67,250</b>	<b>67,367</b>	<b>117</b>	<b>0.17%</b>	<b>-225</b>	<b>-33</b>	<b>1,486</b>

- 1) There were also transport overspends of £444k in CSF, £117k in C&H and an underspend on E&R use of transport of £367k. This raises the overall budget problem in this area to £731k a matter which requires urgent action.
- 2) CMT agreed the c/f of the Welfare Fund underspend into 2014/15



## Section 5 Detailed Service Spending Corporate Services

	2013/14 Current Budget	2013/14 Outturn	Variance at year end
Service Area	£000	£000	£000
Business Improvement	2,255	2,223	-32
Infrastructure & Transactions	9,064	8,934	-130
Resources	7,532	7,248	-284
Human Resources	2,198	2,152	-46
Corporate Governance	4,523	4,338	-185
Customer Services	2,341	1,589	-752
Corporate Items including redundancy costs	1,282	1,978	696
<b>Net direct expenditure</b>	<b>29,195</b>	<b>28,463</b>	<b>-732</b>

The outturn for Corporate Services is an underspend of £732k versus budget. The main variances are summarised in the table below.

<u>13/14</u>	<u>Budget</u> £000	<u>Outturn variance</u> £000
<u>Human Resources</u>		
School's SLA	(376)	43
Training costs	393	(54)
Other costs	2,181	(35)
<b>Total Human Resources</b>	<b>2,198</b>	<b>(46)</b>
<u>Resources</u>		
Audit Fee	422	(185)
Other costs	7,110	(99)
<b>Total Resources</b>	<b>7,532</b>	<b>(284)</b>
<u>Customer Services</u>		
Corporate Communications Income	(203)	184
Shared Bailiff's service with LB Sutton	(150)	110
Bailiff's fees for Merton	(650)	205
Local welfare support programme funding	(367)	(315)
CHAS	0	(194)

Summons costs	(930)	(355)
Other costs	4,641	(387)
<b>Total Customer Services</b>	<b>2,341</b>	<b>(752)</b>

### **Business Improvement – underspend £32k**

The underspend is due to vacant posts and an overachievement on street naming income.

### **Customer Services – forecast underspend £752k**

The Local Welfare Support discretionary scheme underspent by £315k due to the number of claims being significantly lower than anticipated. This has been the case across London.

This underspend has been transferred to a Local Welfare Support reserve.

The recovery of court costs exceeded the budget by £355k as there was an increase in the number of summonses issued for non payment of council tax.

The Merton and Sutton shared bailiff service underachieved the income target by £110k for each borough. This was partially due to the level of enforcement costs (non-statutory) that the Merton bailiff team charges being 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

There was also a shortfall on the Merton Bailiffs fees target of £205k due to the reduction in charges together with the Bailiffs reform and new legislation which came into effect in April 2014

The Contractors Health and Safety Assessment Scheme (CHAS) commenced trading as CHAS 2013 Limited t/a CHAS on 3<sup>rd</sup> June 2013. The surplus generated up to the commencement of trading of £194k remains in Customer services. The profits retained in CHAS 2013 Limited will benefit LB Merton in future years as dividend income.

### **Infrastructure and Transactions – underspend £130k**

This underspend is mainly due to the renegotiation of contracts and overachievement of income targets.

### **Resources – underspend £284k**

The audit fee saving of £185k for future years has been captured early in the current year. Some supplies and services budgets have underspend by approx. £99k.

### **Human Resources (HR) – underspend £46k**

The Learning and Development underspend on corporate training was £54k. The budgets were centralised in 2013/14 to capture a saving of £230k. This has been overachieved in the first year. Training needs and the appraisal process continues to be reviewed and improved to ensure training requirements across the organisation are identified and delivered. This underspend is offset by the Schools payroll SLA underachievement of income of £43k. The competition from external payroll providers will continue to put this income budget under pressure for future years. There was also an underspend on the Central Operations Team due to vacant posts which are savings for 14/15.

### **Corporate Governance – underspend £185k**

The underspend of 185k is on various supplies and services budgets within the Corporate Governance division, some being held as future year savings.

### **Corporate Items – overspend £696k**

There was an overspend of approx. £270k on the council wide redundancy budget.

There was also a £400k overspend on Housing Benefits. This is due to Non-HRA rent rebates which do not attract subsidy and an increase in the bad debt provision for overpayments from 60% to 75% based on collection rates.

## **Environment & Regeneration**

<b><u>Summary Position</u></b>	<b>2013/14 Current Budget</b>	<b>Final outturn</b>	<b>Variance at year end</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Public Protection & Development (PP&D)	(6,572)	(6,269)	303
Sustainable Communities	2,838	2,724	(114)
Traffic & Highways	9,017	8,895	(122)
Waste Services	17,105	15,989	(1,116)
Safer Merton	1,001	937	(64)
Other	(650)	(113)	537
<b>Net direct expenditure</b>	<b>22,739</b>	<b>22,163</b>	<b>(576)</b>

The Department has a year-end direct underspend of **£576k**;

	Budget £000	Variance £000
Employee overspend within Waste Services	7,371	224
Reduced transport SLA costs within Waste Services	2,004	(367)
Premises related underspend within Waste Services	271	(130)
Reduced SLWP related costs	8,520	(1,128)
Shortfall in Waste Services income – principally Commercial Waste	(2,527)	231
Employee underspend within Traffic & Highways	1,857	(212)
Reduction in ability to capitalise expenditure	(954)	455
Premises related underspend within Traffic & Highways	1,224	(94)
Transport Services	(651)	537
Other	8,357	(217)
<b>Total for Street Scene &amp; Waste</b>	<b>25,472</b>	<b>(701)</b>
Shortfall in Building & Development Control (B&DC) income	(1,816)	138
General Supplies & Services underspend within B&DC	211	(64)
Employee overspend within EHTS&L	1,521	79
Proceeds of Crime Act (POCA) income received	0	(58)
Overachievement of Customer & Client Receipts in EHTS&L	(346)	(41)
Employee underspend within Parking Services	2,407	(69)
Underachievement of Customer & Client Receipts in Parking Services	(11,725)	346
Other	3,176	(28)
<b>Total for Public Protection &amp; Development</b>	<b>(6,572)</b>	<b>303</b>
Underachievement of Customer & Client Receipts in Leisure & Culture	(493)	76
Employee overspend within Green spaces	2,239	80
General Supplies & Services underspend within Green spaces	530	(51)
Underachievement of Customer & Client Receipts in Green spaces	(2,273)	84
Overachievement of Customer & Client Receipts within Property	(4,046)	(42)
Employee overspend within Future Merton	1,356	77
General Supplies & Services underspend within Future Merton	889	(91)
Underspend on third party payment within Future Merton	512	(70)
Employee underspend within Senior Mgmt. & Support	767	(36)
Other	3,357	(141)
<b>Total for Sustainable Communities</b>	<b>2,838</b>	<b>(114)</b>
Employee related underspend	863	(64)
Other	138	0
<b>Total for Safer Merton</b>	<b>1,001</b>	<b>(64)</b>
<b>Total Excluding Overheads</b>	<b>22,739</b>	<b>(576)</b>

## Street Scene & Waste

### **Waste Services underspend of £1,116k**

This is mainly due to renegotiating the SLWP contract costs, and a reduction in vehicle SLA costs, partly offset within the overspending on transport.

It should be noted that with respect to the renegotiated contract costs, the outturn figure includes the renegotiated prices for waste treatment, recycling and landfill that have been agreed in principle with the current contractor Viridor. However, the variation agreement is still to be formally signed.

Although the section has underspent overall, there were a few notable overspends.

- Income generating activities (including Commercial Waste, clinical waste and bulky waste collection), which ended the year with an income shortfall of £231k. This is similar to the shortfall in 2012/13. 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.

- Employee related overspending of £224k. The major issues are the cost 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.

### **Traffic & Highways underspend of £122k**

This outturn figure was mainly as a result of an employee underspends of £212k, and a one-off rebate of about £120k due to previous overpayments on electricity usage. However, a notable overspend was that as a result of a clearer understanding of guidelines and actual patterns of expenditure, the section charges a lower level of highways maintenance spend to Capital than previously and, as a result, incurs increased revenue costs. This will need to be resolved in 2014/15

### **Transport Services overspend £537k**

A review of the costs of the provision involving all departments has taken 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. This has identified certain inconsistencies and the outturn figures have been amended to deal with this. E&R are working hard to reduce staff sickness levels, which remain higher than the council average, and to reduce the costs of agency cover. The review of activity and charging will need to be concluded in 2014/15

### **Public Protection & Development**

#### **Building and Development Control overspend of £60k**

Recent changes in permitted development rights have impacted on the section's fee revenue. A strategy to respond to this is being explored. A commercialisation strategy for building control is being developed to increase its market share in the face of private sector competition. These need to be delivered in 2014/15

#### **Parking Services overspend of £255k**

There was an underachievement of customer and client receipts of £346k, which may have been partially as a result of improved compliance arising from changes in drivers' behaviour. 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.

These were partially offset by an employee underspend of £69k.

