

Cabinet

Date: 29 June 2015

Subject: Financial Report 2015/16 – May 2015

Lead officer: Paul Dale

Lead member: Mark Allison

Urgent report:

Reason for urgency: The chair has approved the submission of this report as a matter of urgency as it provides the latest available monitoring information for 2015/16. This requires consideration as it has implications for current and future years' budget monitoring and management.

Recommendations:

A. That Cabinet note the financial reporting data relating to revenue budgetary control, showing a forecast net overspend at year end of £1.285million, 0.83% of the net budget.

B. That Cabinet Approve the following capital adjustments:

	2015/16	2016/17
St Mary's Expansion VAT Adjustment	£137,210	
Cricket Green Expansion (Grant)		£459,740
Colliers Wood Library Re-Fit	£200,000	
Colliers Wood Library Relocation		(£550,000)
Rediscover Mitcham (S106)	£507,280	
Quietways Cycle Routes (TfL)	£344,000	
Canons Parks for People	£124,000	£113,000
Street Lighting	£400,000	
Industrial Estates	(£200,000)	
Town Centre Investments	(£200,000)	
Total	£1,312,490	£22,740

C. That Cabinet note:

- i) the re-profiling from 2015/16 to 2016/17 of £2,366k in Children, Schools and Families and £1,046k in Corporate Services.
- ii) That a report will be progressed to Council for the addition of Rediscover Mitcham to the capital programme and for the approval of the Education Section 106 funding already utilised to fund the capital programme.

- D. That Cabinet approve the alternative revenue saving of £66,000 for Environment and Regeneration detailed in Appendix 6 to replace EN16 (previously agreed in 2013/14).
- E. That Cabinet approve the release of up to £100k from the Council Board Issues reserve in relation to the Wimbledon Park Masterplan development.
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1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 This is the first financial monitoring report for 2015/16 presented in line with the financial reporting timetable.

This financial monitoring report provides:-

- The income and expenditure at period 2 and a full year forecast projection.
- An update on the capital programme and detailed monitoring information;
- An update on Corporate Items in the budget 2015/16;
- Progress on the delivery of the 2015/16 revenue savings
- An update on the delivery of 2014/15 savings

2. THE FINANCIAL REPORTING PROCESS

- 2.1 The budget monitoring process will focus on budget pressures and potential overspending. The scale of the 2014/15 overspend needs to be addressed early in the current financial year to ensure measures are in place to address the scale of the potential overspend.
- 2.2 Chief Officers, together with Service Financial Advisers and budget managers are responsible for keeping budgets under close scrutiny and ensuring that expenditure within budgets which are overspending is being actively and vigorously controlled and where budgets are under spent, these underspends are retained until year end. Any final overall overspend on the General Fund will result in a call on balances. The 2014/15 year end outturn highlights the need for close monitoring in this financial year.

2.3 2015/16 FORECAST OUTTURN BASED UPON LATEST AVAILABLE DATA

Executive summary – At period 2 to 31st May 2015 the year end forecast is a net £2.285m overspend compared to the current budget.

Summary Position as at 31st May 2015

	Current Budget 2015/16 £000s	Full Year Forecast (May) £000s	Forecast Variance at year end (May) £000s	Outturn variance 2014/15 £000s
Department				
3A. Corporate Services	14,432	13,619	(813)	(691)
3B. Children, Schools and Families	51,022	52,942	1,920	2,663
3C. Community and Housing	61,555	62,777	1,222	2,774
3D. Public Health	320	320	(0)	(0)
3E. Environment & Regeneration	23,999	24,076	77	1,703
Overheads	0	0	0	0
NET SERVICE EXPENDITURE	151,328	153,734	2,406	6,448
3E. Corporate Items				
Impact of Capital on revenue budget	14,117	14,092	(25)	205
Central budgets	(11,355)	(12,451)	(1,096)	(2,817)
Levies	926	926	0	0
TOTAL CORPORATE PROVISIONS	3,688	2,567	(1,121)	(2,612)
TOTAL GENERAL FUND	155,016	156,301	1,285	3,836
FUNDING				
Revenue Support Grant	(30,425)	(30,425)	0	0
Business Rates	(33,686)	(33,686)	0	0
Other Grants	(9,434)	(9,434)	0	(154)
Council Tax and Collection Fund	(81,471)	(81,471)	0	0
FUNDING	(155,016)	(155,016)	0	(154)

	Current Budget 2015/16	Full Year Forecast (May)	Forecast Variance at year end (May)	Outturn variance 2014/15
Expenditure	£000	£000	£000	£000
Employees	96,198	96,866	668	849
Premises Related Expenditure	8,369	7,893	(476)	(3,433)
Transport Related Expenditure	13,597	15,057	1,459	1,496
Supplies and Services	173,700	173,478	(222)	4,902
Third Party Payments	89,108	91,222	2,114	7,469
Transfer Payments	104,029	103,438	(591)	4,490
Support Services	31,902	31,900	(2)	67
Depreciation and Impairment Losses	16,505	16,506	0	(0)
Corporate Provisions	3,688	2,567	(1,121)	(2,612)
GROSS EXPENDITURE	537,097	538,926	1,830	13,228
Income				
Government Grants	(266,214)	(265,990)	224	3,255
Other Grants, Reimbursements and Contribs	(25,030)	(26,134)	(1,105)	(3,030)
Customer and Client Receipts	(58,247)	(59,087)	(840)	(7,315)
Interest	(44)	(20)	24	24
Recharges	(32,547)	(32,546)	1	168
Balances	1	1,153	1,151	(2,494)
GROSS INCOME	(382,081)	(382,625)	(545)	(9,392)
NET EXPENDITURE	155,016	156,301	1,285	3,836

3. DEPARTMENTAL SUMMARY OF CURRENT POSITION

Corporate Services

	2015/16 Current Budget	Full year Forecast May	Forecast variance at year end May	2014/15 Outturn Variance
	£000	£000	£000	£000
Business Improvement	4,726	4,644	-82	-259
Infrastructure & Transactions	9,309	9,215	-95	-347
Resources	7,572	7,524	-48	-255
Human Resources	2,373	2,366	-6	-26
Corporate Governance	3,150	2,852	-298	-433
Customer Services	2,557	2,273	-284	-273
Corporate Items including redundancy costs	1,384	1,384	0	1,320
Total (controllable)	31,071	30,258	-813	-273

Overview

The Corporate Services department are forecasting an underspend of £813k at year end.

Business Improvement – underspend £82k

The main reason for the forecast underspend is an overachievement of street naming income. There are some vacant posts in the new systems and development team structure due to the delay in successful recruitment but these are being offset by agency cover.

Infrastructure and Transactions – underspend £95k

The forecast underspend relates to the revenue generated from the Corporate Print Strategy and an overachievement of income in the Post service following the introduction of Docqticket system and the renegotiation of the postal and print contracts.

Resources – underspend £48k

This forecast underspend is mainly due to vacant posts.

Corporate Governance – forecast underspend £298k

There is a forecast underspend of approx. £200k following the transfer of the Benefits Investigation team to the DWP under the Single Fraud Investigation Service. There will be an underspend in the current year due to DCLG funding but the cost of this service will increase next year.

Customer Services – forecast underspend £284k

There is a forecast underspend of approx. £85k due to vacant posts within the division.

Additional funding received from the DWP for welfare reforms eases the pressure on the benefits and local tax team where an underspend of £40k is forecast.

The translation service are forecasting an overachievement of income of £40k.

Corporate items

Although the forecast is in line with budget, the year to date spend on redundancy at period 2 is high compared to the budget. This will be monitored and any expected variance against budget will be reported.

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

Environment & Regeneration

Environment & Regeneration	2015/16 Current Budget £000	Full year Forecast (May) £000	Forecast Variance at year end (May) £000	2014/15 Variance at year end £000
Public Protection	(9,405)	(9,608)	(203)	(53)
Sustainable Communities	12,673	12,520	(153)	203
Waste Services	15,438	15,872	434	1,440
Other	(876)	(876)	0	(291)
Total (Controllable)	17,830	17,908	78	1,299

Description	2015/16 Current Budget £000	Forecast Variance at year end (May) £000	2014/15 Variance at year end £000
Employee overspend within Parking Services	3,175	99	22
Overachievement of Customer & Client Receipts in Parking Services	(15,486)	(377)	146
Employee overspend within Regulatory Services	2,051	99	98
Other	855	(24)	(319)
Total for Public Protection	(9,405)	(203)	(53)
Employee overspend within B&DC	1,564	45	200
General Supplies & Services underspend within B&DC	281	(109)	(64)
Shortfall in Building & Development Control (B&DC) income	(1,862)	200	(46)
Employee related overspend within Future Merton	2,653	117	(129)
Underspend on third party payments within Future Merton	3,022	(72)	64
Premises related overspend within Property Management	283	(83)	32
Overachievement of rental income in Property Management	(4,042)	(111)	(181)
Employee underspend within Senior Mgmt & Support	860	(41)	(51)
Other	(9,914)	(99)	378
Total for Sustainable Communities	12,673	(153)	203
Employee overspend within Waste Services	7,342	264	316
Transport related underspend within Waste Services	1,914	(116)	(155)
General Supplies & Services underspend within Waste Services	1,034	(209)	(169)
Overspend on 3 rd Party Payments	6,680	502	909
Other	(2,408)	(7)	(279)
Total for Street Scene & Waste	14,562	434	1,149
Total Excluding Overheads	17,830	78	1,299

Overview

The department is currently forecasting an overspend of £78k at year end. The main areas of variance are Waste Services, Parking Services, Property management, and Building & Development Control.

Pressures

Public Protection

Parking Services

The section is currently forecasting an underspend of £222k mainly due to off-street parking income (£190k), and income from Tramtrack for occupying parking bays in Queens Road car park under licence until mid-October whilst rail improvements at Wimbledon station are carried out (£118k). This is being partially offset by an employee overspend of £99k.

Sustainable Communities

Building & Development Control

The section is currently forecasting an overspend of £91k mainly due to a shortfall in Customer & Client receipts of £200k. This is partially offset by an underspend of £109k in supplies and services. A commercial plan is being finalised to improve the market share and competitiveness of the building control service.

Property Management

The section is currently forecasting an underspend of £188k. This is as a result of exceeding their commercial rental income expectations by £111k due to a current high occupancy rate. There is also an NNDR related underspend of £70k whereby the authority is not currently liable for the fee.

Future Merton

The employee overspend is in relation to the recent restructure between Future Merton and Traffic & Highways, which commenced in May. Therefore, due to notice periods, protected allowances and only a part-year effect seen during this year, the full effect of this saving will not be realised this year.

However, it is expected that this pressure will be mitigated from underspends elsewhere within the section.

Greenspaces

Although estimated figures are yet to be forecast, the section finished 2014/15 with an employee overspend of £142k, as a result of staffing the paddling pools, Wimbledon fortnight, staffing of the firework displays, and overtime payments (to cover for absences) in order to maintain service standards. At this stage, this pressure is likely to continue into 2015/16.

It is envisaged that this pressure will be partially offset by expected underspends from elsewhere within the division, and a planned event in Wimbledon Park is expected to deliver surplus income which is unbudgeted in the current year.

Street Scene & Waste

Waste Services

The section is currently forecasting an overspend of £553k, which is mainly due to the ongoing operational and disposal costs associated with the management of the HRRC and transfer station (£606k). Although the site will be under new management from October, this overspend is due to the part year effect of the current arrangements. However, it is expected that this pressure will not reoccur next year.

In addition, the section is currently projecting an employee related overspend of about £264k. 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.

These overspends are expected to be partially mitigated from underspends on transport and supplies & services related budgets.

Management Action

The department is looking into potential actions to mitigate the budget pressures where possible, and 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.

Alternative Saving

Cabinet are asked to approve the alternative saving proposal for EN16, as detailed in Appendix 6. The original saving was not deliverable due to operational difficulties, including disposal arrangements and potential issues in relation to staffing the service due to lack of driver availability.

Reserve Request

That Cabinet approve the release up to £100k from the Council Board Issues reserve in relation to the Wimbledon Park Masterplan project. The project aims to create a fully-costed Master Plan for the Park including the lake, taking account of all of the competing interests and restrictions and ensuring that the proposals are encompassed within a new landscape for the whole park.

Children Schools and Families

Children, Schools and Families	2015/16 Current Budget £000	Full year Forecast (May) £000	Forecast Variance at year end (May) £000	2014/15 Variance at year end £000
Commissioning, Strategy and Performance	8,795	9,304	509	1,287
Education	16,346	17,680	1,334	953
Social Care and Youth Inclusion	11,494	11,571	77	580
Public Health contribution	0	0	0	(415)
PFI	7,683	7,683	0	6
Redundancy costs	2,091	2,091	0	39
Total (controllable)	46,409	48,329	1,920	2,450

Overview

At the end of May Children Schools and Families had a forecast overspend of £1.920m on local authority funded services. Although the department received growth for placements, this was not sufficient to cover to total shortfall caused by the increased birth rate and additional burdens from central government. An additional budget allocation for transport cost is also expected but has not been reflected in the figures yet as the final amount has not been determined.