#### **On Street Parking Account 2013/14**

On Street Parking: The Council maintains a memorandum (across services) account in respect of on street parking to show how the income from it is spent. In 2013/14 the Council made a surplus of £7.345m (£7.064m in 2012/13) and that surplus was

applied notionally as a contribution to concessionary fares, the costs of which are in the Community and Housing budget. This contribution was less than the full cost of concessionary fares which were £8.674m in 2013/14 (£8.245m in 2012/13). In the event that the surplus exceeded the cost of concessionary fares, the excess would be applied to fund day-to-day carriageway and footway maintenance, the cost of which was £1.204m in 2013/14 (£1.069m in 2012/13). Were any surplus to exceed both the cost of concessionary and day-to-day maintenance, any remaining excess would be applied to fund carriageway and footway planned maintenance, the cost of which was £2.495m in 2013/14 (£2.583m in 2012/13).

<b>Parking Account 2013/14</b>		
<b><u>2012/13</u></b> <b>£</b>		<b><u>2013/14</u></b> <b>£</b>
	<b><u>INCOME</u></b>	
(4,833,347)	Penalty Charge Notices	(4,645,420)
(1,016,757)	Residents' Parking Permits	(1,089,250)
(673,444)	Residents' Visitors' Parking Permits	(721,199)
(260,088)	Business Parking Permits	(222,903)
(8,088)	Teachers Parking Permits	(28,314)
(2,348,610)	On-Street Parking Charges	(2,452,013)
(159,647)	Other Income	(225,419)
<b>(9,299,981)</b>	<b>TOTAL INCOME</b>	<b>(9,384,518)</b>
	<b><u>EXPENDITURE</u></b>	
887,016	On-Street Parking	911,501
50,650	Off-Street Parking Spaces	90,024
458,792	Parking Management & Planning (includes Controlled Parking Zone implementation)	301,173
839,132	Parking enforcement	735,980
7,064,391	Contribution to Public Transport (Concessionary Fares)	7,345,840
<b>9,299,981</b>	<b>TOTAL EXPENDITURE</b>	<b>9,384,518</b>
	<b><u>MEMORANDUM ITEMS</u></b>	
	Total Expenditure on:	
8,245,964	Concessionary fares	8,674,737
1,069,634	Carriageway & Footway Day-to-Day Maintenance	1,204,852
2,582,875	Carriageway & Footway Planned Maintenance	2,494,851

## **Sustainable Communities**

### **Green spaces overspend of £79k**

The section had an employee overspend of £79k as a result of unbudgeted ad hoc overtime.

### **Future Merton underspend of £105k**

The underspend was due to inaccurate accruals in 2012/13 together with a general supplies & services and third party payments underspend.

However, the section continues to have a notable salary capitalisation pressure of about £50k that will need to be resolved in 2014/15.

### Senior Management & Support underspend of £81k

This was principally due to an unfilled vacancy.

The department is in the process of reviewing all variances in order to plan more effectively the budget management in year.

## Children Schools and Families

Children, Schools and Families (Non-DSG)	2013/14 Current Budget	Final Outturn	Variance at year end
	£000	£000	£000
Commissioning, Strategy and Performance	9,867	10,316	449
Education	15,856	16,226	370
Social Care and Youth Inclusion	11,825	11,557	(268)
PFI	7,527	7,556	29
Redundancy costs	2,042	2,018	(24)
<b>Total excluding overheads</b>	<b>47,117</b>	<b>47,673</b>	<b>556</b>

## Local Authority Funded Services

Children Schools and Families had a net overspend of £556k on local authority funded services.

Description	2013/14 Current Budget £000	Variance at year end £000
Fostering and residential placements (ART)	4,929	564
Other	4,938	(115)
<b>Subtotal Commissioning, Strategy and Performance</b>	<b>9,867</b>	<b>449</b>
Children with Disabilities staff cover	409	138
Children with Disabilities personal support	148	248
Early Years	3,918	(122)
SEN Transport	2,912	444
SEN transitions and Integrated service support teams	221	(106)
Contributions above budget	259	(152)
Other	7,989	(80)
<b>Subtotal Education</b>	<b>15,856</b>	<b>370</b>
Central Social Work	876	329
CAMHS	290	(141)
Family support	444	(69)
Section 17	159	195
Recruitment	489	(125)
Serious case reviews	75	(75)
Mash and fire response staffing	764	201
Adoption	596	(189)
Youth Offending Team	792	(199)
14+ looked after and leaving care placements	1,827	(205)
Other	5,513	10
<b>Subtotal Children's Social Care and Youth Inclusion</b>	<b>11,825</b>	<b>(268)</b>
<b>PFI</b>	<b>7,527</b>	<b>29</b>
<b>Redundancy cost</b>	<b>2,042</b>	<b>(24)</b>
<b>Grand total Children, Schools and Families</b>	<b>47,117</b>	<b>556</b>

Significant cost pressures and underspends identified at year-end are detailed below.

### Commissioning, Strategy and Performance: net overspend of £449k

The main issue was the numbers of Looked after Children and the relative complexity of a significant proportion of cases. There was pressure on fostering, remand costs (which now fall to the Council) placements and secure accommodation.

### Education: net overspend of £370k

The overspend of £138k mainly arose because of vacancies at both social worker and manager level in the Children with Disabilities section, leading to an overspend on agency cover.

The Children with Disability section overspent by £248k because of the increase numbers of children with complex needs being supported often to prevent higher cost interventions being required, e.g. residential out of borough care placements. The Early Years section, SEN transitions and integrated service support teams underspent by £228k due to vacancies



SEN and FE transport cost overspent by £444k due to the increased number of service users and higher than anticipated charges from the service provider. Work continues to ensure the most cost effective routing for individual young people. Transport costs need to be resolved in 2014/15

Income and contributions from other bodies of £152k in excess of budget was achieved

### **Children's Social Care and Youth Inclusion: net underspend of £268k**

An increased number of children in the system led to staffing pressures and an £329k overspend in the Children's Central Social Work Service. Within the increasing LAC population there was a rise in older (15+) children becoming LAC partly from an increase in Unaccompanied Asylum Seekers (who are allocated to London boroughs), young people who are homeless, and an increase in children with disabilities. There was also a significant increase in the number of relinquished babies.

The Section 17 and "no recourse to public funds" (NRPF) budgets overspent by £195k. This mainly arose from recent changes in case law (Zambrano & Clue cases). The families' needs are housing. Work has begun with the housing service to identify how to better increase and most economically procure housing supply for young homeless people. The expansion of the Merton Action for Single Homeless Hostel agreed at Cabinet will assist but much greater local supply is required.

The MASH and first response team overspent by £201k. The overspend resulted from unbudgeted staffing and agency in areas such as the Children and Adolescent Mental Health Service (CAMHS), Family Support Service, Youth offending team and youth justice board, 14 plus budget, the Serious case review budget, the adoption team and special projects

### **Dedicated Schools Grant**

The DSG cost centres are cleared to zero at year-end as any balances on the grant are required to be included in the funding of schools in the next financial year. Some budgeted underspend was allocated to schools in March and the remainder is held in specific reserves to be carried forward to 2014/15. The underspend in 2013/14 totalled c. £3m

### **Management Action undertaken and required**

Transport: The action required is discussed in the E&R section of the report

Children in care.. All LAC have been reviewed to ensure that the council's threshold for care is being applied consistently, and to identify the particular trends underlying the overall increase in LAC. A Pan London review of the allocation of unaccompanied asylum seekers allocations is seeking to ensure fair allocation across boroughs. The cross departmental work on the housing needs of homeless 17 year olds and of families with no recourse to public funds is discussed above. Options and solutions need to be developed in 2014/15

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. These are all reviewed regularly by the AD CSC/AD Education and the relevant service managers. The staffing situation needs reviewing in 2014/15

## Community and Housing

The department has an under-spend of £1.122m.

Community and Housing Budget Monitoring Summary out-turn position			
Service Area	Current Budget £000	Final out-turn £000	Variance at year end £000
Access and Assessment	43,501	42,245	(1,256)
Commissioning	5,091	4,975	(116)
Direct Provision	4,775	4,989	214
Directorate	892	962	70
<b>Total Adult Social Care</b>	<b>54,259</b>	<b>53,171</b>	<b>(1,088)</b>
Libraries and Heritage	2,428	2,455	27
Merton Adult Education	(99)	(128)	(29)
Housing General Fund	1,738	1,706	(32)
<b>Net direct expenditure</b>	<b>58,326</b>	<b>57,204</b>	<b>(1,122)</b>

Activity	Budget £'000	Out-turn £'000	Variance £'000
Gross Placements	37,463		3,361
Client Contribution Income	-8,835		-209
CCG Contribution Income	-2,132		-1,044
NHS Social Care transfer Income	0		-2,676
<b>Subtotal Net Placements</b>	<b>26,496</b>		<b>-568</b>
Access and Assessment Teams	5,383		-151
Miles Reablement Service	2,687		-326
Concessionary Fares & Taxi-card	8,803		-98
Care-first & CM2000 Systems	132		-113
<b>Total A&amp;A</b>	<b>43,501</b>		<b>-1,256</b>
Employee under-spend	1,120		-181
Voluntary organisations	894		114
Voluntary Organisations -	721		-67
Supporting People grant	2,356		18
<b>Sub-total Commissioning</b>	<b>5,091</b>		<b>-116</b>
<b>Direct Provision</b>			
Residential	732		249
Supported Living	841		20
Day Centres	2,513		-68
Mascot	365		6
Other Direct Provision	324		7
<b>Subtotal Direct Provision</b>	<b>4,775</b>		<b>214</b>
<b>Directorate</b>	<b>892</b>		<b>70</b>
<b>Total Adult Social Care</b>	<b>54,259</b>		<b>-1,088</b>

### Placements Budget

There has been increased demand due to an increase in the number of clients and changing levels of need. The Gross Placements budget was £3.4m over-spend.