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	May £000
Fostering and residential placements (ART)	4,845	828
Procurement & School organisation	545	(325)
Other small over and underspends	3,405	6
Subtotal Commissioning, Strategy and Performance	8,795	509
SEN Transport	2,809	1,210
Other small over and underspends	13,537	124
Subtotal Education	16,346	1,334
No Recourse to Public Funds (NRPF)	20	255
Other small over and underspends	11,474	(178)
Subtotal Children's Social Care and Youth Inclusion	11,494	77
Subtotal PFI	7,683	0
Subtotal Redundancy cost	2,091	0
Grand total Children, Schools and Families	46,409	1,920

Commissioning, Strategy and Performance Division

While the numbers of Looked After Children (LAC) remain relatively stable, the complexity of a significant proportion of cases is causing the net overspend of £828k. There have been 3 children accommodated with very complex and relatively high cost needs this financial year. This includes on-going pressures on independent agency fostering of £5k, in-house fostering of £257k and residential

placements of £713k which is offset by underspends in mother and baby placements of £45k and secure accommodation costs of £102k.

Procurement and school organisation budgets are expected to underspend by £325k as a result of lower spend forecast on revenue budgets.

There are various other small over and underspends forecast across the division netting to a £6k overspend. These combine with the items described above to arrive at the total reported divisional overspend of £509k.

Education Division

SEN and FE transport cost are expected to overspend by £1.210m due to the increased complexity of cases and above inflation increases in charges from the service providers. Although budgets have not been adjusted to reflect these pressures, an additional allocation is expected but has not been reflected in the figures yet as the final amount has not been determined.

There are various other small over and underspends forecast across the division netting to a £124k overspend. These combine with the item described above to arrive at the total reported divisional overspend of £1.334m.

Children's Social Care and Youth Inclusion Division

The NRPF budgets are forecast to overspend by £255k for the current financial year. This increase in cost is in response to case law regarding housing families with no recourse to public funds (Zambrano & Clue cases). This is an issue across London.

There are various other small over and underspends forecast across the division netting to a £178k underspend. These combine with the item described above to arrive at the total reported divisional overspend of £77k.

Dedicated Schools Grant

DSG funded services is forecast to underspend by £1.163m. These budgets are not within the council's general fund and cannot be offset against the local authority funded budgets. Any underspend will be added to the DSG reserve and applied after consultation with Schools Forum. Variances between individual subjectives have been shown in the overall departmental analyses.

The main reasons for the forecast relates to an estimated underspend of £1.088m in Independent Residential School provision. This figure is expected to reduce significantly towards year-end as additional placements are made throughout the year and.

There are various other smaller over and underspends forecast across the DSG which, combined with the items above, equates to the net underspend of £1.163m.

Management Action

Staffing

Agency cost continues to be a cost pressure for the department. The continued recruitment drive including recruitment of NQSWs and retention payments which we started with last year will all have

a positive impact on the current financial year and we will continue to take action to bring down anticipated overspends on agency/staffing costs.

Placements

Our edge of care panel continue to ensure that entry to care thresholds are maintained. The impact of increased numbers of UASC is in particular affecting our LAC and care leavers numbers and we remain in the lowest rate of care range in London.

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

Transport

We are modelling the potential impact of personal budgets from transport for 15/16 to assist in delivering cost reduction solutions to individual children's transport needs.

We are monitoring tight eligibility thresholds and defending appeals and we have extended our independence travel training. 6 personal budgets were approved this financial year providing an on-going cost reduction of £26k.

Community and Housing

As at the end of May, C&H is forecast to over-spend by £1.222m

Community and Housing	2015/16 Current Budget £000	Full Year Forecast (May) £000	2015/16 Forecast Variance (May) £000	2014/15 Variance at year end £000
Access and Assessment	42,690	43,195	505	2,648
Commissioning	4,727	4,626	(101)	(221)
Direct Provision	3,966	4,594	628	892
Directorate	1,048	1,036	(12)	(223)
Contribution from Public Health	0	0	0	(500)
Adult Social Care	52,431	53,451	1,020	2,595
Libraries and Heritage	2,393	2,442	49	4
Merton Adult Education	(180)	(1)	179	254
Housing General Fund	1,900	1,874	(26)	(105)
Total (controllable)	56,544	57,766	1,222	2,748

The budget for C&H includes £1.6m increase of Better Care Fund, £400k Better Care Fund for Care Act Implementation, £865k Care Act Implementation grant for new Care Act duties, £80k grant allocation for Deprivation of Liberty duties.
 £2.154m savings reductions are also included in the budget, after allowing for £989k inflation.

Access and Assessment - £505k over-spend

Access and Assessment	Forecast Variance (May) £000
Gross Placements overspend	1,841
Miles Re-ablement under-spend	(97)
Other A&A under-spends	(803)
Sub-total Net over-spend	941
Over achievement of Client Contribution	(386)
Helping People at home grant **	(50)
Sub-Total over-achievement of Income	(436)

Over-view

<u>Description</u>	2015/16 Budget £000	Forecast Variance (May) £000	2014/15 Variance at year end £000
<u>Placements</u>			
Gross Placements	38,570	1,841	3,689
Client & CCG Contribution Income	(12,006)	(386)	(612)
Helping People at home revenue grant	0	(50)	(75)
Miles Reablement	1,567	(97)	371
Concessionary Fares & Taxicard	9,203	(157)	(45)
Care-first	136	(129)	(117)
Other Access & Assessment	9,516	(517)	(564)
Better Care Fund – NHS Social Care Transfer Income	(3,946)	0	0
Sub-total Access & Assessment	42,690	505	2,648
<u>Commissioning</u>			
Brokerage, Contracts, Performance & Planning & Comm	1,188	(166)	(237)
Voluntary Organisations - grants	909	(56)	138
Voluntary Organisations – Contracts	200	(23)	(24)
Voluntary Organisations – Dementia contract	230	8	11
Pollards Hill Contract	172	30	32
Supporting People Grant	2,128	106	(141)
Better Care Fund – NHS Social Care Transfer Income	(100)	0	0
Sub-total Commissioning	4,727	(101)	(221)
<u>Direct Provision</u>			
Day Centres - Transport	208	598	604
Day Centres	2,059	(97)	(58)
Supported Living	873	7	109
Residential	805	94	222
Mascot	382	0	5
Other Direct Provision	39	26	10
Better Care Fund – NHS Social Care Transfer Income	(400)	0	0
Sub-total Direct Provision	3,966	628	892
<u>Directorate</u>			
Staffing Costs	929	(12)	(223)
Adult Social Care Redesign – Projects	300	0	0
Care Act Implementation	1,265	0	0
Care Act Implementation-Grant	(865)	0	0
Better Care Fund – NHS Social Care Transfer Income	(181)	0	0
Better Care Fund – NHS Social Care Transfer Income – CA Implementation	(400)	0	0
Subtotal Directorate	1,048	(12)	(223)
Contribution from Public Health – Ageing Well Grants	0	0	(500)
Sub-total Adult Social Care	52,431	1,020	2,595

Budget Pressures

Description	2015/16 Budget £000	Forecast Variance (May) £000	2014/15 Variance at year end £000
Libraries	2,393	49	4
<u>Merton Adult Education</u>	(180)	179	254
<u>Housing</u>			
Temporary Accommodation	116	34	84
Homelessness Prevention	320	0	(127)
Housing Advice & Options	500	0	(7)
Housing Needs	281	(45)	(43)
Housing Strategy	139	0	(18)
Housing Supply & Development	266	0	(3)
Housing Environmental Health	227	(15)	(59)
Merton Action Single Homeless	51	0	0
Reserves Funding Adjustment	0	0	67
Sub-total Housing	1,900	(26)	(106)
Grand total Community and Housing	56,544	1,222	2,648

Budget Pressures

Community and Housing is facing a number of budget pressures, the main pressures are:-

1. Placements Expenditure – The over spend on third party support packages in 2014/15 is a pressure for 2015/16 since the commitments are recurrent, however, growth of £2.7 million was allocated to Adult Social Care plus inflation of £550k. There are also demographic growth pressures on placements.
2. Placements Income – The Placements income budgets have been re-aligned. However the final out-turn income in 2014-15 was less than forecast. A detailed review of processes and forecasting for client income contribution is required. In short-term there is a need to allocate more resources to this function until the new financial system is in place.
3. Price Inflation on 3rd Party contracts. In common with the rest of England, there is upwards pressure on prices to providers, and locally providers have increasingly refused to accept people funded by Merton due to comparatively low fee rates. There have on-going negotiations with Providers and rates increases have been agreed for some domiciliary care and nursing home providers, including some coming to end of block contracts in 2015.

4. Three new Learning Disability ordinary residents are likely to transfer from neighbouring boroughs and under ordinary residence rules Merton will have to fund their support. They are not funded in the base budget
5. Pressures in the health system
There has been an increasing volume and level of complexity in numbers of people being discharged from acute hospitals needing social care arranged by Merton Council. These were partly funded to a small extent in 2014/15 through non recurrent winter pressures funding which came via the NHS. The funding ran out on 31 March 2015 but the pressures are continuing.
6. Transport – Passenger transport charges in 2014-15 was £ 600k over the available budget in 2014-15. Operational measures have been taken to reduce volumes within the SLA. There is on-going discussion about potential marginal increase of the department’s transport budget subject to CMT approval.
7. The Salaries budget in Direct Provision is forecast to over-spend, due to shortfall in budget available to meet additional costs of implementing single status. There is also the issue of the service supporting more clients than the original budget allocation allowed for. The number of clients supported increased from 12 to 38 over four sites. The complexity of people supported has also increased. There is now a service level agreement between Direct Provision and Access & Assessment to establish an internal recharge arrangement.

Adult Social Care – Placements

Gross Placements Overspend £1.841m

The total gross placement budget for 2015-16 is £38.6m, and forecast as Period 2 is £40.41m.

Gross expenditure in the placements budget is complex to monitor and depends on CareFirst records and care packages always being up to date.

This placements budget includes savings of £1.119m planned to be achieved through improved efficiency, procurement, service changes, and managing demand.

The table below details the Total commitment and current number of care packages

Activity Data – Care Package Numbers	Total Commitment May 2015 (£000)	No Care Packages May (No's)
Service Area		
Mental Health	1,586	135
Physical and Sensory	4,437	321
Learning Disabilities	12,914	432
Older People	20,887	1,862
Substance Misuse	134	6
No recourse to public funds	223	18
Transport	230	
TOTAL	40,411	2,768

The revised increases in rates for Domiciliary Care and nursing home providers have not been updated on the care-first system. Therefore the total commitment reported above will be revised. At the moment this only affects three providers and it is expected that the new rates will be on the system by the end of next week.

Commissioning under -spend £101k

There is a forecast salaries underspend across the commissioning teams due to vacancies. Supporting People grant is forecast to over-spend by £106k. This is based on the analysis of current on-going negotiations with providers but service expects to reduce over spend. Voluntary Organisations budget is not forecast to over-spend, as the organisations that received transitions payments in 2014/15 will no longer receive transition payments.

There are other small variances across the commissioning budgets.

Direct Provision over-spend £628k

Service is currently over spending on Transport and Staffing.

Transport SLA (Core-route) - £598k Over-spend

There is on-going discussion about potential marginal increase of the department's transport budget subject to CMT approval.

There are other small variances across the Direct Provisions budgets.

Directorate - £12k under-spend

Libraries- £49k over-spend

There are issues surrounding revenueisation of the Media Fund budget, library flat income to be transferred to E&R and the cleaning contracts savings which needs to be resolved which may well result in an under spend.

MAE - £179k over-spend

The main contributor to the forecast over-spend is the underachievement of fee income, as the savings target is unlikely to be achieved. Strategies are in place to reduce this projection over the year and other future costs will be streamlined during the course of the year.

MAE Management has forecasted the Academic Year projections for the Financial Year to reflect the programming for the new academic year 2015/16 from September 2015 and will be working on reconfiguring the budget lines for both expenditure & Income by Period 4.

Strategic options for the service from 2015 onwards are being implemented and the service commissioned.

Housing - £26k under-spend

There are various small over and underspends across Housing netting to £26k under-spend.

Bed and Breakfast accommodation budget is forecast to over-spend by £34k over-spend .It should be noted that , last year there were a number of cases where Housing benefits had not been calculated and in some cases where eligibility issues were not resolved which resulted in un-posted housing benefits.

Public Health

Public Health is forecast to have a nil variance.