### Placements Income

Client contribution and PCT contribution were £1.253m higher than allocated budget. This led to a net overspend of £2.147m..

ASC received £2.676m NHS Social Care transfer income, which offset the net placement problem in 2013/14. Additional savings were taken in the current year so the position on placements will require very tight monitoring in 2014/15 and remedial action within the budget and if overspending is not to recur or worsen. It is important that there is a clear and effective commissioning strategy and procurement plan and operational processes in place to deliver the agreed savings

### **The other main variances are as follows:-**

Access and Assessment Teams had a net under-spend of £151k due to a number of staff vacancies.

Merton Independent Living and Engagement Service (Miles) was £326k under-spent, mainly due to vacancies of Home carers. There has been a historical level of under-spend in this service. It has been agreed that the service is to be re-configured. Savings proposal have been agreed in this area for 2014/15 and there has been a review of the service by an External consultant.

Concessionary Fares and Taxi-card - £98k under-spend.

The concessionary fares, taxi-card and miscellaneous fees budget were £34k, £42k and £22k less than budget respectively.

Care First & CM2000 System - £113k under-spends.

£36k Income for use of the CM2000 Home-care electronic monitoring system was charged to Home care providers, £64k fines and penalties for non-compliance was charged and the Software charge was £12k less than budget.

### **Commissioning - £116k under-spend**

Due to vacancies across the commissioning teams, salaries budgets are £138k under-spend and there is also an additional net under-spend of £43k on other budgets.

There was no allocated budget for the extension of Transition funding grant payments approved to voluntary organisations. This resulted in a net over-spend of £104k.

Voluntary organisations contracts for Dementia, Pollards Hill and Shared lives are £67k underspend as the renegotiated contract costs were lower than the allocated budget.

Supporting People Grant is £18k over-spent. This is due to a provider implementing their contractual right to terminate their block contract, resulting in increased spot purchasing.

### **Direct Provision - £214k over-spend**

The residential homes budget over-spent by £249k, mainly due to a prior year adjustment for income charged in previous year .

Supported Living budget over-spent by £20k mainly due to staff being recruited above the budgeted level.

The service model has been changed from one residential unit to a supported living service supporting service users on multiple sites. In aggregate this may have been more cost effective by reducing the increase in residential care.

There was no allocated budget in Direct Provision, but at the year end there was a recharge to the placements budget.

From the start of the 2014/15 financial year some clients in these services will be financially assessed for the first time, and client contributions charged, in line with those using independent sector services.

Day Centres - £68k under-spend. This is due to a combination of salary budgets underspent by £88k , premises related costs £35k under-spend, supplies and services £44k , over-achievement of income £12k .

However the Transport related budgets were £117k over-spent.

The Directorate budget over-spent by £70k mainly due to increased legal costs.

#### **Libraries - £27k over-spend**

There was an under-achievement of income of £162k. This requires investigation and correction before any further developments based upon income generation are proposed.

Due to vacancies, salaries budgets were £95k under-spent, other supplies and services £48k under-spend and premises related costs £8k over-spent.

#### **Merton Adult Education - £29k under-spend**

Salaries, premises and other supplies and services budgets were £38k, £33k and £23k under-spent respectively

There was under-achievement of customer and client receipts of £132k and over-achievement of contributions from other bodies of £33k

Grant income of £100k that had not previously been applied was taken as a one off item to the revenue item in line with proper accounting practice accrued and related to previous years off-set the over-spend.

#### **Housing General Fund - £32k under-spend**

There was a series of small under and overspendings leading to a net underspend.

## Section 6 Reserves Position

	Actual 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	39,370	441	39,811
Grants & Contributions	4,597	802	5,398
<b>Total Available Gen. Fund Rev. Reserves</b>	<b>62,805</b>	<b>1,243</b>	<b>64,047</b>
Schools Own Reserves and DSG	<b>14,052</b>	<b>766</b>	<b>14,818</b>
Fixed to Contracts	<b>1,955</b>	<b>0</b>	<b>1,955</b>
<b>Total General Fund revenue reserves</b>	<b>78,812</b>	<b>2,009</b>	<b>80,820</b>

Analysis			
<b>Earmarked Reserves</b>			
Outstanding Council Programme Board	9,789	1,317	11,106
For use in future years for budget	9,752	-1,500	8,252
Revenue Reserves for Capital / Revn.	4,269	1,091	5,360
Energy renewable reserve	1,441	0	1,441
Repairs & Renewal Fund	1,424	0	1,424
Transforming families reserve	1,318	-534	784
Schools Reserve	1,060	-892	168
Schools PFI Fund	3,767	304	4,071
Pension Fund additional contribution	1,078	0	1,078
Local Land Charges Reserve	1,075	185	1,260
Apprenticeships	1,000	-51	949
Community Care Reserve	1,790	-58	1,732
Performance Reward Grant	651	-385	266
Economic Development Strategy	623	698	1,321
Wimbledon Tennis Courts Renewal	27	25	52
MertonActionSingleHomelessness	50	0	50
Campus closure	7	-7	0
Corporate Services Reserve( other)	249	-67	182
Local Welfare Support	0	315	315
<b>Earmarked Reserves</b>	<b>39,370</b>	<b>441</b>	<b>39,811</b>
Adult Social care contributions	1,482	-812	670
Culture and Environment contributions	931	273	1,204
Culture and Environment grant	852	-105	747
Childrens & Education grant	780	-72	708
Adult Social care grants	100	-100	0
Housing Planning Development grant	345	-46	299
Housing GF grants	106	0	106
Public Health	0	1,664	1,664
<b>Grants &amp; Contributions</b>	<b>4,596</b>	<b>802</b>	<b>5,398</b>
<b>Total</b>	<b>43,966</b>	<b>1,243</b>	<b>45,209</b>

Insurance Reserve	1,955	0	1,955
<b>Fixed to Contracts</b>	<b>1,955</b>	<b>0</b>	<b>1,955</b>

DSG Reserve	2,378	350	2,728
Add Schools own reserves	11,674	416	12,090
<b>Schools Own Reserves and DSG</b>	<b>14,052</b>	<b>766</b>	<b>14,818</b>

Capital Grants	3,826	3,884	7,710
Capital Contributions	567	-101	466
Capital Receipts	22,753	3,304	26,057
<b>Capital Reserves</b>	<b>27,146</b>	<b>7,087</b>	<b>34,233</b>

Earmarked reserves can only be retained for the purposes for which they were approved and a number have been closed and taken to the OCPB reserve for investment in efficiency and transformation. It is clear that there needs to be improved monitoring of the use of reserves, grants and contributions during the year as the improvements in general service monitoring do not seem to have been kept pace here. There will be further reviews of the usage of reserves in the year and other reserves that are not being actively used will be treated in a similar manner.

## Section 7 CAPITAL

### CAPITAL OUTTURN 2013-14

#### Outturn and Budget Management

The table (a) below shows that Total Capital Expenditure for 2013/14 is £30.0 million compared to the Total Projected by Budget Managers in November 2013 of £31.6 million (this equates to a variance of 5.49%). This overall total masks considerable variances on individual schemes; however, it is a considerable improvement on 2012/13 variance of £4.8 million or 10.65%

Table Capital Outturn Position 2013/14

Department	Total Budget	Adjusted Actual	Outturn Variance to Budget	November Forecast For Year	November Forecast Variance to Outturn	% Variance to November Forecast
Column	(1)	(2)	(3)	(4)	(5)	(6)
			(2)-(1)		(4)-(1)	
Children Schools and Families*	12,862,110	12,558,951	(303,159)	12,729,772	(170,821)	(1.36)%
Corporate Services**	4,946,460	4,786,984	(159,476)	5,060,430	(273,446)	(5.71)%
Community and Housing	1,763,680	1,573,250	(190,430)	1,726,180	(152,930)	(9.72)%
Environment and Regeneration	12,631,210	11,054,731	(1,576,479)	12,102,472	(1,047,741)	(9.48)%
<b>Total</b>	<b>32,203,460</b>	<b>29,973,916</b>	<b>(2,229,544)</b>	<b>31,618,854</b>	<b>(1,644,938)</b>	<b>(5.49)%</b>
Items Capitalised from Revenue	0	1,590,359	1,590,359	0	1,590,359	N/A
<b>Adjusted Total</b>	<b>32,203,460</b>	<b>31,564,275</b>	<b>(639,185)</b>	<b>31,618,854</b>	<b>(54,579)</b>	<b>(0.17)%</b>

\* Actual Spend Adjusted for Ursuline Loan

\*\* Allowing for delay on IT Equipment Spend of £157,000 the corporate variance reduces to 4.93%

Please see below for a description of major variances, slippage and drawn down on 2014/15 for funding of overspends.

#### Movement in the 2013/14 Original Approved Programme

The Capital Programme for 2013/14 as approved in March 2013 was £50.1 million. Subsequently, slippage from 2012/13 (£5.01 m) and additional external funding including schools (£4.9 m) were added giving an effective opening programme of £60.2m. However, during the financial year £26.4 million was re-profiled (moved) into subsequent financial years. These movements are shown below. There has been effectively a 53% slippage or reduction in schemes from the initial budget plus new schemes.



Table (b) – Summary Movement in the Capital Programme since Approval March 2013

Department	Approved Cabinet March 2013	Slippage from 2012/13	Additional External Funding	Schools Contributions	New Internally Funded	Re-profiling	Revenuesation / Relinquished	Clawed Back for Overspend 2012/13	Jan 2013 Cabinet Report
Community & Housing	1,535	303	2,276		0	(2,351)		0	1,763
Corporate Services	7,252	186			254	(2,746)	0	0	4,946
Children, Schools & Families	28,428	2,836	362	224	0	(18,094)	(718)	(175)	12,863
Environment & Regeneration	12,860	1,685	2,042		(265)	(3,206)	(124)	(361)	12,631
<b>Total</b>	<b>50,075</b>	<b>5,010</b>	<b>4,680</b>	<b>224</b>	<b>(11)</b>	<b>(26,397)</b>	<b>(842)</b>	<b>(536)</b>	<b>32,203</b>

The table (c) below shows that levels of slippage and under spending although improving remain quite high. The organisation does not seem to have the capacity to deliver spending of much above £ 40m p.a. In 2013/14 the outturn position of £30 million reflects the lower levels of spend on the primary expansion programme, this spend is expected to be much higher in 2014/15 as major building schemes are progressed.

Table (c) – Gross Capital Programme Compared to Final Budget and Outturn 2013/14

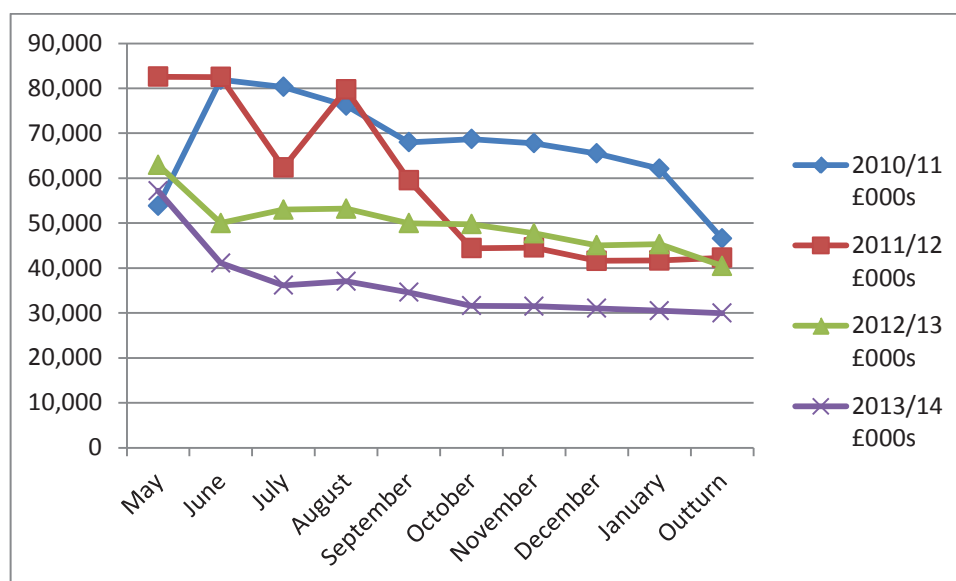
Department	Gross Programme	Final Budget	Outturn	Underspend Against						
				£000s	£000s	£000s	Gross Budget		Final Budget	
							£000s	%	£000s	%
Community & Housing	4,114	1,763	1,573	(2,541)	(61.8)%	(190)	(10.8)%			
Corporate Services	7,692	4,946	4,787	(2,905)	(37.8)%	(159)	(3.2)%			
Children, Schools & Families	31,850	12,863	12,559	(19,291)	(60.6)%	(304)	(2.4)%			
Environment & Regeneration	16,587	12,631	11,055	(5,532)	(33.4)%	(1,576)	(12.5)%			
Items Capitalised from Revenue	0	0	1,590	1,590		1,590				
<b>Total</b>	<b>60,243</b>	<b>32,203</b>	<b>31,564</b>	<b>(28,679)</b>	<b>(47.6)%</b>	<b>(639)</b>	<b>(2.0)%</b>			

### Capital - Monthly Managers Forecast Spend to Outturn

The graph below shows the overall forecasting by managers of the outturn spend on capital over the last 4 years. There has clearly been an improvement with a much lower overestimate in spending in the earlier part of the year. For the financial years 2010-13 there was a continued problem with the quality of forecasting around December when the revenue budget for the following year is being prepared. The overestimate in spending feeds through into an overestimate of the budget for capital charges in the following year. For 2013/14, the graph shows that reasonably accurate outturn projects were available from October 2013. Along with data from November this was used to produce revenue budgets for 2014/15. Considerable challenge was undertaken by financial offices in the autumn of 2013 to improve the accuracy of year end projections and this has provided greater accuracy for forward planning.



Table (d) – Managers’ Forecasts 2010-2014



The 2014/15 Capital Programme is currently almost £55 million; the authority is starting the financial year in the same position as previous years. Financial officers will challenge budget holders to re-profile their budgets this will be reported to Cabinet on 15th September 2014.

**The Level of Re-Profiling / Slippage from 2013/14** - Current proposals for slippage total just over £2.8 million (compared to £5million from 2012/13), this is summarised below. This will increase the budget re-profiled into subsequent financial years from 2013/14 to just over £29 million, of which £18 million was for Children, Schools and Families.

Table (e) – Current Slippage Position 2013/14

Department	Total Year End Variance 2013/14	Items for decision	Recommend Accept Slippage	Surrender	Fund from 2014/15
Community & Housing	(190,430)	0	190,900	0	0
Corporate Services	(159,476)	31,850	173,290	0	(4,080)
Children, Schools & Families	(303,159)	694,310	978,750	0	(674,920)
Environment & Regeneration	(1,576,479)	79,280	1,478,970	94,620	0
Items Capitalised from Revenue	1,590,359	1,590,359			
<b>Total</b>	<b>(639,185)</b>	<b>2,395,799</b>	<b>2,821,910</b>	<b>94,620</b>	<b>(679,000)</b>

**Major Variances**

- a) Community and Housing – The major variance/slippage request was caused by the Birches Close Housing Scheme – This is the final tranche of funding from the health authority for a scheme of 8 units for people with learning disabilities. The scheme is just being finalised and awaiting final accounts from the builders.

- b) Corporate Services – The major variance/slippage request was due to the need to gather additional information before a contract could be progressed. This resulted in the project straddling financial years.
- c) Children, Schools and Families – The major variances are caused within the primary expansion programme where 7 expansions progressed more slowly (slippage request £784k) and 4 schools progressed faster resulting in a drawdown of 2014/15 funding of £672k. Finance officers remain concerned that sufficient spend will be made to trigger external funding for SEN Expansions in 2014/15.
- d) Environment and Regeneration - There were there major variances with this department
- Regeneration and Partnership – underspent by £334k. During the financial year there was considerable re-profiling of these budgets and officers have underspent when compared to the reduced budget. Schemes within this area are funded from a mixture of external funding and Merton match funding. The regeneration of Mitcham is underway. Financial officers remain concerned that continued delays could result in a reduction of external funding.
  - Transport for London – underspent by £319k, this specific funding may be spent up to the end of August 2014. Officers envisaged that this ring-fenced funding will be spent within this timescale.
  - Section 106 Funded Activity – underspent by £345k spread over various areas within the department. A number of schemes were added to the programme late in the financial year, many of these schemes were part or unspent at year end. It is not uncommon for a report to have been presented to Cabinet, which have not been cleared by financial officers. This has resulted in the scheme and the section 106 funding being approved but no approval to add it to the capital programme e.g. Mitcham Town Centre Improvements. This results in delays usually until the next Cabinet meeting.
- e) Items Capitalised from Revenue – The bulk of this was due to a number invest to save schemes which should technically have been added to the Capital Programme and funded from a revenue contribution rather than simply charged to revenue.

**Revised Capital Programme 2014-18:** The table below summarises the proposed changes to the approved Capital programme for 2014-18 (including Slippage and the adjustments detailed in Appendix 4), Individual Schemes are detailed in Appendix 3.