Public Health	2015/16 Budget £000	Period 2 (May) Forecast £000	Forecast Variance (May) £000	2014/15 Final Out-turn Variance £000
PH - Directorate	1,247	1,094	(153)	(305)
PH- Contraception	713	713	0	(26)
PH - STI Testing and Treatment (GUM)	2,060	2,344	284	110
PH - SH Advice, Prevent and Promotion	217	217	0	(97)
PH - NHS Health check	282	282	0	17
PH - Falls Prevention	66	66	0	(1)
PH – Obesity	579	579	0	(28)
PH – Live well (including smoking cessation)	345	331	(14)	(35)
PH - Substance Misuse (drugs and alcohol)	2,100	1,999	(101)	(422)
PH - School Nursing (including National Child Measurement programme)	849	849	0	(4)
PH - Surveillance and Control of Infectious Diseases	10	10	0	(9)
PH- Determinants	160	160	0	0
PH - Community Services Contract Estates	284	284	0	0
PH - New Investments	152	136	(16)	(275)
Total Public Health (controllable)	9,064	9,064	0	(1,075)
PH – Non-Recurrent Projects funded from Reserves (Balance to be agreed)	320	320	0	0
Total Public Health (including funding from Reserves)	9,384	9,396	0	(1,075)

Corporate Items

The details comparing actual expenditure up to 31 May 2015 against budget are contained in Appendix 1. The main areas of variance as at 31 May 2015 are:-

Corporate Items	Current Budget 2015/16 £000s	Full Year Forecast (May) £000s	Forecast Variance at year end (May) £000s	Forecast Variance at year end (Apr.) £000s	2014/15 Year end Variance £000s
Cost of borrowing	14,117	14,092	-25	0	205
Use for Capital Programme	0	0	0	0	0
Impact of Capital on revenue budget	14,117	14,092	-25	0	205
Investment Income	-559	-655	-96	0	-385
Pension Fund	5,042	5,042	0	0	-300
Pay and Price Inflation	697	697	0	0	-883
Contingencies and provisions	6,025	5,025	-1,000	0	64
Income Items	-174	-174	0	0	-914
Appropriations/Transfers	-5,881	-5,881	0	0	-399
Central Items	5,151	4,055	-1,096	0	-2,817
Levies	926	926	0	0	0
Depreciation and Impairment	-16,506	-16,506	0	0	0
TOTAL CORPORATE PROVISIONS	3,688	2,567	-1,121	0	-2,612

Departments are reflecting their estimates of transport overspending. In setting the 2015/16 budget a central provision of £1m was created to partly deal with the growth pressures in this area. This budget has yet to be allocated as work is still continuing reconciling client and contractor budgets. Until it is allocated it will be shown as underspending by £1m to partially offset service department overspendings

As reported to Cabinet on the outturn for 2014/15 costs arising from finance leases led to a net overspend of £0.205m in the cost of borrowing and there will be a review of finance leases and their budgets during 2015/16. The current underspend on the cost of borrowing and investment income will therefore be held pending the outcome of this review.

4. CAPITAL PROGRAMME 2015-19

4.1 The Table below shows the movement in the 2015/19 corporate capital programme since it's approval at 8 June Cabinet:

Depts	Revised Budget 15/16*	Adjustments	Revised Budget 15/16	Original Budget 16/17	Adjustments	Revised Budget 16/17	Original Budget 17/18	Variance	Revised Budget 17/18	Original Budget 18/19	Variance	Revised Budget 18/19
C&H	3,597	200	3,797	1,334	(550)	784	340	0	340	340	0	340
CS	9,836	(1,067)	8,768	3,862	1,028	4,890	2,881	0	2,881	2,757	0	2,757
CSF	18,119	(2,210)	15,909	26,084	2,827	28,911	20,979	0	20,979	20,104	0	20,104
E&R	17,585	764	18,349	26,129	113	26,242	10,327	0	10,327	6,379	0	6,379
TOTAL	49,136	(2,313)	46,823	57,408	3,418	60,826	34,526	0	34,526	29,579	0	29,579

*£7.2 million slippage from 2014/15 added in to the original budget of £41.9 in June.

- 4.2 The table below summarises the position in respect of the Capital Programme as at May 2014 the detail is shown in Appendix 5a

Merton Summary Capital Report - May 2015 Monitoring

Scheme Description	Total Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance
Community and Housing	3,797,150	(12,706)	272,919	(262,679)	3,796,533	(617)
Corporate Services	8,768,310	24,022	1,220,475	(1,196,453)	5,666,976	(3,101,334)
Children Schools and Families	15,908,900	436,469	4,503,315	(4,066,846)	15,908,893	(7)
Environment and Regeneration	18,348,600	(64,829)	1,742,250	(1,807,079)	18,234,800	(113,800)
Total Capital	46,822,960	382,956	7,738,959	(7,333,057)	43,607,202	(3,215,758)

- a) Community and Housing – Additional information expected on Disabled Facilities Grants for the next monitoring report
- b) Corporate Services – The majority of the projected underspend is caused by three major corporate schemes which are the Acquisition Fund £1,542k, Bidding Fund £1,357k (subject to business cases for European Funding) and Transformation Budget £197k. Virtually all other schemes are projecting a full spend at year end.
- c) Environment and Regeneration – Two small projected underspends are currently forecast projected all other schemes are projected to fully spend. Three new schemes being added and the virement are detailed in 4.3 below.
- d) Children, Schools and Families have re-profiled any variances into 2016/17. Details of the St Mary's Voluntary Aided School adjustment are given in 4.3 below. The £20k added to free school meals will be funded by a school contribution this will have no VAT implications.
- 4.3 Appendix 5b details the adjustments being made to the Capital Programme this month the background behind the adjustments requiring Cabinet Approval are:

St Mary's Expansion VAT Adjustment of £137,210 in 2015/16 – Two LCVAP contributions totalling £686,045.57 were applied to the funding of the capital programme in 2014/15. The VAT cannot be claimed on this expenditure and the programme needs to be adjusted to reflect this additional cost.

Cricket Green Expansion increased by £459,740 in 2016/17. The Authority has received a capital grant for 2 year old children; works being undertaken at Cricket Green School encompass provision for two year old children.

Colliers Wood Library Re-Fit of £200,000. This is a new scheme in 2015/16 which replaces the removal of the Colliers Wood Relocation £550,000 in 2016/17. Originally it was envisaged that the Donald Hope Library would be relocated to the ground floor of the Brown and Root tower at the cessation of the current lease. The current freeholder is now redeveloping the whole building including and will provide a ground floor shell for the Authority to re-fit as a library space. It is now estimated that the new scheme will save £350,000. It is envisaged that the additional costs of the lease will be offset by more efficient running costs and additional income generation.

Rediscover Mitcham (S106) £507,280 in 2015/16. This scheme comprises 9 bids of Section 106 monies which fully fund the scheme. The bids were approved by Cabinet 24 Sept 2012 and 9 Dec 2013 these smaller schemes have now been removed from the programme and a being replaced by this one scheme.

Quietways Cycle Routes of £344,000 in 2015/16. This is a new scheme within the Transport for London Programme which is being fully funded by them.

Canons Parks for People totalling £237,000 (Split £124,000 2015/16 and £113,000 in 2016/17). This is a Heritage Lottery Fund project to restore The Canons and bring Canons house back into use. This provision will cover phase 1 the process of building a detailed bid to Stage 2 and submitting this to HLF in August 2016. Should the Stage 2 bid be successful, a further £3.6m will be available from HLF to undertake the work. The project is scheduled to last 4 years after the proposed starting date of January 2017, with capital works being undertaken in the first 18 months of the project. The project includes £39,000 match funding (£21,000 in 2015/16 and £18,000 in 2016/17). This match funding has been vired from the Bidding Fund.

Virement into Street Lighting of £400,000 from Industrial Estates (£200,000) and Town Centre Investments (£200,000). This virement into street lighting is to fund an LED retro-fit programme; the kits will provide more energy efficient and will be virtually maintenance-free. It is estimated that once fitted the kits will provide annual revenue savings of £155k for 18 years. This provides a repayment period of 3.44 years once allowance is made for financing costs. In addition to the financial savings the scheme will enable the Authority to achieve its statutory requirements and to sustain core infrastructure, maintain a safe environment, enhance the night-time environment encouraging people to walk, cycle & use public transport and will promote the economy and vibrancy of the borough.

Cabinet are also asked to note the re-profiling of £3,413k from 2015/16 into 2016/17 which is being actioned as part of the report. Further detail is provided below:

Children, Schools and Families

Primary School Expansions at Dundonald (£1,003k) and Singlegate (£805k) are due to it taking longer to obtain legal etc. permissions than originally allowed for.

The budget for 2015/16 has also been reduced in accordance planned spend for the New Bases at Hatfeild (£274k) and the Secondary Autism (£250k).

The Inflation Contingency (£34k) has been re-profiled into 2016/17 as it will not be required in 2015/16.

Corporate Services

Invest to Save - There are two principle projects funded by this budget this year – Phase 5 PV (£800,000) and Phase 1 Corporate Buildings Energy Efficiency (£650,000). Planned expenditure patterns have resulted in £1,000k of the budget being re-profiled into 2016/17. Detailed analysis of the spend profile in the Civic Centre Lift Upgrade has led to £46k being moved into 2016/17

- 4.4 Appendix 5c details the impact these changes have on the funding of the programme in 2015/16 and 2016/17. The proposed changes in this report will result in approximately £3 million borrowing mainly on buildings being moved from 2015/16 into 2016/17. This will result in approximately a £10k to £15k saving in interest in 2015/16 and 2016/17. In addition, there would be a £100k saving on the Minimum Revenue Provision (MRP) in 2016/17. There would be no savings in subsequent financial years.

5. DELIVERY OF SAVINGS FOR 2015/16

5.1

Department	Target Savings 2015/16	Projected Savings 2015/16	Period 2 Forecast Shortfall	Period 2 Forecast Shortfall
	£000's	£000's	£000's	%
Corporate Services	1,170	1,099	(71)	(6.1)%
Children Schools and Families	781	781	0	0.0%
Community and Housing	2,154	2,154	0	0.0%
Environment and Regeneration	978	858	(120)	(12.3)%
Total	5,083	4,892	(191)	(3.8)%

Appendix 7 details the progress on savings for 2015/16 by department.

Appendix 8 reports the 2014/15 savings achieved and projects the full year affect of these savings in 2015/16. Further work will be performed to ensure the 2014/15 savings shortfall is addressed in the current year.

6. MISCELLANEOUS DEBT

6.1 The debt position will be reported in period 3

7. CONSULTATION UNDERTAKEN OR PROPOSED

7.1 All relevant bodies have been consulted.

8. TIMETABLE

8.1 In accordance with current financial reporting timetables.

9. FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

9.1 All relevant implications have been addressed in the report.

10. LEGAL AND STATUTORY IMPLICATIONS

10.1 All relevant implications have been addressed in the report.

11. HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

11.1 Not applicable

12. CRIME AND DISORDER IMPLICATIONS

12.1 Not applicable

13. RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

13.1 The emphasis placed on the delivery of revenue savings within the financial monitoring report will be enhanced during 2015/16, the risk of part non-delivery of savings is already contained on the key strategic risk register and will be kept under review.

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

Appendix 1-	Detailed monthly position table
Appendix 2 –	Detailed Corporate Items table
Appendix 3 –	Pay and Price Inflation as at June 2015
Appendix 4 –	Treasury Management: Outlook
Appendix 5a –	Current Capital Programme 2015/16
Appendix 5b –	Current Capital Programme 2015/16 – Adjustments May 2015
Appendix 5c –	Funding Current Capital Programme 2015/16 & 2016/17
Appendix 6 -	Alternative Saving – Environment & Regeneration EN16
Appendix 7 -	Progress on 2015/16 savings
Appendix 8-	2014/15 savings achieved and expected in 2015/16

15. BACKGROUND PAPERS

15.1 Budgetary Control files held in the Corporate Services department.

16. REPORT AUTHOR

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Summary Position as at 31st May 2015