Table (f) – Merton’s Capital Programme 2014-18 (£000s)

Depts.	Original Budget 14/15	Slippage 2013/14	Reductions	New Funding	Re-profiling	Revised Budget 14/15	Original Budget 15/16	Re-profiling	Revised Budget 15/16	Original Budget 16/17	Re-profiling	Revised Budget 16/17	Original Budget 17/18	Re-profiling	Revised Budget 17/18
CSF	27,193	304	0	514	(575)	27,436	14,722	575	15,297	22,087	0	22,087	21,399	0	21,399
CS	8,829	169	(538)	0	(1,190)	7,270	3,091	1,153	4,244	3,362	0	3,362	2,806	0	2,806
C&H	2,603	302	(169)	0	0	2,736	1,074	0	1,074	1,274	0	1,274	280	0	280
E&R	15,920	1,368	0	496	(2,718)	15,066	19,900	2,739	22,639	7,204	6	7,210	4,555	(22)	4,533
Total	54,545	2,143	(707)	1,010	(4,483)	52,508	38,787	4,467	43,254	33,927	6	33,933	29,040	(22)	29,018

## Summary

The Key observations from capital outturn are:

- a) The projected outturn position in November 2013 was much closer to outturn than that submitted by budget managers in February 2014. This masks some large variations within individual schemes especially within the primary expansion programme, regeneration and partnerships, Transport for London, Section 106 Funded Activity and one housing scheme. There was still considerable re-profiling of budgets from that originally approved by Council, however, the projected outturn was reasonably accurate from October 2013. **Challenge meetings will be held with budget managers again this year for September and November monitoring**
- b) The Capital Programme for 2014-15 needs to be reviewed and re-profiled to reduce it to a manageable level - The approved Capital Programme for 2014/15 is £54.546 million. Slippage from 2013/14, overspend adjustments, new funding and re-profiling have resulted in the proposed Capital Programme rising marginally to £54.976 million. Historical trends have highlighted that on average across all departments a Capital Spend is a maximum of circa £40 million, and this appears to be the maximum sum that can be managed within existing staffing resources. Whilst a number of primary expansion projects are currently being progressed it is envisaged that there will be some slippage from the existing profile within Children, Schools and Families and across the Authority. **Budget Managers have already been asked to review the multi-year profile of their schemes, this challenge will continue in 2014/15. Consideration will be given to the impact on subsequent financial years both in terms of the programme and the funding from revenue**
- c) During the financial year several reviews were undertaken of capital expenditure to ensure it was correctly coded, this resulted in minimal re-coding. A review of revenue expenditure at year end resulted in almost £1.6 million being moved from revenue expenditure to capital. To avoid similar problems in the future reviews will be undertaken in year to ensure expenditure is re-coded as soon as practical. **However, from an analysis of the miscoding it is apparent that a combination of training and guidance will reduce this miscoding substantially.**
- d) Delivering sufficient expenditure and outcomes to guarantee funding secured for Special Educational Needs Expansions and Regeneration remains a concern. **This will be kept under review to minimise any loss of funding.**

## Capital Decisions required

Appendix 4 details the virements, re-profiling and new funding and adjustments required

### **Devolved Formula Capital**

At the time the Capital Programme for 2014-18 was approved the Authority was still awaiting confirmation of the level of devolved formula capital for schools. This ring fenced sum has now been confirmed as £363,520 and needs to be added to the programme

### **Schools Capital Maintenance and Access**

Fifteen schools are contributing £10,000 each for each of their projects under this scheme.

### **Perseid School (previously named St Ann's)**

St Ann's Primary Base Money is being added to the primary expansion money.

## **Birches Close and Improving Financial Systems**

The Birches Close scheme is complete and £169,780 has been repaid to Health. Improving Financial Systems has been reduced by £538,300 as a framework agreement is being developed rather than progressing a joint project,

## **Big Belly Bins – Finance Leases**

Three finance leases for Big Belly Bins totalling approximately £163,500 in Parks and £27,500 in Waste. As the leases are for five years it has been necessary to provide funding for the period up to 2018/19.

## **Morden Park Pool.**

This will require re-profiling to represent a realistic pattern of spend after consultation etc. is included in the timetable. This does not imply any delay on the scheme

## **St Marks Academy Flood Lights**

Section 106 funding of £32,000 has been allocated to this scheme.

## **Transport for London**

Two additional Transport for London Scheme needs to be added

- a) Bus Stop Compliance £140,000 all this expenditure will be grant funded.
- b) Borough Biking Programme £30,000 all this expenditure is grant funded.

## **Regeneration and Partnerships**

Both Industrial Estate Investment and Transportation Enhancements have been re-profiled in keeping with projected spend.

## **Section 106 Schemes**

Mitcham Town Centre Improvements - Section 106 money to the value of £289,130 has been made available for Mitcham Town Centre Improvements. This money has been added to an existing scheme, resulting in a total budget of £701,630 including slippage.

Commonside East – a new scheme for £47,000 has been established which meets the requirements of the Section 106 contribution

Connecting Collier Wood additional Funding of £28,460 has been added which meets the requirements of the section 106 contribution

## **Replacement Parking Phone System**

Budget of £37,500 has been allocated from the Transformation Budget to fund this schemes.

## **8. 2014/15 Revenue Decisions Required**

### **Proceeds of Crime Act (POCA)**

The Authority has recently won a substantial confiscation order to recover assets under the Proceeds of Crime Act (POCA). The Director of Corporate Services has proposes to fund the

associated costs from the corporate contingency. Therefore, Cabinet are asked to approve the associated virement of up to £170,000.

## **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 There is a specific key strategic risk for the Business Plan, which is monitored in line with the corporate risk monitoring timetable.

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

Appendix 1 Out turn

Appendix 2 Corporate items

Appendix 3 Current Capital Programme 2014-18

Appendix 4 Virement, Re-profiling and New Funding – June Cabinet

## **17 BACKGROUND PAPERS**

17.1 Budgetary Control files held in the Corporate Services department.

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Appendix 1 Out turn	Direct outturn	Direct Current Budget P12	Variance	Forecast Variance at year end (Feb) £000s	Forecast Variance at year end (Jan) £000s
<b><u>Department</u></b>					
3A. Corporate Services	28,463	29,195	-732	-1,378	-1,131
3B. Children, Schools and Families	47,673	47,117	556	712	1,117
3C. Community and Housing	57,204	58,326	-1,122	-1,502	-1,235
3D. Public Health			0	0	0
3E. Environment & Regeneration	22,163	22,739	-576	-833	-451
Overheads	-1,921	-1,976	55		
<b>NET SERVICE EXPENDITURE</b>	<b>153,582</b>	<b>155,402</b>	<b>-1,820</b>	<b>-3,000</b>	<b>-1,700</b>
<b><u>3E. Corporate Items</u></b>					
Impact of Capital on revenue budget	13,972	13,972	0	0	0
Central budgets	-3,599	-6,028	2,429	494	686
Levies	914	914	0	0	0
<b>TOTAL CORPORATE PROVISIONS</b>	<b>11,287</b>	<b>8,858</b>	<b>2,429</b>	<b>494</b>	<b>686</b>
<b>TOTAL GENERAL FUND</b>	<b>164,869</b>	<b>164,261</b>	<b>609</b>	<b>-2,506</b>	<b>-1,014</b>
<b><u>FUNDING</u></b>					
Revenue Support Grant	-47,470	-47,221	-249	0	0
Take to Capital finance			0		
Business Rates	-32,020	-32,020	0	0	0
Other Grants	-8,715	-8,356	-359	0	0
Council Tax and Collection Fund	-76,664	-76,664	0	0	0
<b>FUNDING</b>	<b>-164,869</b>	<b>-164,261</b>	<b>-609</b>	<b>0</b>	<b>0</b>
<b>Bottom Line</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-2,506</b>	<b>-1014</b>

Appendix 2 Corporate Items	Council 2013/14	Original Budget 2013/14	Current Budget 2013/14	Full Year Forecast (Outturn)	Forecast Variance at year end (Outturn)	Forecast Variance at year end (Feb.)
	£000s	£000s	£000s	£000s	£000s	£000s
Cost of Borrowing	14,221	14,221	14,355	14,130	-225	-150
Investment Inc.	-343	-343	-383	-831	-448	-346
Use for Capital Programme	0	0	0	673	673	496
<b>Impact of Capital on revenue budget</b>	<b>13,878</b>	<b>13,878</b>	<b>13,972</b>	<b>13,972</b>	<b>0</b>	<b>0</b>
<b>Pension Fund</b>	<b>5,087</b>	<b>5,087</b>	<b>5,087</b>	<b>5,108</b>	<b>21</b>	<b>0</b>
Corporate Provision for Pay Award	790	790	0	0	0	0
Provision for inflation in excess of 1.5%	314	314	314	0	-314	-314
Utilities Inflation Provision	1,000	1,000	57	57	0	0
<b>Pay and Price Inflation</b>	<b>2,104</b>	<b>2,104</b>	<b>371</b>	<b>57</b>	<b>-314</b>	<b>-314</b>
Contingency	1,500	1,500	1,147	455	-692	-692
Single Status/Equal Pay	474	474	474	476	2	0
Bad Debt Provision	500	500	500	500	0	0
CHAS - change in basis/transfer	1,226	1,226	19	0	-19	0
Cost of disposals - 4%	0	0	0	0	0	0
T/F to Closing the Budget Gap Reserve	0	0	0	1,500	1,500	1,500
DRF	0	0	1,512	1,543	31	0
Provision for Revenuisation/RCCO	0	0	0	1,075	1,075	0
Revenuisation and miscellaneous	1,778	1,778	1,084	32	-1,052	0
<b>Contingencies and provisions</b>	<b>5,478</b>	<b>5,478</b>	<b>4,736</b>	<b>5,581</b>	<b>845</b>	<b>808</b>
Local Services Support Grant	0	0	0	-177	-177	0
Education Services Grant	0	0	0	-3,246	-3,246	-3,344
Use for capital purposes(net of appropriate adjustment for new school becoming an academy)	0	0	0	3,246	3,246	3,344
<b>Income items</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-177</b>	<b>-177</b>	<b>0</b>
Appropriation of balance to OCP/Revenuisation Reserves	0	0	0	2,049	2,049	0
Appropriation adj. re contingency	0	0	45	47	2	0
<b>Net transfers to reserves</b>	<b>0</b>	<b>0</b>	<b>45</b>	<b>2096</b>	<b>2051</b>	<b>0</b>
<b>Depreciation and Impairment</b>	<b>-13,691</b>	<b>-13,691</b>	<b>-16,267</b>	<b>-16,264</b>	<b>3</b>	<b>0</b>
<b>Central Items</b>	<b>12,856</b>	<b>12,856</b>	<b>7,944</b>	<b>10,373</b>	<b>2,429</b>	<b>494</b>
<b>Levies</b>	<b>914</b>	<b>914</b>	<b>914</b>	<b>914</b>	<b>0</b>	<b>0</b>
<b>TOTAL CORPORATE PROVISIONS</b>	<b>13,770</b>	<b>13,770</b>	<b>8,858</b>	<b>11,287</b>	<b>2,429</b>	<b>494</b>

<b>Children, Schools and Families</b>	<b>Scrutiny Panel *</b>	<b>Updated Budget 14/15</b>	<b>Updated Budget 15/16</b>	<b>Updated Budget 16/17</b>	<b>Updated Budget 17/18</b>
<b>Primary School Expansions</b>					
All Saints/ South Wim YCC exp	CYP	9,250	0	0	0
Cranmer expansion	CYP	2,051,770	0	0	0
Dundonald expansion	CYP	981,790	4,025,070	1,117,000	0
Gorringe Park expansion	CYP	18,570	0	0	0
Hillcross School Expansion	CYP	3,492,490	1,347,860	0	0
Holy Trinity Expansion	CYP	39,740	0	0	0
Joseph Hood Permanent Expansn	CYP	219,830	0	0	0
Liberty expansion	CYP	2,620	0	0	0
Merton Abbey	CYP	3,452,300	1,058,460	0	0
Pelham School Expansion	CYP	3,200,000	2,315,560	0	0
Poplar Permanent Expansion	CYP	3,450,260	410,730	0	0
St Mary's expansion	CYP	2,590,210	0	0	0
Singlegate expansion	CYP	4,291,090	1,117,740	0	0
William Morris PCP	CYP	0	0	0	0
Wimbledon Chase DCSF grant	CYP	68,980	0	0	0
Wimbledon Park expansion	CYP	429,380	0	0	0
22 FE School Expansion	CYP	0	95,000	2,575,000	2,075,000
23 FE School Expansion	CYP	0	0	100,000	555,000
24 FE School Expansion	CYP	0	0	100,000	1,625,000
25 FE School Expansion	CYP	0	0	100,000	1,625,000
26 FE School Expansion	CYP	0	0	0	618,780
27 FE School Expansion	CYP	0	0	0	300,000
28 FE School Expansion	CYP	0	0	0	300,000
<b>Total Primary School Expansions</b>		<b>24,298,280</b>	<b>10,370,420</b>	<b>3,992,000</b>	<b>7,098,780</b>



<b>Children, Schools and Families</b>	<b>Scrutiny Panel *</b>	<b>Updated Budget 14/15</b>	<b>Updated Budget 15/16</b>	<b>Updated Budget 16/17</b>	<b>Updated Budget 17/18</b>
<b>Other</b>					
Garden PCP	CYP	12,310	0	0	0
Devolved Formula Capital	CYP	439,640	0	0	0
Schools Access Initiative Inc	CYP	850	0	0	0
St Ann's Primary Phase	CYP	0	0	0	0
Schs Cap Maint & Accessibility	CYP	650,000	600,000	600,000	600,000
Cricket Gn-Imprved site access	CYP	50	0	0	0
Morden - Safer access scheme	CYP	710	0	0	0
Merton Pk- Entrance adaptation	CYP	11,080	0	0	0
Lonesome - Main Heating etc.	CYP	7,370	0	0	0
The Sherwood - Boiler & Perim. Fnc	CYP	9,350	0	0	0
West Wimb. - Boiler & Perim. Fnc	CYP	7,090	0	0	0
Wimb Chase - Dining Hall Roof	CYP	1,050	0	0	0
<i>Total Schs Cap Maint &amp; Accessibility</i>		<i>686,700</i>	<i>600,000</i>	<i>600,000</i>	<i>600,000</i>
Primary school autism unit	CYP	320,000	630,000	0	0
SSPeter & Paul PCP	CYP	150	0	0	0
Perseid	CYP	479,750	962,140	0	0
Secondary School Autism Unit	CYP	40,000	1,160,000	0	0
Cricket Green	CYP	50,000	100,000	3,000,000	0
Youth&Comm centres reprovision	CYP	17,390	0	0	0
Secondary School expansion	CYP	275,000	1,475,000	14,495,000	13,700,000
<i>Total Raynes Park Sports Pavilion</i>	CYP	<i>4,770</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Free School Meals</i>	CYP	<i>437,090</i>	<i>0</i>	<i>0</i>	<i>0</i>
Schools Equipment Loans	CYP	372,800	0	0	0
<b>Total Other</b>		<b>3,136,450</b>	<b>4,927,140</b>	<b>18,095,000</b>	<b>14,300,000</b>
<b>TOTAL</b>		<b>27,434,730</b>	<b>15,297,560</b>	<b>22,087,000</b>	<b>21,398,780</b>

<b>Corporate Services</b>	<b>Scrutiny Panel *</b>	<b>Updated Budget 14/15</b>	<b>Updated Budget 15/16</b>	<b>Updated Budget 16/17</b>	<b>Updated Budget 17/18</b>
<b>Corporate Budgets</b>					
Acquisitions Budget	OSC	1,042,340	500,000	500,000	0
Transformation Budgets	OSC	306,660	507,000	0	0
Capital Bidding Fund	OSC	1,000,000	1,000,000	0	0
<b>Total Corporate Budgets</b>		<b>2,349,000</b>	<b>2,007,000</b>	<b>500,000</b>	<b>0</b>
<b>Business Improvements</b>		0	0	0	0
Replace doc management system	OSC	300,000	440,000	0	0
Customer Contact Programme	OSC	300,000	485,000	0	0
Data Labling	OSC	293,840	0	0	0
Replacement SC System	OSC	971,000	0	0	0
<b>Total Business Improvements</b>		<b>1,864,840</b>	<b>925,000</b>	<b>0</b>	<b>0</b>
<b>Corporate Governance</b>		0	0	0	0
Legal Case Management	OSC	12,510	0	0	0
<b>Total Corporate Governance</b>		<b>12,510</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Resources</b>		0	0	0	0
Improving Information Systems	OSC	333,450	228,250	0	0
<b>Total Resources</b>		<b>333,450</b>	<b>228,250</b>	<b>0</b>	<b>0</b>
<b>Information Technology</b>		0	0	0	0
Disaster recovery	OSC	1,710	0	0	0
Planned Replacement Programme	OSC	877,070	299,000	1,412,000	1,686,000
ITSD Enhancements	OSC	35,000	85,000	250,000	120,000
Multi-Functioning Device (MFD)		200,000	200,000	200,000	0
<b>Total Information Technology</b>		<b>1,113,780</b>	<b>584,000</b>	<b>1,862,000</b>	<b>1,806,000</b>
<b>Facilities Management</b>		0	0	0	0
Civic Centre refurbishment	OSC	100,000	0	0	0
Energy Utility Invest to Save	SC	250,000	150,000	150,000	150,000
Invest to Save schemes-General	OSC	250,000	150,300	150,000	150,000
Water Safety Works	OSC	0	0	150,000	150,000
Asbestos Safety Works	OSC	0	0	250,000	250,000
Capital Works - Facilities	OSC	200,000	200,000	300,000	300,000
Civic Centre Passenger Lifts	OSC	650,000	0	0	0
Civic Centre Windows	OSC	145,920	0	0	0
<b>Total Facilities Management</b>		<b>1,595,920</b>	<b>500,300</b>	<b>1,000,000</b>	<b>1,000,000</b>
<b>TOTAL</b>		<b>7,269,500</b>	<b>4,244,550</b>	<b>3,362,000</b>	<b>2,806,000</b>

Community and Housing	Scrutiny Panel *	Updated Budget 14/15	Updated Budget 15/16	Updated Budget 16/17	Updated Budget 17/18
<b>Adult Social Care</b>					
Laptops for Other Staff	HCOP	61,880	0	0	0
CareFirst report Development	HCOP	14,000	0	0	0
Excel Add-Ins	HCOP	3,000	0	0	0
Captive E-Learning CareFirst	HCOP	8,350	0	0	0
Adult Social care Collections	HCOP	10,000	0	0	0
Telehealth	HCOP	43,750	0	0	0
<b>Total Adult Social Care</b>		<b>140,980</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Housing</b>		0	0	0	0
Birches Close	SC	10,000	0	0	0
8 Wilton Road	SC	489,240	0	0	0
Western Road *	SC	760,000	0	0	0
Disabled Facilities Grant	SC	1,335,240	724,000	724,000	280,000
<b>Total Housing</b>		<b>2,594,480</b>	<b>724,000</b>	<b>724,000</b>	<b>280,000</b>
<b>Libraries</b>		0	0	0	0
Relocation of Colliers Wood Library	SC	0	0	550,000	0
Library Self Service	SC	0	350,000	0	0
<b>Total Libraries</b>		<b>0</b>	<b>350,000</b>	<b>550,000</b>	<b>0</b>
<b>TOTAL</b>		<b>2,735,460</b>	<b>1,074,000</b>	<b>1,274,000</b>	<b>280,000</b>