APPENDIX 1

	Original Budget 2015/16	Current Budget 2015/16	Year to Date Budget (May)	Year to Date Actual (May)	Full Year Forecast (May)	Forecast Variance at year end- previous month (May)	Outturn Variance 2014/15
	£000s	£000s	£000s	£000s	£000s	£000s	£000
Department							
3A. Corporate Services	14,025	14,432	7,337	5,816	13,619	(813)	(691)
3B. Children, Schools and Families	50,894	51,022	33,432	27,448	52,942	1,920	2,663
3C. Community and Housing							0
Adult Social Care	56,080	56,160	9,782	5,222	57,180	1,020	2,593
Libraries & Adult Education	3,169	3,244	831	830	3,472	228	281
Housing General Fund	2,151	2,151	528	371	2,125	(26)	(100)
3D. Public Health	320	320	(800)	(3,020)	320	(0)	(0)
3E. Environment & Regeneration	23,986	23,999	1,311	104	24,076	77	1,703
Overheads	0	0	0	0	0	0	0
NET SERVICE EXPENDITURE	150,624	151,328	52,421	36,770	153,734	2,406	6,448
3E. Corporate Items							
Impact of Capital on revenue budget	14,117	14,117	2,353	807	14,092	(25)	205
Other Central items	-10,651	-11,355	585	-13	-12,451	-1,096	(2,817)
Levies	926	926	186	186	926	0	0
TOTAL CORPORATE PROVISIONS	4,392	3,688	3,124	980	2,567	-1,121	-2,612
TOTAL GENERAL FUND	155,016	155,016	55,545	37,750	156,301	1,285	3,836
Funding							
- Business Rates	-33686	-33686	-1411	-1,411	-33686	0	0
- RSG	-30425	-30425	-11985	-11,985	-30425	0	0
- Council Tax Freeze Grant 2014/15	-861	-861	0	0	-861	0	6
- Section 31 Grant	-1134	-1134	-108	-108	-1134	0	-160
- New Homes Bonus	-2642	-2642	-1221	-1,221	-2642	0	0
- PFI Grant	-4797	-4797	-1199	-1,199	-4797	0	0
Grants	-73,545	-73,545	-15,925	-15,925	-73,545	0	-154
Collection Fund - Council Tax Surplus(-)/Deficit	-4813	-4813	0	0	-4813	0	0
Collection Fund - Business Rates Surplus(-))/Deficit	393	393	0	0	393	0	0
Council Tax					0		0
- General	-76758	-76758	0	0	-76758	0	0
- WPCC	-292.95	-292.95	0	0	-292.95	0	0
Council Tax and Collection Fund	-81471	-81471	0	0	-81471	0	0
FUNDING	-155,016	-155,016	-15,925	-15,925	-155,016	0	-154
NET	0	0	39,620	21,825	1,285	1,285	3,682

	Current Budget 2015/16	Year to Date Budget (May)	Year to Date Actual (May)	Full Year Forecast (May)	Forecast Variance at year end (May)	Outturn variance 2014/15
Expenditure	£000	£000	£000	£000	£000	£000
Employees	96,198	16,219	15,992	96,866	668	849
Premises Related Expenditure	8,369	2,498	824	7,893	(476)	(3,433)
Transport Related Expenditure	13,597	2,211	1,017	15,057	1,459	1,496
Supplies and Services	173,700	28,947	20,120	173,478	(222)	4,902
Third Party Payments	89,108	13,698	6,323	91,222	2,114	7,469
Transfer Payments	104,029	1,666	361	103,438	(591)	4,490
Support Services	31,902	0	0	31,900	(2)	67
Depreciation and Impairment Losses	16,505	356	0	16,506	0	(0)
Corporate Provisions	3,688	3,124	980	2,567	(1,121)	(2,612)
GROSS EXPENDITURE	537,097	68,721	45,617	538,926	1,830	13,228
Income						
Government Grants	(266,214)	(2,323)	(2,887)	(265,990)	224	3,255
Other Grants, Reimbursements and Contribs	(25,030)	(1,690)	428	(26,134)	(1,105)	(3,030)
Customer and Client Receipts	(58,247)	(8,442)	(5,385)	(59,087)	(840)	(7,315)
Interest	(44)	0	0	(20)	24	24
Recharges	(32,547)	(717)	0	(32,546)	1	168
Balances	1	(4)	(23)	1,153	1,151	(2,494)
GROSS INCOME	(382,081)	(13,176)	(7,867)	(382,625)	(545)	(9,392)
NET EXPENDITURE	155,016	55,546	37,750	156,301	1,285	3,836

APPENDIX 2

3E. Corporate Items	Council 2015/16 £000s	Original Budget 2015/16 £000s	Current Budget 2015/16 £000s	Year to Date Budget (May) £000s	Year to Date Actual (May) £000s	Full Year Forecast (May) £000s	Forecast Variance at year end £000s	Forecast Variance at year end (April) £000s
Cost of Borrowing Use for Capital Programme	14,117	14,117	14,117	2,353	807	14,092	-25 0	0 0
Impact of Capital on revenue budget	14,117	14,117	14,117	2,353	807	14,092	-25	0
Investment Income	-559	-559	-559	-93	-24	-655	-96	0
Pension Fund	5,042	5,042	5,042	840	174	5,042	0	0
Corporate Provision for Pay Award Provision for inflation in excess of 1.5%	189 543	189 543	117 480	0 0	0 0	117 480	0 0	0 0
Utilities Inflation Provision	100	100	100	0	0	100	0	0
Pay and Price Inflation	832	832	697	0	0	697	0	0
Contingency Single Status/Equal Pay Bad Debt Provision Loss of income arising from P3/P4 Revenuisation and miscellaneous	1,500 100 500 400 3,525	1,500 100 500 400 3,525	1,500 100 500 400 3,525	0 0 0 0 0	0 0 0 0 0	1,500 100 500 400 2,525	0 0 0 0 -1,000	0 0 0 0 0
Contingencies and provisions	6,025	6,025	6,025	0	0	6,025	-1,000	0
Local Services Support Grant Other	0 -174	0 -174	0 -174	0 0	0 0	0 -174	0 0	0 0
Income items	-174	-174	-174	0	0	-174	0	0
Appropriations: CS Reserves Appropriations: E&R Reserves Appropriations: CSF Reserves Appropriations: C&H Reserves Appropriations: Public Health Reserves Appropriations: Corporate Reserves	-3,003 -1,631 -618 -545 -320 806	-3,003 -1,631 -618 -545 -320 806	-3,361 -1,631 -675 -700 -320 806	-30 0 -57 -75 0 0	-30 0 -57 -75 0 0	-3,361 -1,631 -675 -700 -320 806	0 0 0 0 0 0	0 0 0 0 0 0
Appropriations/Transfers	-5,311	-5,311	-5,881	-162	-162	-5,881	0	0
Depreciation and Impairment	-16,506	-16,506	-16,506	0	0	-16,506	0	0
Central Items	3,466	3,466	2,762	2,938	794	2,641	-1,121	0
Levies	926	926	926	186	186	926	0	0
TOTAL CORPORATE PROVISIONS	4,392	4,392	3,688	3,124	980	3,567	-1,121	0

Pay and Price Inflation as at May 2015

In 2015/16, the budget includes 1% for increases in pay and 1.5% for increases in general prices, with an additional amount of £0.543m 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 significant call on this budget and it will only be released when it is certain that it will not be required.

Pay:

The pay award for 2015/16 was agreed as part of a two year settlement which ends on 31 March 2016

Prices:

The Consumer Prices Index (CPI) increased by 0.1% in the year to May 2015, compared with a 0.1% fall in the year to April 2015. The main reason for the increase was a rise in the cost of transport services, notably air fares with the timing of Easter in April a likely factor in the movement. There were also significant upward effects from food and motor fuels. The largest downward effects which partially offset the increase came from recreation and culture, particularly games, toys and hobbies (such as computer games) and data processing equipment.

CPIH grew by 0.4% in the year to May 2015, up from 0.2% in April 2015.

RPI annual inflation stands at 1.0% in May 2015, up from 0.9% in April 2015.

Outlook for inflation:

On 4 June 2015, 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.

In the MPC minutes published on 17 June it stated that "Absent further movements in global commodity prices or the exchange rate, these effects on twelve-month CPI inflation were expected to dissipate so that inflation was likely to pick up notably towards the end of the year. The remaining quarter, or ½ percentage point, of the deviation of inflation from the target had reflected the weak growth of domestic costs, especially wages. And it was upon these, together with any persistent effects of sterling strength, that the outlook for inflation in the medium term depended.....

As expected, twelve-month CPI inflation had declined to -0.1% in April, primarily reflecting the effect on recorded airfares of the timing of the Easter holidays. That effect would disappear from the inflation calculation in the May data. More broadly, the Committee judged that CPI inflation was being depressed by around 1½ percentage points relative to the target by the unusually low contributions from the prices of energy, food and other imported goods. Much of the effect of these factors on twelve-month CPI inflation was likely to dissipate fairly shortly, so that inflation was likely to rise notably towards the end of the year. The past appreciation of sterling had the potential to impart a somewhat more persistent negative impact on inflation, however. "

In the May 2015 Inflation Report it was noted that "CPI inflation was 0.0% in March, well below the MPC's 2% target. That undershoot largely reflects falls in the prices of commodities and some other imported goods. Those falls will bear down on inflation for much of this year, but the path of inflation thereafter is expected to depend more on domestic cost pressures. Domestic pressures have been weak, as seen in low wage growth in recent years. They are likely to build over the forecast period, as

a steady expansion in demand absorbs the remaining economic slack. The MPC judges that it is currently appropriate to set policy so that it is likely that inflation will return to the 2% target within two years. Conditional on Bank Rate following the path currently implied by market yields — such that it rises gradually over the forecast period — that is judged likely to be achieved.”

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 (June 2015)			
	Lowest %	Highest %	Average %
2015 (Quarter 4)			
CPI	(0.3)	1.6	0.6
RPI	(0.1)	2.2	1.4
LFS Unemployment Rate	4.8	5.5	5.2
2016 (Quarter 4)			
CPI	1.2	2.7	1.8
RPI	1.2	3.6	2.8
LFS Unemployment Rate	4.1	5.8	5.1

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

Independent projections for the calendar years 2015 to 2019 are summarised in the following table:-

Source: HM Treasury - Forecasts for the UK Economy (May2015)					
	2015	2016	2017	2018	2019
	%	%	%	%	%
CPI	0.3	1.5	1.9	1.9	1.9
RPI	1.1	2.4	3.0	3.2	3.0
LFS Unemployment Rate	5.4	5.1	5.0	4.9	4.8

Treasury Management: Outlook

The Bank Base Rate has been kept at its low of 0.5% since March 2009. On 4 June 2015, 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.

In the MPC minutes published on 17 June 2015 it was noted that “the strength of the headwinds to growth had begun to ease. As they eased further over time, the interest rate required to keep the economy operating at normal levels of capacity and inflation at the target was likely to continue to rise. Given the global nature of many of these headwinds, this would be true in several other countries besides the United Kingdom. The pace at which those countries began to embark on a normalisation of monetary policy would depend on their own individual circumstances. Those policies could have international spillovers. However, the Committee agreed that the path for UK monetary policy would depend on the prospects for inflation in the United Kingdom and would not be determined by the actions of other central banks.....

given the likely persistence of headwinds weighing on the economy, when Bank Rate did begin to rise, it was expected to do so more gradually than in previous cycles. Moreover, the persistence of those headwinds, together with the legacy of the financial crisis, meant that Bank Rate was expected to remain below average historical levels for some time to come. The actual path Bank Rate would follow over the next few years was uncertain, and would depend on economic circumstances. The Committee's guidance on the likely pace and extent of interest rate rises was an expectation, not a promise....In light of that, all Committee members agreed that it was appropriate to leave the stance of monetary policy unchanged at this meeting. For two members, the immediate policy decision remained finely balanced between voting to hold or raise Bank Rate. “

The MPC have previously stated that in practice this means that the Committee will seek to set monetary policy so that it would be likely that inflation would return to the 2% target within two years.

In the quarterly inflation report for May 2015, the MPC noted that “In the February 2014 Inflation Report, the MPC said that, given the likely persistence of headwinds weighing on the economy, when Bank Rate did begin to rise, it was expected to do so more gradually than in previous cycles. Moreover, the persistence of those headwinds, together with the legacy of the financial crisis, meant that Bank Rate was expected to remain below average historical levels for some time to come. At its meeting on 8 May, the MPC noted that while those headwinds had begun to ease, a path that implied only gradual rises in Bank Rate over the next few years, broadly in line with the current market path, remained consistent with absorbing slack and returning inflation to the target within two years. The MPC also noted, however, that, as set out in the February 2014 Report, the interest rate required to keep the economy operating at normal levels of capacity and inflation at the target was likely to continue to rise as the effects of the financial crisis faded further. Despite this, beyond the three-year forecast horizon the yield curve had flattened further over the past year.”

The MPC's forecasts of Bank Base Rate in recent Quarterly Inflation Reports is summarised in the following table:-

	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	End Q.1 2017	End Q.2 2017	End Q.3 2017	End Q.4 2017	End Q.1 2018	End Q.2 2018
May 2015		0.5	0.5	0.5	0.6	0.7	0.8	0.9	1.0	1.1	1.2	1.3	1.3	1.4
February 2015	0.4	0.4	0.5	0.5	0.6	0.6	0.7	0.8	0.9	1.0	1.0	1.1	1.1	
November '14	0.5	0.6	0.7	0.8	1.0	1.1	1.2	1.4	1.5	1.5	1.7	1.7		
August '14	0.7	0.9	1.1	1.3	1.5	1.7	1.9	2.0	2.1	2.2	2.3			

Source: Bank of England Inflation Report February 2015

The MPC makes its decisions in the context of the monetary policy forward guidance announced alongside the publication of the August 2013 Inflation Report. This guidance was summarised and reported in the July 2013 monitoring report.

The Inflation Report for February 2014 provided a summary of the Bank of England's approach to its proposed monetary policy as the economy recovers and once the unemployment threshold has been reached:-

- The MPC sets policy to achieve the 2% inflation target, and, subject to that, to support the Government's economic policies, including those for growth and employment.
- Despite the sharp fall in unemployment, there remains scope to absorb spare capacity further before raising Bank Rate.
- When Bank Rate does begin to rise, the appropriate path so as to eliminate slack over the next two to three years and keep inflation close to the target is expected to be gradual.
- The actual path of Bank Rate over the next few years will, however, depend on economic developments.
- Even when the economy has returned to normal levels of capacity and inflation is close to the target, the appropriate level of Bank Rate is likely to be materially below the 5% level set on average by the Committee prior to the financial crisis.
- The MPC intends to maintain the stock of purchased assets at least until the first rise in Bank Rate.
- Monetary policy may have a role to play in mitigating risks to financial stability, but only as a last line of defence if those risks cannot be contained by the substantial range of policy actions available to the Financial Policy Committee and other regulatory authorities.

Changes to the Bank Base Rate will depend on how quickly the economy recovers and will be set to achieve the inflation target of 2%.

The MPC sets monetary policy to meet the 2% target in the medium term and in a way that helps to sustain growth and employment.

Community & Housing Summary Capital Report - May 2015 Monitoring

Scheme Description	Total Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance
Adult Social Care						
The Gables Mitcham	576,280	0	0	0	576,280	0
Other	133,550	590	13,470	(12,880)	132,933	(617)
Libraries						
Library Self Service	350,000	0	0	0	350,000	0
Colliers Wood Library Re-Fit	200,000	0	0	0	200,000	0
Housing						
8 Wilton Road	0	(13,296)	0	(13,296)	0	0
Western Road	875,000	0	19,168	(19,168)	875,000	0
Disabled Facilities	1,662,320	0	240,281	(217,335)	1,662,320	0
Community and Housing Total	3,797,150	(12,706)	272,919	(262,679)	3,796,533	(617)

Corporate Services Summary Capital Report - May 2015 Monitoring

Scheme Description	Total Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance
Business Improvement Total	2,478,570	12,000	378,918	(366,918)	2,478,570	0
Corporate Governance	880	0	0	0	880	0
Corporate Items	2,899,340	0	166,666	(166,666)	0	(2,899,340)
Facilities Management Total	1,700,280	41,287	539,351	(498,064)	1,695,276	(5,004)
IT Total	930,550	(29,265)	14,166	(43,431)	930,550	0
Resources	561,700	0	38,042	(38,042)	561,700	0
IT Transformation Unallocated	196,990	0	83,332	(83,332)	0	(196,990)
Corporate Services Total	8,768,310	24,022	1,220,475	(1,196,453)	5,666,976	(3,101,334)

Children, Schools & Families Summary Capital Report - May 2015 Monitoring

Scheme Description	Total Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance
Aragon expansion	0	(11,083)	0	(11,083)	0	0
Beecholme expansion	95,000	0	23,750	(23,750)	95,000	0
Cranmer expansion	31,260	(3,845)	0	(3,845)	31,260	0
Joseph Hood Permanent Expansn	3,830	(2,965)	0	(2,965)	3,830	0
St Mary's expansion	157,080	2,254	19,870	(17,616)	157,078	(2)
All Saints/ South Wim YCC exp	3,550	(4,009)	0	(4,009)	3,550	0
Gorringer Park expansion	0	(22,646)	0	(22,646)	0	0
Hillcross School Expansion	1,560,510	225,647	748,595	(522,948)	1,560,510	0
Merton Abbey Temp Accomodation	1,179,940	192,067	192,885	(818)	1,179,940	0
Pelham School Expansion	3,135,400	(46,603)	688,945	(735,548)	3,135,400	0
Dundonald expansion	3,106,710	(39,164)	1,056,965	(1,096,129)	3,106,712	2
Poplar Permanent Expansion	249,900	76,698	(90,406)	167,104	249,900	0
Singlegate expansion	1,412,810	(1,288)	548,457	(549,745)	1,412,803	(7)
Wimbledon Park expansion	70,530	(49,218)	0	(49,218)	70,530	0
Primary Expansion	11,006,520	315,845	3,189,061	(2,873,216)	11,006,513	(7)

Children, Schools & Families Summary Capital Report - May 2015 Monitoring Continued ...

Scheme Description	Total Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance
Devolved Formula Capital	568,830	30,146	93,964	(63,818)	568,830	0
Early Years	0	(59,158)	0	(59,158)	0	0
Free School Meals	193,080	0	27,500	(27,500)	193,080	0
Cricket Green Site	137,470	(1,200)	32,512	(33,712)	137,470	0
Primary school autism unit	1,145,240	0	391,628	(391,628)	1,145,240	0
Breaks-disabled children grant	0	(7,242)	0	(7,242)	0	0
Perseid	1,239,680	167,649	301,978	(134,329)	1,239,680	0
Secondary School Autism Unit	0	0	51,666	(51,666)	0	0
Schs Cap Maint & Accessibility	738,860	(8,571)	162,500	(171,071)	738,860	0
B631 - Solar PV Raynes Prk Pav	0	(1,000)	0	(1,000)	0	0
Raynes Park Sports Pavilion	4,770	0	0	0	4,770	0
Secondary School expansion	770,000	0	191,666	(191,666)	770,000	0
Expansion Inflation Contingency	0	0	8,615	(8,615)	0	0
Schools Equipment Loans	104,450	0	52,225	(52,225)	104,450	0
	4,902,380	120,624	1,314,254	(1,193,630)	4,902,380	0
Children Schools and Families	15,908,900	436,469	4,503,315	(4,066,846)	15,908,893	(7)

Environment & Regeneration Summary Capital Report - May 2015 Monitoring

Scheme Description	Total Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance
Footways Planned Works	1,000,000	(10,779)	30,000	(40,779)	1,000,000	0
Greenspaces	1,458,710	46,004	75,126	(29,122)	1,458,710	0
Highways General Planned Works	462,460	(14,390)	60,585	(74,975)	462,460	0
Highways Planned Road Works	1,500,000	0	50,000	(50,000)	1,500,000	0
Leisure Centres	1,328,760	(3,690)	0	(3,690)	1,328,760	0
Other E&R	93,260	(35)	25,000	(25,035)	93,260	0
On and Off Street Parking	20,140	10,236	0	10,236	20,140	0
Plans and Projects	25,740	0	0	0	25,740	0
Regeneration Partnerships	6,023,890	2,900	993,512	(990,612)	5,923,890	(100,000)
Street Lighting	600,000	0	0	0	600,000	0
Street Scene	340,690	10,744	12,580	(1,836)	340,690	0
Transport for London	2,636,230	(31,500)	272,200	(303,700)	2,622,430	(13,800)
Traffic and Parking Management	1,462,630	(21,562)	18,700	(40,262)	1,462,630	0
Transport and Plant	877,690	(52,757)	97,072	(149,829)	877,690	0
Safer Merton - CCTV & ASB	300,000	0	50,000	(50,000)	300,000	0
Environmental Health	0	0	0	0	0	0
Waste Operations	218,400	0	57,475	(57,475)	218,400	0
Environment and Regeneration	18,348,600	(64,829)	1,742,250	(1,807,079)	18,234,800	(113,800)

Virement, Re-profiling and New Funding

Appendix
5b

	2015/16 Budget	Virements	Adjusted & New Funding	Reprofiling	Revised 2015/16 Budget	2016/17 Budget	Virements	Adjusted & New Funding	Reprofiling	Revised 2016/17 Budget
	£	£	£	£	£	£			£	£
Corporate Services										
Planweb/Stratus Update	0	38,000	0	0	38,000	0	0	0	0	0
Transformation Budget	234,990	(38,000)	0	0	196,990	0	0	0	0	0
Capital Bidding Fund (2) & (3)	1,378,000	(21,000)		0	1,357,000	500,000	(18,000)	0	0	482,000
Invest to Save Schemes	2,072,910			(1,000,000)	1,072,910	300,000			1,000,000	1,300,000
Civic Centre - Upgrading Lifts	355,310			(46,270)	309,040	0	0	0	46,270	46,270
Children, Schools & Families										
St Mary's Expansion (2)	19,870	0	137,210	0	157,080	0	0	0	0	0
Inflation Contingency	34,460	0	0	(34,460)	0	1,959,740	447,260		34,460	2,441,460
Free School Meals (1)	173,080	0	20,000	0	193,080	0	0	0	0	0
Cricket Green (2)	137,470				137,470	1,500,000	0	459,740	0	1,959,740
Dundonald Expansion	4,109,910			(1,003,200)	3,106,710	1,117,000			1,003,200	2,120,200
Singlegate Expansion	2,218,110			(805,300)	1,412,810	300,000	(173,300)		805,300	932,000
Hatfeild Base	1,419,200			(273,960)	1,145,240	0	(273,960)		273,960	0
Secondary Autism Unit	250,000			(250,000)	0	910,000			250,000	1,160,000
Community & Housing										
Colliers Wood Library Re-Fit (2)	0	0	200,000	0	200,000	0	0	0	0	0
Relocation of Colliers Wood Library (2) & (3)	0	0	0	0	0	550,000	0	(550,000)	0	0
Environment & Regeneration										
Rediscover Mitcham (2) & (3) - S106	0	0	507,280	0	507,280	0	0	0	0	0
Quietways Cycle Routes (2) - TfL	0	0	344,000	0	344,000	0	0	0	0	0
Canons Parks for People Dev. (2) - HLF	0	21,000	103,000	0	124,000	0	18,000	95,000	0	113,000
Street Lighting Replacement Pr (2)	200,000	400,000	0	0	600,000	462,000	0	0	0	462,000
Industrial Estate Investment (2)	750,000	(200,000)	0	0	550,000	0	0	0	0	0
Town Centre Investment (2)	1,688,000	(200,000)	0	0	1,488,000	1,037,000	0	0		1,037,000
Brenley Park Canopy Creation	2,440	0	(2,440)	0	0					
Play Space Pollards Hill	5,000	0	(5,000)	0	0					
S106 Cycle Imp Beverley Rounda	43,500	0	(43,500)	0	0					
B488 Landscape Dundonald Rec G	4,520	0	(4,070)	0	450	0	0	0	0	0
Mitcham Town Centre Imprvmnt - S106 (2)	155,940	0	(139,000)	0	16,940	0	0	0	0	0
B591a Street Scene Improvement	17,680	0	(17,680)	0	0	0	0	0	0	0
Total	15,270,390	0	1,099,800	(3,413,190)	12,957,000	8,635,740	0	4,740	3,413,190	12,053,670

1) Schools Contribution

2) Requires Cabinet Approval

3) Requires Council Approval

Capital Programme Funding Summary 2015/16

Appendix 5c

	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
Council Approved Budget March 2015	20,487	21,446	41,933
Slippage from 2014-15	5,311	1,892	7,203
Cabinet 8 June 2015	25,798	23,338	49,136
Invest to Save Schemes	(1,000)	0	(1,000)
Civic Centre - Upgrading Lifts	(46)	0	(46)
Dundonald Expansion	(940)	(63)	(1,003)
Singlegate Expansion	(805)	0	(805)
Hatfeild Base	(258)	(16)	(274)
Secondary Autism Unit	(250)	0	(250)
Canons HLF Project	0	103	103
Rediscover Mitcham S106	0	507	507
Section 106	0	(212)	(212)
Plan Web	0	0	0
ReFit of Colliers Wood Library	200	0	200
St Mary's Expansion	137	0	137
Free School Meals	0	20	20
Inflation Contingency	0	(34)	(34)
Quietways Cycle Routes	0	344	344
Cabinet - 29 June 2015	22,836	23,987	46,823

Capital Programme Funding Summary 2016/17

Appendix 5c

	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
Approved Capital Programme 2016/17	45,870	11,538	57,408
Invest to Save Schemes	1,000	0	1,000
Civic Centre - Upgrading Lifts	46	0	46
Dundonald Expansion	940	63	1,003
Singlegate Expansion	805	0	805
Hatfeild Base	258	16	274
Secondary Autism Unit	250		250
Canons HLF	0	95	95
Inflation Contingency	0	34	34
Cricket Green	0	460	460
Relocation of Colliers Wood Library	(550)		(550)
= Cabinet - 29 June 2015	48,619	12,207	60,826

Previously Agreed Savings**DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS**

Ref	Description of Saving		2015/16 £000	2016/17 £000	2017/18 £000
EN16	Service/Section	Waste Operations			
	Description	Double shift garden waste collection vehicles 2 x vehicles (this is not possible at the moment because of disposal licensing issues)	66		
	Service Implication	None			
	Staffing Implications	None			
	Business Plan implications	None			
	Impact on other departments	Transport			
	Equalities Implications	None			
			66	0	0

Alternative Savings proposal**DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS**

Ref	Description of Saving		2015/16 £000	2016/17 £000	2017/18 £000
EN16	Service/Section	Waste Operations			
	Description	Deletion of a vacant post within our Sheltered Placement team (£20k), and a reduction in transport related budgets.	66		
	Service Implication				
	Staffing Implications	None			
	Business Plan implications	None			
	Impact on other departments	None			
	Equalities Implications	None			
			66	0	0

DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES - PROGRESS ON SAVINGS 15-16

Ref	Description of Saving	2015/16 Savings Required £000	2015/16 Savings Expected £000	Shortfall	RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
	<u>CSF Commissioning Function and Commissioning Budgets</u>							
CSF2012-04	Reduce expenditure on LAC and SEN placements	100	100	0	A	Paul Ballatt	Base budgets were reduced for the savings target. Although we are expecting to achieving the savings target, the continued cost pressure due to higher and more complex caseload is causing these budgets to overspend.	Y
	<u>CSF Children Social Care & Youth Inclusion</u>							
CSF2012-07	Family and Adolescent Services Stream - Transforming Families (TF), Youth Offending Team (YOT) and in Education, Training and Employment (ETE)	220	220	0	G	Paul Angeli		
	<u>CSF Early Years</u>							
CSF2013-01	Substantial reduction in EY budgets whilst retaining existing Children's Centres targeted work in areas of higher deprivation (up to 10% reduction overall to Children's Centre services). Reduction in funding and in kind contributions to voluntary sector organisations	160	160	0	G	Jane McSherry		
	<u>School Standards and Quality</u>							
CSF2014-01	This is a re-profiling of the budgeted savings for 2015-17 agreed by Council on 5 March 2014. Instead of spreading the income generation and management efficiencies saving of £80k over two years, we propose bringing the total saving forward to 2015/16.	80	80	0	G	Jane McSherry		
	<u>Commissioning, Strategy and Performance</u>							
CSF2014-02	This is a re-profiling of the budgeted saving agreed by Council for 2015-17 on 5 March 2014. Due to demographic pressures on the budget we are proposing to reduce the post 16 LAC/CL accommodation saving for 2015/16 from £100k to £58k.	58	58	0	G	Paul Ballatt		
	<u>Commissioning, Strategy and Performance</u>							
CSF2014-03	This will be achieved through a combination of reducing our training for facilitators of parenting programmes and decommissioning a service where the commissioned outcomes are not being delivered.	63	63	0	G	Paul Ballatt		
	<u>Youth Services</u>							
CSF2014-04	Reduced investment in commissioned and in-house youth services.	100	100	0	G	Jane McSherry		
	Total Children, Schools and Families Department Savings for 2015/16	781	781	0				

DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2015/16

Ref	Description of Saving	2015/16 Savings Required £000	2015/16 Expected Savings £000	Shortfall £000	RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Undersp end? Y/N
Adult Social Care								
ASC7	Below Inflation Uplift to third party suppliers	350	350	0	A	Rahat Ahmed-Man		
ASC9	Remodelling and re-procuring the domiciliary care service, following the end of the 3 year contract starting in 2012.	250	250	0	A	Rahat Ahmed-Man		
CH10	Procurement Opportunities	250	250	0	G	Rahat Ahmed-Man		
ASC10A	Review of care packages with a view to an overall average reduction in line with promoting independence	100	100	0	G	Rahat Ahmed-Man		
ASC18	* Review of care packages	75	75	0	G	Rahat Ahmed-Man		
CH1	Brokerage efficiency savings	31	31	0	G	Rahat Ahmed-Man		
CH2	Domiciliary care service	31	31	0	G	Rahat Ahmed-Man		
CH3	Procurement Opportunities (Placement budget)	32	32	0	G	Rahat Ahmed-Man		
ASC2A	Outsource Reablement Service & realise benefits / efficiencies of the remodelled service	100	100	0	G	Sarah Wells		
*CH1	* First Contact Service .Reduce in-house provision of a first contact screening and assessment service, and have this provided within the voluntary sector within the overall costs the sector currently operate within.	125	125	0	G	Rahat Ahmed-Man		

Ref	Description of Saving	2015/16 Savings Required £000	2015/16 Expected Savings £000	Shortfall £000	RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Undersp end? Y/N
*ASC18	*Supporting People	300	300	0	A	Rahat Ahmed-Man	Savings is expected to be achieved with continued negotiations with providers.	
CH4	Staffing reductions within the Commissioning Team	71	71	0	G	Rahat Ahmed-Man		
CH4	Staffing reductions across Direct Provision	99	99	0	A	Andy Ottaway-Searle		
*CH3	* Day Care Sevices -Change the day services offer for learning and physically disabled customers who currently use in house day services, mainly High Path and All Saints.	200	200	0	G	Andy Ottaway-Searle		
	<u>Libraries</u>							
CH5	Reduction in Media Fund	12	12	0	G	Anthony Hopkins		
CH6	Increase income - Libraries	10	10	0	G	Anthony Hopkins		
	<u>Merton Adult Education</u>							
CH15	Increased income and some staff reductions	14	14	0	G	Yvonne Tomlin		
	<u>Housing</u>							
CH8	Homelessness Prevention Grant	35	35	0	G	Steve Langley		
Trf from E&R	Enviromental Health Salaries	69	69	0	A	Steve Langley		
	Total Community & Housing Department Savings for 2015/16	2,154	2,154	0				

DEPARTMENT: CORPORATE SERVICES - PROGRESS ON SAVINGS 15-16

Ref	Description of Saving	2015/16 Savings Required £000	2015/16 Savings Expected £000	Shortfall	RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
	Business Improvement							
CS1	Rationalisation of management costs	50	50	0	G	Sophie Ellis		
CS3	Generate income through training	5	0	5	R	Sophie Ellis	Alternate saving to be identified	N
CSD36	Business Systems Team Restructure Phase 1	10	10	0	G	Sophie Ellis		
	IT Service Delivery							
CS5	Review and challenge of the procurement of Support & Maintenance & Licence Contracts	60	60	0	G	Mark Humphries		
CS7	Reduction of costs through re-procurement of Mobile Telephones Contract against a number of revenue budgets spread across the Council	10	10	0	G	Mark Humphries		
CS8	Reduction of costs through re-procurement of Wide Area Network (WAN) Links contract. Savings achieved against a number of revenue budgets spread across the Council.	10	10	0	G	Mark Humphries		
CS15	Asset and Change Analyst Vacant Part Post (0.8)	24	24	0	G	Mark Humphries		
CS17	Delete one Transactional Services Assistant Post (Compulsory Redundancy)	30	30	0	G	Mark Humphries		
CS18	Delete Assistant Vendor Maintenance - Part Post 0.7 FTE (Compulsory Redundancy)	24	24	0	G	Mark Humphries		
CS20	Energy ReFit Savings (Subject to agreed investment) - Phase 2	100	100	0	G	Mark Humphries		
CS21	Increase income targets for building repairs and maintenance works	45	45	0	G	Mark Humphries		
CS22	Restructure of Archive Store	15	15	0	A	Mark Humphries	Alternate to be identified	Y
CS23	Outsourcing Buildings Services and Security Service	35	35	0	G	Mark Humphries		

DEPARTMENT: CORPORATE SERVICES - PROGRESS ON SAVINGS 15-16

Ref	Description of Saving	2015/16 Savings Required £000	2015/16 Savings Expected £000	Shortfall	RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
CS25	Delete one post from the Building Repair and Maintenance team (Compulsory Redundancy)	30	30	0	G	Mark Humphries		
CS27	Consolidation of Utilities budgets	50	50	0	G	Mark Humphries		
CS28	M&E Term Contract (Amalgamation) of Intruder Alarms	20	20	0	G	Mark Humphries		
CS31	Rationalise Health and Safety and Business Continuity Planning - if possible explore shared service	35	0	35	R	Mark Humphries	Alternate to be identified	Y
CSD1	Increase FM's external fee income target associated with schools service level agreements and associated project works	31	0	31	R	Mark Humphries	Saving unlikely to be delivered in 2015/16 but alternate has been identified	Y
Corporate Governance								
CS32	Rationalise Benefits and Corporate Investigation team - possible shared resources	30	30	0	G	Paul Evans		
CS33	Rationalise Internal Audit teams - possible shared service	40	40	0	G	Paul Evans		
CS34	Services and suppliers savings within Corporate Governance	86	86	0	G	Paul Evans		
Customer Services								
CS36	Re tendering of Cash Collection Contract	10	10	0	G	Sean Cunniffe	Achieved from commencement of 2015/16	
CS39	Impact of Customer Service Review	30	30	0	G	David Keppler	Achieved from commencement of 2015/16	
CSD12	Rationalisation of Divisional Budgets	15	15	0	G	David Keppler	Achieved from commencement of 2015/16	
CSD13	Reduce Customer Access Point Assistant by 0.6FTE	15	15	0	G	Sean Cunniffe	Achieved from commencement of 2015/16.	
CSD17	Reduce Marketing budget - Increase self service by using Panacea - marketing solution software in order to reduce designer costs for smaller	3	3	0	G	Sophie Poole		

DEPARTMENT: CORPORATE SERVICES - PROGRESS ON SAVINGS 15-16

Ref	Description of Saving	2015/16 Savings Required £000	2015/16 Savings Expected £000	Shortfall	RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
	<u>Resources</u>							
CS42	Resources -Fall Out of Pay Protection Arrangement	5	5	0	G	Paul Dale		
CSD20	Increased income	14	14	0	G	Paul Dale		
CSD46	Reduce budget for LCGS to match actual contribution	3	3	0	G	Paul Dale		
	<u>Human Resources</u>							
CS49	Introduction of new application tracking system	5	5	0	G	Dean Shoesmith	On target for achievement	
CSD31	Review of HR business support	19	19	0	G	Dean Shoesmith	Change already completed and the associated post deleted	
CSD33	HR transactional service income generation	20	20	0	G	Dean Shoesmith	Discussions progressing with Kingston to obtain costs for i-Trent service	
	<u>Corporate Items</u>							
	Dividend income from CHAS 2013 Limited	174	174	0	G	Paul Dale		
	Reduction in interest charges through cash management	117	117	0	G	Paul Dale		
	Total Corporate Services Department Savings for 2015/16	1,170	1,099	71				

DEPARTMENT: ENVIRONMENT & REGENERATION SAVINGS PROGRESS: 2015-16

Ref		2015/16 Savings Required £000	2015/16 Savings Expected £000	Shortfall	RAG	Responsible Officer	Comments	R / A Included in Forecast Over/Underspend? Y/N
<u>LEISURE & CULTURE</u>								
EN35	Various Budgets - Increased Income through various charging increases.	14	14	0	G	James McGinlay		N
EN36	Various Budgets - Increased Income through sale of advice & guidance.	10	10	0	G	James McGinlay		N
EN37	Merton Active Plus - Increased Income	5	5	0	G	James McGinlay		N
EV09	Renegotiation of contract with GLL for management of Leisure Centres	120	120	0	G	James McGinlay		N
<u>TRAFFIC & HIGHWAYS</u>								
EN29	Re-Structure of Traffic and Highway Services	252	198	54	R	James McGinlay	Alternative savings to be identified by the responsible officer.	Y
<u>FUTURE MERTON</u>								
EN4	Consultancy Income.	40	40	0	A	James McGinlay	No definitive income streams identified as yet.	N
<u>GREENSPACES</u>								
EN45	Further commercialisation and development of sports and allied parks services (eg. increase in fees and charges (3.75%); cost recovery plus; service bundling; sponsorship of bedding plants,etc), aligned to the emerging strategy for sports.	39	39	0	A	James McGinlay	Total level of expected saving to be identified..	N
<u>WASTE SERVICES</u>								
EN16	Double shift garden waste collection vehicles 2 x vehicles (this is not possible at the moment because of disposal licensing issues)	66	0	66	R	Cormac Stokes	An alternative saving is being worked upon for Cabinet to agree.	Y
<u>SAFER MERTON</u>								
EV01	Reprocurement of CCTV maintenance contract leading to efficiency savings.	36	36	0	G	John Hill		N
<u>ENVIRONMENTAL HEALTH, TRADING STANDARDS & LICENCING</u>								
ER10	Merton & Richmond shared regulatory services.	230	230	0	A	John Hill	Work is in progress with phase 2 of the partnership. Too early at this stage to determine any potential shortfall.	N
<u>PARKING SERVICES</u>								

EN05	Introduction of mobile phone payments for parking	37	37	0	G	John Hill		N
EV02	Increase charges for the following types of parking permits Business £5, Trade £5, Teachers £5. Please note no allowance has been made for elasticity of demand this figure could reduce by 10%.	4	4	0	G	John Hill		N
EV11	Increase all pay and display charges for on and off street parking by 10%. it should be noted that no allowance has been made for elasticity of demand this figure could reduce by 25%	125	125	0	G	John Hill		N
Total Environment and Regeneration Savings 2014/15		978	858	120				

Equality Analysis



Please refer to the guidance for carrying out Equality Impact Assessments is available on the intranet [LINK TO BE ADDED]
 Text in blue is intended to provide guidance – you can delete this from your final version.