Environment and Regeneration	Cost Code	Scrutiny Panel *	Updated Budget 14/15	Updated Budget 15/16	Updated Budget 16/17	Updated Budget 17/18
<b>Footways Planned Works</b>						
Repairs to Footways	CE029FA	SC	1,000,000	1,000,000	1,000,000	1,000,000
<b>Total Footways Planned Works</b>			<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>
<b>Greenspaces</b>			0	0	0	0
Play Space Pollards Hill - S106	CE013EB	SC	5,000	0	0	0
Parks Investment	CE013SA	SC	216,000	216,000	391,000	188,500
Parks Bins - Finance Lease		SC	34,000	34,000	34,000	34,000
King George Rec Play Area	CE110CB	SC	9,990	0	0	0
Edenvale Open Space Goal Mouth Surfacing	CE110CE	SC	4,420	0	0	0
Sir Joseph Hood Crazy Golf	CE110CF	SC	4,670	0	0	0
Wimbledon Park Crazy Golf	CE110CG	SC	30,000	0	0	0
All Saints Play Area	CE110CH	SC	2,970	0	0	0
Nelson Gardens Community Space	CE110CJ	SC	14,700	0	0	0
B487 Landscape Ravensbury Park	CE009CA	SC	5,450	0	0	0
B619 Ravensbury Park entrance	CE009CC	SC	5,000	0	0	0
S106 South Park Gardens B346	CE015CB	SC	15,170	0	0	0
B488 Landscape Dundonald Rec G	CE016CA	SC	12,000	0	0	0
B617a-c Wimbledon Park upgrade	CE017CD	SC	15,030	0	0	0
Repairs to Water Wheel (B531)	CE022AA	SC	2,490	0	0	0
B595 Colliers Wd Rec-play area	CE022CC	SC	6,470	0	0	0
Rowan Rd Rec (B525)	CE023CA	SC	6,000	0	0	0
B627a&b Cottnhm Prk-play area	CE026CA	SC	2,960	0	0	0
B521 - Morden Park	CE027CA	SC	29,780	0	0	0
B596a&b,B625a-c Crckt Grn Area	CE110SE	SC	21,000	0	0	0
B626a-c Cottnhm Prk&Holnd Gdn	CE110SG	SC	28,000	0	0	0
B651 South Park Gardens Pavil	CE015CD	SC	17,000	0	0	0
B647 John Innes Park Improvmnt	CE019CA	SC	2,000	0	0	0
B650 Rowan Road Park Improvmnt	CE023CB	SC	3,060	0	0	0
New Scheme- Figges Marsh Changing Room	CE022AB	SC	100,000	0	0	0
Tamworth Paddling Pool	CE110CL	SC	160,000	0	0	0
Mitcham Common Conservators		SC	100,000	0	0	0
<b>Total Greenspaces</b>			<b>853,160</b>	<b>250,000</b>	<b>425,000</b>	<b>222,500</b>
<b>Highways General Planned Works</b>			0	0	0	0
Surface Water Drainage	CE024FA	SC	62,070	62,000	69,000	69,000
Highways bridges & structures	CE025FA	SC	370,000	260,000	260,000	260,000
Maintain AntiSkid and Coloured	CE027FA	SC	90,000	90,000	90,000	90,000
B497/8 Lombard Rd Improvements	CE034FA	SC	24,100	0	0	0
River Wandle Footbridge	CE036FA	SC	12,880	0	0	0
New Traffic Schemes	CE135SA	SC	730	0	0	0
B646a Lombard Industrial Estat	CE137FB	SC	23,970	0	0	0
B639a Fair Green	CE137FD	SC	42,600	0	0	0
B642 Streatham Rd	CE144FA	SC	4,140	0	0	0
<b>Total Highways General Planned Works</b>			<b>630,490</b>	<b>412,000</b>	<b>419,000</b>	<b>419,000</b>

Environment and Regeneration	Cost Code	Scrutiny Panel *	Updated Budget 14/15	Updated Budget 15/16	Updated Budget 16/17	Updated Budget 17/18
<b>Highways Planned Road Works</b>						
Borough Roads Maintenance	CE026FA	SC	1,500,000	1,500,000	1,500,000	1,500,000
B671 Victoria Road	CE137FE	SC	30,280	0	0	0
B674a-d Phase 1 Lambton Rd	CE007CC	SC	31,910	0	0	0
B673a-c Phase 2 Lambton Rd	CE007CD	SC	25,000	0	0	0
<b>Total Highways Planned Road Works</b>			<b>1,587,190</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>1,500,000</b>
<b>Leisure Centres</b>			0	0	0	0
Leisure Centre Plant & Machine	CE038MA	SC	280,960	300,000	300,000	300,000
Morden Park Pool	CE045AA	SC	1,000,000	10,000,000	0	0
Multi Use Games Area at Canons		SC	220,000	0	0	0
Public Halls		SC	20,000	0	0	0
St Marks Academy Flood Lights		SC	88,330	0	0	0
<b>Total Leisure Centres</b>			<b>1,609,290</b>	<b>10,300,000</b>	<b>300,000</b>	<b>300,000</b>
<b>Other E&amp;R</b>			0	0	0	0
Big Lottery Play Areas	CE044MA	SC	27,160	0	0	0
Mobile Working Initiative	CE095EA	SC	65,500	0	0	0
Wimbledon Park Community Assn	CE146BA	SC	21,680	0	0	0
<b>Total Other</b>			<b>114,340</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>On and Off Street Parking</b>			0	0	0	0
Improved parking- shop parades	CE132FA	SC	42,910	0	0	0
<b>Total On and Off Street Parking</b>			<b>42,910</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Regeneration Partnerships</b>			0	0	0	0
Industrial Estate Investment	CE059FA	SC	0	750,000	0	0
Colliers Wd- Regeneration Fund	CE006FB	SC	1,336,420	0	0	0
Mitcham - Outer London Fund	CE006FC	SC	78,660	0	0	0
Mitcham Major schemes	CE006FD	SC	1,443,000	0	0	0
Restoration of South Park Gdns	CE015CA	SC	129,890	0	0	0
Sect106 Bottleneck Skills Grnt	CE060RA	SC	14,070	0	0	0
B678 Commonsides East	CE001FA	SC	47,000	0	0	0
B585 Economic Developmnt Strat	CE060SE	SC	0	0	0	0
S106 Wim broadwy CA	CE061FA	SC	6,480	0	0	0
B611 - Comm Facilities in WTC	CE061FD	SC	30,000	0	0	0
Town Centre Investment	CE061FB	SC	810,000	878,000	1,037,000	0
Mitcham Town Centre Improvements	CE061FE	SC	701,630	0	0	0
Colliers Wood Town Centre Improvements	CE061FF	SC	90,000	0	0	0
B550 Mitcham means Business	CE064FA	SC	38,900	0	0	0
B672a-f Connecting Colliers Wood		SC	72,350	0	0	0
Transportation Enhancements	CE085FW	SC	0	5,000,000	0	0
<b>Total Regeneration Partnerships</b>			<b>4,798,400</b>	<b>6,628,000</b>	<b>1,037,000</b>	<b>0</b>