What are the proposals being assessed?	Alternative Budget savings
Which Department/ Division has the responsibility for this?	Street Scene & Waste

Stage 1: Overview

Name and job title of lead officer	Cormac Stokes – Head of Street Scene & Waste
1. What are the aims, objectives and desired outcomes of your proposal? (Also explain proposals e.g. reduction/removal of service, deletion of posts, changing criteria etc)	<p>Alternative savings proposal to the existing saving proposed which was to double shift our garden waste collection service.</p> <p>The new proposal includes the deletion of a vacant post within our Sheltered Placement team and as a result of Fleet Services realignment of the Service level agreement and maintenance recharging mechanism to reduce this budget area.</p>
2. How does this contribute to the council's corporate priorities?	To identify potential alternative savings.
3. Who will be affected by this proposal? For example who are the external/internal customers, communities, partners, stakeholders, the workforce etc.	None.
4. Is the responsibility shared with another department, authority or organisation? If so, who are the partners and who has overall responsibility?	HR and Transport section.

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Stage 2: Collecting evidence/ data

5. What evidence have you considered as part of this assessment?

Provide details of the information you have reviewed to determine the impact your proposal would have on the protected characteristics (equality groups).

Financial data including budgets.

Stage 3: Assessing impact and analysis

6. From the evidence you have considered, what areas of concern have you identified regarding the potential negative and positive impact on one or more protected characteristics (equality groups)?

Protected characteristic (equality group)	Tick which applies		Tick which applies		Reason Briefly explain what positive or negative impact has been identified
	Positive impact		Potential negative impact		
	Yes	No	Yes	No	
Age		✓		✓	
Disability		✓		✓	
Gender Reassignment		✓		✓	
Marriage and Civil Partnership		✓		✓	
Pregnancy and Maternity		✓		✓	
Race		✓		✓	
Religion/ belief		✓		✓	
Sex (Gender)		✓		✓	
Sexual orientation		✓		✓	
Socio-economic status		✓		✓	

7. If you have identified a negative impact, how do you plan to mitigate it?

N/A

Stage 4: Conclusion of the Equality Analysis

8. Which of the following statements best describe the outcome of the EA (Tick one box only)

Please refer to the guidance for carrying out Equality Impact Assessments is available on the intranet for further information about these outcomes and what they mean for your proposal

- Outcome 1** – The EA has not identified any potential for discrimination or negative impact and all opportunities to promote equality are being addressed. **No changes are required.**
- Outcome 2** – The EA has identified adjustments to remove negative impact or to better promote equality. **Actions you propose to take to do this should be included in the Action Plan.**
- Outcome 3** – The EA has identified some potential for negative impact or some missed opportunities to promote equality and it may not be possible to mitigate this fully. **If you propose to continue with proposals you must include the justification for this in Section 10 below, and include actions you propose to take to remove negative impact or to better promote equality in the Action Plan. You must ensure that your proposed action is in line with the PSED to have ‘due regard’ and you are advised to seek Legal Advice.**
- Outcome 4** – The EA shows actual or potential unlawful discrimination. **Stop and rethink your proposals.**

Stage 5: Improvement Action Pan

9. Equality Analysis Improvement Action Plan template – Making adjustments for negative impact

This action plan should be completed after the analysis and should outline action(s) to be taken to mitigate the potential negative impact identified (expanding on information provided in Section 7 above).

Negative impact/ gap in information identified in the Equality Analysis	Action required to mitigate	How will you know this is achieved? e.g. performance measure/ target)	By when	Existing or additional resources?	Lead Officer	Action added to divisional/ team plan?

Note that the full impact of the decision may only be known after the proposals have been implemented; therefore it is important the effective monitoring is in place to assess the impact.

Stage 6: Reporting outcomes

10. Summary of the equality analysis

This section can also be used in your decision making reports (CMT/Cabinet/etc) but you must also attach the assessment to the report, or provide a hyperlink

This Equality Analysis has resulted in an Outcome [add](#) Assessment

Stage 7: Sign off by Director/ Head of Service

Assessment completed by	Brian McLoughlin	Signature:	Date:19 June 2015
Improvement action plan signed off by Director/ Head of Service	Cormac Stokes	Signature:	Date:

DEPARTMENT: CHILDREN, SCHOOLS & FAMILIES SAVINGS PROGRESS: 2014-15

APPENDIX 8

Ref	Description of Saving	2014/15 Savings Required £000	2014/15 Savings Acieved £000	Shortfall	2015/16 Savings Expected £000	2015/16 Expected Shortfall £000	RAG	Responsible officer	Comments	R /A Included in Forecast Over/Underspend? Y/N	
	Children Social Care										
CSF2012-01	Reduction of the overall detached youth service budgets following service review.	25	25	0	25	0	G	Paul Angeli			
CSF2012-09	Participation/Advocacy commissioning	50	50	0	50	0	G	Paul Angeli			
CSF2012-10	Duke of Edinburgh reprovide via schools funding	25	25	0	25	0	G	Paul Angeli			
CSF2012-12	Family and Adolescent Services Stream - Transforming Families (TF), Youth Offending Team (YOT) and in Education, Training and Employment (ETE)	100	100	0	100	0	G	Paul Angeli			
	Education										
CSF2012-02	Increased income generation and management efficiencies	70	70	0	70	0	G	Heather Tomlinson			
CSF2012-03	Service restructuring and realignment to deliver efficiencies	100	100	0	100	0	G	Heather Tomlinson			
CSF2012-08	Introduce new models of fulfilling the council's statutory responsibilities for the provision of SEN transport	140	100	40	140	0	A	Heather Tomlinson	The full year effect of the travel training programme and the roll-out of personal budgets will result in achieving this saving during 2015/16. The overall transport budget is expected to overspend due to increase costs and complexaty of caseloads.	Y	
	Commissioning, Strategy and Performance										
CSF2012-05	Reduction in commissioning budgets for Early Intervention and Prevention service	50	50	0	50	0	G	Paul Ballatt			
CSF2012-06	Reduce expenditure on LAC and SEN placements	200	200	0	200	0	A	Paul Ballatt	Base budgets were reduced for the savings target. Although we are overachieving the savings target, increased cost due to higher and more complex caseload is causing a cost pressure.	Y	

DEPARTMENT: CHILDREN, SCHOOLS & FAMILIES SAVINGS PROGRESS: 2014-15

APPENDIX 8

Ref	Description of Saving	2014/15 Savings Required £000	2014/15 Savings Acieved £000	Shortfall	2015/16 Savings Expected £000	2015/16 Expected Shortfall £000	RAG	Responsible officer	Comments	R /A Included in Forecast Over/Und erspend? Y/N
CSF2012-07	Staffing reduction equivalent to 1 fte	50	50	0	50	0	G	Paul Ballatt		
CSF2012-11	Reduction of one post in commissioning and partnerships	50	50	0	50	0	G	Paul Ballatt		
	Total Children, Schools & Families Department Savings for 2014-15	860	820	40	860	0				

DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2014/15

Ref	Description of Saving	2014/15 Savings Required £000	2014/15 Savings Expected £000	Shortfall £000	RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
	Adult Social Care							
ASC7	0% inflation uplift to third party suppliers	550	550	0	G	David Slark	No uplifts have been awarded this financial year. This is the 5th year of no uplifts and it is becoming increasingly difficult to sustain with the providers.	Y
ASC13/ASC34	Brokerage Efficiencies	300	0	300	R	Julie McCauley	A lot of work is going on within the Brokerage team around negotiating the best value care packages; particularly new customers. The outcome of these negotiations often results in cost avoidance in addition to savings. Cost avoidance is estimated to be circa £82.4k for the year.	Y
ASC16	Transitions	50	45.7	4	G	Jonathan Brown	Prioritised reviews are generating savings from both of these projects. The combined in year savings amount to £99. In additional saving against the LD budget are being identified to meet other savings targets, in particular those related to Brokerage and Transport. Joint working arrangements are in place across ASC to review existing spend, identify savings and control new spend through the effective use of tools such as the Care Funding Calculator. Recent reviews specifically around Direct Payment customers will yield an additional saving circa £31.5k p.a. going forward with £3,895 being saved in 2014-15.	Y
ASC19	Monitoring of high value/high cost placements (domiciliary)	50	49	1	G	Jonathan Brown		

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Ref	Description of Saving	2014/15 Savings Required £000	2014/15 Savings Expected £000	Shortfall £000	RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Undersp end? Y/N
ASC8	Optimising the use of block and spot contracts- OP&LD	300	0	300	A	David Slark	Anticipated savings from the Choice Support contract and from achieving lower rates from spot purchasing of residential care placements were not realised. So alternative plans were made to offset the shortfall from the Supporting People contracts. This has been achieved through contract negotiations & procurement.	Y
Page 54 ASC45	Reablement (outcome- care packages)	50	50	0	G	Sarah Wells	It was anticipated that reductions in Older People's packages after hospital discharge was possible once the new MILES Reablement service was fully operational. Although there have been delays in the implementation of the new service, there has been a reduction in residential placements to deliver this saving.	Y

Ref	Description of Saving	2014/15 Savings Required £000	2014/15 Savings Expected £000	Shortfall £000	RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Undersp end? Y/N
ASC46	Review Service packages	60	60	0	G	Jean Spencer	Actual savings from regular reviews by Period 7 were circa £51k. Thereafter a far more targeted review process was adopted and this has yielded savings in 2014-15 by focusing on Direct Payments. Since it was initiated in January 2015 the weekly cost of Direct payments reduced from £104k p.w. to £100.4k p.w. i.e. the full year effect of these reductions is £3,566 x 52 weeks = £186k p.a. Of this £23K (being £26.6k total savings less £3.8k that relates to LD see ASC19 above) applies to 2014-15 while the remaining £132k (being £160k total savings less £27.6k related to LD see ASC19 above) will be saved in 2015-16.	Y
ASC54	Reduction in Mental Health Placement	50	0	50	R	Kamla Sumbhoolual	There has been an increase in care packages and in the number of people requiring placements. In addition CCG have stepped people down from CCG health funded placements, as well as the expectation of the CMHT contributing 50/50. The panel process has been reviewed to ensure all parties make an appropriate contribution. There should be some impact on this budget line, but not enough to achieve the savings.	Y

Ref	Description of Saving	2014/15 Savings Required £000	2014/15 Savings Expected £000	Shortfall £000	RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Undersp end? Y/N
CH12	Remove day care costs from residential customers	250	0	250	R	Andy Ottaway-Searle	The LD/PD teams place few people in external day care. Those who do mostly live at home and attend highly specialised day services. Brokerage and Social work teams liaise with residential homes to achieve the best value all round package of care which includes day time activities. Withdrawing people in residential care from day services will result in higher charges from residential providers. A full review of in-house day services will look at those people in residential care and supported living to look at alternative activities which can reduce day service costs.	Y
CH14	All Saints Respite extension	36	0	36	R	Julie McCauley	A sound plan was developed to release savings by supporting people with PD at All Saints as well as existing LD users. The building however needs minor adaptation and this has not been progressed. These savings cannot therefore be achieved as planned. Alternative savings are being sought through the Brokerage Team.	Y

Ref	Description of Saving	2014/15 Savings Required £000	2014/15 Savings Expected £000	Shortfall £000	RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Undersp end? Y/N
CH15	Assistive Technology	70	0	70	R	Andy Ottoway-Searle	AT is increasingly recognised as playing a key part in preventative services. The 'Just Checking' tool allows a more accurate assessment to be made of an individual's needs, enabling a suitably tailored package of care to be prescribed. Work is now being carried out to evaluate figures for both cost avoidance and actual savings following adjustments to care packages after Telecare has been installed. Additionally there has been a reduction in commissioned non-intensive home care hours as well as residential placements which will also have been positively influenced through the provision of AT.	Y

Ref	Description of Saving	2014/15 Savings Required £000	2014/15 Savings Expected £000	Shortfall £000	RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Undersp end? Y/N
CH6	Voluntary Organisation- SLA reduction	150	50	100	R	Rahat Ahmed-Man	The aim was to reduce placement costs through volunteer sector providers, essentially impacting third party spend. The reduction in volumes and hours will impact but the savings will not be achieved.	
ASC51	Voluntary Sector Grants- reduction in infrastructure	98	0	98	R	Rahat Ahmed-Man	Grants have been reduced from circa £1m in 2013-14 to circa £830k in 2014-15. Due to a decision to provide transitional funding for various voluntary sector organisations this savings will now not be achieved.	
Page 58 ASC52	Delete 1 management post & reduce management & staffing costs	53	53	0	G	Rahat Ahmed-Man	A Commissioning Manager's post has been deleted. This savings has been achieved.	
ASC53	Meals on wheels contract	50	0	50	R	Rahat Ahmed-Man	It has not been possible to take any more savings out of this contract by removing customers from the service. We are in the process of re-commissioning the service jointly with LB Croydon, with contract due to commence in July 2015 although non-compliant bids make it unlikely that forecast savings of circa.£90k p.a. will now be realised on schedule.	Y
ASC4	TCES Retail Model (simple equipment)	23	33	(10)	G	Maike Blakemore	Actual savings of £32k.	
ASC44	Remodelling of reablement service	282	282	0	R	Sarah Wells	This savings was due from the remodelled MILES service. The establishment was adjusted accordingly and other vacancies have been held.	
ASC47	Additional Reablement Funding (CCG)	500	500	0	G	Sarah Wells	This is additional funding which will cover some of the 2014-15 cost increases.	