Environment and Regeneration	Cost Code	Scrutiny Panel *	Updated Budget 14/15	Updated Budget 15/16	Updated Budget 16/17	Updated Budget 17/18
<b>Plans and Projects</b>			0	0	0	0
Low Carbon Zone	CE052FA	SC	0	0	0	0
Climate Change Initiatives	CE052MA	SC	70,000	0	0	0
<b>Total Plans and Projects</b>			<b>70,000</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Street Lighting</b>			0	0	0	0
Street Lighting Replacement Pr	CE068FA	SC	410,000	200,000	462,000	290,000
<b>Total Street Lighting</b>			<b>410,000</b>	<b>200,000</b>	<b>462,000</b>	<b>290,000</b>
<b>Street Scene</b>			0	0	0	0
Street scene enhancements	CE066FE	SC	250,000	250,000	0	0
B591b Shop Front Improvement	CE066FG	SC	24,480	0	0	0
B591a Street Scene Improvement	CE066FH	SC	17,680	0	0	0
Street Tree Programme	CE067FA	SC	65,000	65,000	60,000	60,000
<b>Total Street Scene</b>			<b>357,160</b>	<b>315,000</b>	<b>60,000</b>	<b>60,000</b>
<b>Transport for London</b>			0	0	0	0
Accessibility Programme	CE104FD	SC	130,000	0	0	0
Cycle access/parking	CE104FG	SC	200,000	0	0	0
Victoria Rd Bus Access Impr	CE104FL	SC	20,000	0	0	0
Casualty Reduction & Schools	CE104RA	SC	200,000	0	0	0
Unallocated	CE104MA	SC	0	1,310,000	1,271,000	0
TFL Projected Slippage	CE026SA	SC	319,010	0	0	0
Biking Borough Programme	CE128RA	SC	30,000	0	0	0
Cycle Improvements	CE104RM	SC	100,000	0	0	0
Haydons Road	CE105FN	SC	374,000	0	0	0
The Broadway-Russell to Merton Rd		SC	115,000	0	0	0
Bus Stop Compliance		SC	140,000	0	0	0
London Rd Lower Green to Crkt Grn		SC	76,000	0	0	0
Morden Rd Kingston Rd to High Path		SC	61,000	0	0	0
Mitcham Town Centre		SC	290,000	0	0	0
A298/A238 Strategic Corridor		SC	291,000	0	0	0
<b>Total Transport for London</b>			<b>2,346,010</b>	<b>1,310,000</b>	<b>1,271,000</b>	<b>0</b>
<b>Traffic and Parking Management</b>			0	0	0	0
High Path Area(Option 1 + 3)	CE078FB	SC	6,000	0	0	0
Traffic Schemes	CE142FA	SC	135,000	135,000	150,000	156,000
Replace Parking Phone System	CE150NA	SC	37,500	0	0	0
<b>Total Traffic and Parking Management</b>			<b>178,500</b>	<b>135,000</b>	<b>150,000</b>	<b>156,000</b>
<b>Transport and Plant</b>			0	0	0	0
Replacement of Fleet Vehicles	CE082EA	SC	590,000	500,000	500,000	500,000
Network Rail	CE085FA	SC	9,400	0	0	0
Shared Space	CE085FF	SC	20,000	0	0	0
B544 Wimbledon Station Access	CE085FL	SC	1,980	0	0	0
B609 Wim Town Centre trans imp	CE085FR	SC	5,000	0	0	0
B610 Wim Town Centre trans imp	CE085FS	SC	42,490	0	0	0
<b>Total Transport and Plant</b>			<b>668,870</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>

<b>Environment and Regeneration</b>	<b>Cost Code</b>	<b>Scrutiny Panel *</b>	<b>Updated Budget 14/15</b>	<b>Updated Budget 15/16</b>	<b>Updated Budget 16/17</b>	<b>Updated Budget 17/18</b>
<b>Safer Merton - CCTV &amp; ASB</b>			0	0	0	0
CCTV (match funding)	CE002EA	SC	145,000	0	0	0
<b>Total Safer Merton - CCTV &amp; ASB</b>			<b>145,000</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Environmental Health</b>			0	0	0	0
Small Repairs Grant	CE005RA	SC	40,000	40,000	60,000	60,000
<b>Total Environmental Health</b>			<b>40,000</b>	<b>40,000</b>	<b>60,000</b>	<b>60,000</b>
<b>Waste Operations</b>			0	0	0	0
Alley Gating Scheme - Fly Tip	CE087FA	SC	20,000	20,000	20,000	20,000
Re-use/recycling Site Maintena	CE090SA	SC	29,000	23,500	0	0
Waste Bins - Finance Lease		SC	5,500	5,500	5,500	5,500
Waste Phase B - Replace RCVs	CE092EA	SC	30,900	0	0	0
GPS Vehicle Tracking	CE148EA	SC	130,000	0	0	0
<b>Total Waste Operations</b>			<b>215,400</b>	<b>49,000</b>	<b>25,500</b>	<b>25,500</b>
<b>TOTAL</b>			<b>15,066,720</b>	<b>22,639,000</b>	<b>7,209,500</b>	<b>4,533,000</b>

# Virement, Re-profiling and New Funding – June Cabinet

## Appendix 4

	2014/15 Budget	Virements	Adjusted & New Funding	Reprofiling	Revised 2014/15 Budget	2015/16 Budget	Virements	Reprofiling	Revised 2015/16 Budget	2016/17 Budget	Virements	Reprofiling	Revised 2016/17 Budget
	£	£	£	£	£	£	£	£	£	£	£	£	£
<b>Children, Schools &amp; Families</b>													
Cranmer Primary Expansion	1,559,720			492,050	2,051,770	492,050			0				
Dundonald Primary Expansion	2,023,450			(1,041,660)	981,790	2,983,410			4,025,070	1,117,000			1,117,000
Hillcross Primary Expansion	2,717,450			775,040	3,492,490	2,122,900			1,347,860				
Merton Abbey Primary Expansion	3,428,150			24,150	3,452,300	1,082,610			1,058,460				
Pelham Primary Expansion	3,961,270			(761,270)	3,200,000	1,554,290			2,315,560				
Poplar Primary Expansion	2,907,820			542,440	3,450,260	953,170			410,730				
St Mary's Primary Expansion	2,490,210			100,000	2,590,210	100,000			0				
Singlegate Primary Expansion	3,833,350			457,740	4,291,090	1,575,480			1,117,740				
Primary School Autism Unit	711,700			(391,700)	320,000	238,300			630,000				
St Ann's Primary Base	141,890	(141,890)			0				0				
Parceid Primary Expansion	800,000	141,890		(462,140)	479,750	500,000			962,140				
Secondary School Autism Unit	350,000			(310,000)	40,000	850,000			1,160,000				
School Capital Maintenance & Access	500,000		150,000		650,000				0				
Devolved Formula Capital*	76,120		363,520		439,640	0			0				
<b>Corporate Services</b>													
Replace Document Management System	740,000			(440,000)	300,000	0			440,000				
Customer Contract Programme	785,000			(485,000)	300,000	0			485,000				
Replace Social Care System	971,000				971,000	0			0				
<b>Transpormation Budgets</b>													
Improving Financial Systems	344,160	(37,500)			306,660	507,000			507,000				
Community & Housing	1,100,000		(538,300)	(228,250)	306,660	0			228,250				
Birches Close	179,780	(169,780)			10,000								



# Virement, Re-profiling and New Funding – June Cabinet

## Appendix 4

	2014/15 Budget	Virements	Adjusted & New Funding	Reprofiling	Revised 2014/15 Budget	2015/16 Budget	Virements	Reprofiling	Revised 2015/16 Budget	2016/17 Budget	Virements	Reprofiling	Revised 2016/17 Budget
	£	£	£	£	£	£	£	£	£	£	£	£	£
<b>Environment and Regeneration</b>													
Green spaces													
Parks Investment	250,000	(34,000)		0	216,000	250,000	(34,000)	0	216,000	425,000	(34,000)	0	391,000
Parks Bins - Finance Lease	0	34,000		0	34,000	0	34,000	0	34,000	0	34,000	0	34,000
<b>Leisure Centres</b>													
St Marks Academy Flood Lights	56,330		32,000		88,330								
<b>Transport for London</b>													
Bus Lane Compliance	0	70,000	70,000	0	140,000								
Unallocated	70,000	(70,000)			0								
<b>Regeneration Partnerships</b>													
B678 Commonsides East	0		47,000		47,000								
B672a-f Connecting Colliers Wd	43,890		28,460		72,350								
Industrial Estate Investment	250,000			(250,000)	0	500,000		250,000	750,000				
Hitcham Town Centre Imp**	412,500		289,130		701,630								
Transportation Enhancements	2,500,000			(2,500,000)	0	2,500,000		2,500,000	5,000,000				
<b>Transport for London</b>													
Borough Biking Programme	0		30,000		701,630								
<b>Traffic and Parking</b>													
Replacement Parking Phone System	0	37,500			37,500								
<b>Waste Operations</b>													
Re-use/recycling Site Maintena	40,000	(5,500)		(5,500)	29,000	40,000	(5,500)	(11,000)	23,500	0	(5,500)	5,500	0
Waste Bins - Finance Lease	0	5,500			5,500	0	5,500		5,500	0	5,500		5,500
<b>Total</b>	<b>33,243,790</b>	<b>(169,780)</b>	<b>471,810</b>	<b>(4,484,100)</b>	<b>29,706,560</b>	<b>16,249,210</b>	<b>0</b>	<b>4,467,600</b>	<b>20,716,810</b>	<b>1,542,000</b>	<b>0</b>	<b>5,500</b>	<b>1,547,500</b>

## Virement, Re-profiling and New Funding – June Cabinet

Appendix 4

Environment and Regeneration	2017/18 Budget	Virements	Reprofiling	Revised 2017/18 Budget	2018/19 Budget	Virements	Reprofiling	Revised 2018/19 Budget
	£	£	£	£	£	£	£	£
Green spaces								
Parks Investment	250,000	(34,000)	(27,500)	188,500	0	(27,500)	27,500	0
Parks Bins - Finance Lease	0	34,000		34,000	0	27,500	0	27,500
Waste Operations								
Re-use/recycling Site Maintena	0	(5,500)	5,500	0	0	(5,500)	5,500	0
Waste Bins - Finance Lease	0	5,500		5,500	0	5,500		5,500
<b>Total Environment and Regeneration</b>	<b>250,000</b>	<b>0</b>	<b>(22,000)</b>	<b>228,000</b>	<b>0</b>	<b>0</b>	<b>33,000</b>	<b>33,000</b>