Ref	Description of Saving	2014/15 Savings Required £000	2014/15 Savings Expected £000	Shortfall £000	RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
ASC48	Staff Vacancy Factor	105	105	0	R	ALL	The staffing budgets are projected to underspend.	
CH2	Promoting independence	500	280	220	R	Sarah Wells	The delay in implementing the new reablement model has impacted on the ability to fully achieve this saving. Vacancies have been held and other minor budgets frozen to help achieve part of this savings. There has also been an increase in demand.	
CH4	Reduce management costs & reduction in staffing costs	148	148	0	G	Jonathan Brown/ Jenny Rees & Julie Phillips	The staffing budgets are projected to underspend. This saving will be achieved.	
CH13	Reduction in staffing in Access & Assessment	50	50	0	G	Jonathan Brown/ Jenny Rees & Julie Phillips	The staffing budgets are projected to underspend. This saving will be achieved.	

Ref	Description of Saving	2014/15 Savings Required £000	2014/15 Savings Expected £000	Shortfall £000	RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Undersp end? Y/N
ASC6/ASC49/CH8	Transport	246	0.0	246	R	Andy Ottaway-Searle	Action has been taken to reduce volume and to reduce usage of fleet vehicles by Direct Provision staff using self-drive vehicles to collect customers from home. However significant price increases in Fleet transport and taxi costs have meant that the savings will not be realised. Urgent work to arrange alternative solutions for the most high cost taxi users was undertaken to compensate for the shortfall. This work has so far yielded savings to year end of circa £31k in 2014-5. The full year effect of savings in 2015-6 will be greater.	Y
ASC50/CH7	Staffing savings in Direct Provision	216	216	0	R	Andy Ottaway-Searle	Posts were deleted and budgets reduced at the start of the year. However day centres are overspending due to transport costs as per above.	
ASC23	Partnerships :The health and social care system . Reablement	(2,000)	(2,000)	0	G	Sarah Wells	This is CCG funding received to support the 2014-15 ASC budget.	
Merton Adult Education								
	Increase income from commercial courses and café, reduction in staff. Admin & marketing cost.	176	0	176	R	Yvonne Tomlin	The service had to accommodate Skills Funding Agency (SFA) cuts & claw back during the year, so saving was unachievable. These savings were loaded prior to the budget allocations & claw back set by the SFA.	Y
Libraries								
	Media fund	10	10	0	G	Anthony Hopkins	Savings achieved	
Housing								
	Homelessness Prevention Grant	92	92	0	G	Steve Langley	Savings achieved	
Total Community & Housing Department Savings for 2014/15		2,465	574	1,891				

DEPARTMENT: CORPORATE SERVICES - PROGRESS ON SAVINGS 14-15

Ref	Description of Saving	2014/15 Savings Required £000	2014/15 Savings Achieved £000	Shortfall	2015/16 Savings Expected £000	2015/16 Expected Shortfall £000	RAG	Responsible Officer	Comments	R/A Included in Forecast Over/Under	
	<u>Business Improvement</u>										
CS1	Rationalisation of management costs	50	50	0	50	0	G	Sophie Ellis			
CS3	Generate income through training	5	5	0	5	0	R	Sophie Ellis	Alternate saving identified	Y	
CS4	Expiry of salary protection	10	10	0	10	0	G	Sophie Ellis			
	<u>IT Service Delivery</u>										
CS5	Review and challenge of the procurement of Support & Maintenance & Licence Contracts	29	29	0	29	0	G	Mark Humphries			
CS6	Consolidation of ITSD Revenue Budgets	34	34	0	34	0	G	Mark Humphries			
CS7	Reduction of costs through re-procurement of Mobile Telephones Contract against a number of revenue budgets spread across the Council	10	10	0	10	0	G	Mark Humphries			
CS9	Fallout of pay protection	16	16	0	16	0	G	Mark Humphries			
CS11	Deletion of One Van	5	5	0	5	0	G	Mark Humphries			
CS13	Cancellation of all Escrow Agreements (Carefirst, Hometrack Data, Ash, Open Revenues, Proactis, Fibonacci)	4	4	0	4	0	G	Mark Humphries			
CS14	Cancellation of ttMobile contract	35	35	0	35	0	G	Mark Humphries			
CS19	Energy ReFit Savings (Subject to agreed investment) - Phase 1	100	100	0	100	0	G	Mark Humphries			
CS24	Project Manager - Accommodation (Vacant Post)	46	46	0	46	0	G	Mark Humphries			
CS26	Savings realised from the renegotiation of Corporate Cleaning Contract	39	39	0	39	0	G	Mark Humphries			
CS28	M&E Term Contract (Amalgamation) of Intruder Alarms	10	10	0	10	0	G	Mark Humphries			

DEPARTMENT: CORPORATE SERVICES - PROGRESS ON SAVINGS 14-15

Ref	Description of Saving	2014/15 Savings Required £000	2014/15 Savings Achieved £000	Shortfall	2015/16 Savings Expected £000	2015/16 Expected Shortfall £000	RAG	Responsible Officer	Comments	R/A Included in Forecast Over/Under
CS29	Energy Procurement	200	200	0	200	0	G	Mark Humphries		
CS32	<u>Corporate Governance</u> Integrate the FOI and Complaints functions	40	0	40	0	40	R	Paul Evans	Alternate savings within division identified and implemented	Y
CS35	<u>Customer Services</u> Close Cash Office	30	30	0	30	0	G	Sean Cunniffe		
CS36	Re tendering of Cash Collection Contract	20	20	0	20	0	G	Sean Cunniffe		
CS37	Increase Registrars Income	20	20	0	20	0	G	Sean Cunniffe		
CS38	Review of Welfare Benefits and New Welfare Support program	30	30	0	30	0	G	David Keppler		
CS39	Impact of Customer Service Review	30	30	0	30	0	G	David Keppler		
CS40	Rationalisation of Divisional Budgets	20	20	0	20	0	G	David Keppler		
CS41	<u>Resources</u> Resources - Change in Audit Arrangements	185	185	0	185	0	G	Paul Dale		
CS42	Resources -Fall Out of Pay Protection Arrangement	45	45	0	45	0	G	Paul Dale		
CS43	Resources -Delete Business Planning Post	50	50	0	50	0	G	Paul Dale		
CS44	Resources -Review of Insurance Provision	200	200	0	200	0	G	Paul Dale		
CS45	Resources -Improved Cash Management	200	200	0	200	0	G	Paul Dale		
	<u>I&T</u>									

DEPARTMENT: CORPORATE SERVICES - PROGRESS ON SAVINGS 14-15

Ref	Description of Saving	2014/15 Savings Required £000	2014/15 Savings Achieved £000	Shortfall	2015/16 Savings Expected £000	2015/16 Expected Shortfall £000	RAG	Responsible Officer	Comments	R/A Included in Forecast Over/Under
CS37	Introduce a charge for the Archive Service Facility (approximately 0.39p per month - commercial rates x 3300 boxes) to produce income - E02243	15	0	15	0	15	R	Mark Humphries	Saving achieved from the wider consolidated facilities management budgets	N
<u>Human Resources</u>										
CS46	Co-locate all recruitment jobs	60	60	0	60	0	G	Dean Shoesmith		
CS47	CRB Income generation via sales to PVI	30	27	3	27	3	R	Dean Shoesmith	Income shortfall at year end less than forecast during the year	Y
<u>Corporate Governance</u>										
CS54	Delete Deputy Head of Service or one Democratic Services Officer post	18	18	0	18	0	G	Paul Evans		
CS56	Reduction in overtime payments to staff in Mayor's Office	1	1	0	1	0	G	Paul Evans		
<u>Customer Services</u>										
	Delete Communications Admin Assistant post (vacant)	23	23	0	23	0	G	Sophie Poole		
	Delete Advertising, Film and Sponsorship Officer post (vacant)	40	40	0	40	0	G	Sophie Poole		
Total Corporate Services Department Savings for 2014/15		1,650	1,592	58	1,592	58				

DEPARTMENT: ENVIRONMENT & REGENERATION SAVINGS PROGRESS: 2014-15

Ref		2014/15 Savings Required £000	2014/15 Savings Achieved £000	Shortfall	2015/16 Savings Expected £000	2015/16 Expected Shortfall £000	RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
LEISURE & CULTURE										
ER04	Reductions in supplies & services budgets; Increased income at Morden Assembly Hall and the Watersports Centre; Grant reduction of c15% to both Polka and Attic Theatres.	29	29	0	29	0	G	James McGinlay		N
ER05	Increase income through installation of multi use games area at Canons Leisure Centre.	15	15	0	15	0	G	James McGinlay		N
EN33	Recharging for staff time & reduction of 0.2fte.	33	33	0	33	0	G	James McGinlay		N
EN35	Increased Income through various charging increases.	11	11	0	11	0	G	James McGinlay		N
EN36	Increased Income through sale of advice & guidance.	15	15	0	15	0	G	James McGinlay		N
EN38	Reduction of Core Arts Grants to Polka Theatre.	4	4	0	4	0	G	James McGinlay		N
BUILDING & DEVELOPMENT CONTROL										
EN06	Staff reduction of 2fte.	73	73	0	73	0	G	James McGinlay		N
TRAFFIC & HIGHWAYS										
EN23	Reduction in Grounds Maintenance Budget.	50	50	0	50	0	G	James McGinlay		N
EN24	Deletion of Major Project Engineer Post.	30	30	0	30	0	G	James McGinlay		N
EN25	Reduction in the Surface Water Budget.	18	18	0	18	0	G	James McGinlay		N
EN26	Reduction in the Ditching Budget.	11	11	0	11	0	G	James McGinlay		N
EN27	Reduction in the Lining Budget.	10	10	0	10	0	G	James McGinlay		N
EN28	Reduction in Energy budget.	70	70	0	70	0	G	James McGinlay		N
FUTURE MERTON										
EN41	Review of staffing levels by 1.5fte within the section following transformation review.	40	40	0	40	0	G	James McGinlay		N
EN43	Community grant scheme reduction.	60	60	0	60	0	G	James McGinlay		N
GREENSPACES										
EN45	Further commercialisation and development of sports and allied parks services	96	67	29	96	0	A	James McGinlay		N
ENVIRONMENTAL HEALTH, TRADING STANDARDS & LICENCING										
ER10	Merton & Richmond shared regulatory services.	100	100	0	100	0	G	John Hill		N
WASTE SERVICES										
ER17	Ceasing compensation payments to Sutton as part of SLWP agreement.	10	10	0	10	0	G			N
	Planning costs reduction	59	59	0	59	0	G	Cormac Stokes		N
	Reduction in costs of waste process per tonne	1207	1207	0	1207	0	G			N
	Consultancy and legal costs cease in relation to new partnership contracts	213	188	25	213	0	G			N
ER25	Commercial Waste and Recycling	250	0	250	250	0	G	Cormac Stokes		N
EN13	Alter management structure as a result of recommendations in consultants report.	56	56	0	56	0	G	Cormac Stokes		N
EN15	Improved performance management and implementation of the Council's new sickness policy resulting in a reduction in agency staff usage.	100	0	100	100	0	A	Cormac Stokes		N
EN17	Reduction in Staffing 1.5 FTE	65	65	0	65	0	G	Cormac Stokes		N
EN18	Reduction in cost of waste processing per tonne (phase B) contract gate fee	135	135	0	135	0	G	Cormac Stokes		N
EN19	Reduction/Re-negotiation of Phase A Contracts.	295	295	0	295	0	G	Cormac Stokes		N
EN20	Reduction of tonnage to landfill based on current projections for disposal	60	60	0	60	0	G	Cormac Stokes		N
EN21	Dividend from positive movements in Foreign Exchange rates associated with capital costs of Phase B facility resulting in improved unitary charge	50	50	0	50	0	G	Cormac Stokes		N
PARKING SERVICES										
EN03	Enforcement of new CPZ's (Controlled Parking Zones)	50	10	40	10	40	R	John Hill	The shortfall will met from "Tackling Traffic Congestion" revenue in 2015/16	Y
EN04	Implementation of Pay & Display machines in new CPZ's (Controlled Parking Zones)	75	15	60	2	73	R	John Hill	The shortfall will met from "Tackling Traffic Congestion" revenue in 2015/17	Y
EN12	Refocusing of resources on areas of non-compliance in order to tackle traffic congestion hotspots and increase efficiency of the service.	48	48	0	48	0	G	John Hill		N
Total Environment and Regeneration Savings 2014/15		3,338	2,834	504	3,225	113				