

Cabinet

Date: 14 September 2015

Subject: Financial Report 2015/16 – July 2015

Lead officer: Paul Dale

Lead member: Mark Allison

Recommendations:

- A. That Cabinet note the financial reporting data relating to revenue budgetary control, showing a forecast net overspend at year end of £3.5million, 2.3% of the net budget.
- A. That Cabinet approve the virement of £119k from the corporate contingency to Children, Schools and Families for the first quarter costs of additional social worker capacity.
- B. That Cabinet approve the adjustments to the capital programme detailed in appendix 5b
That Cabinet approve the following adjustments to the Capital Programme

Schemes	2015-16	2016-17
	£	£
Admissions IT System	105,000	
Morden shopping parades	111,000	410,000
Brighter Business	10,000	55,000
Total	226,000	465,000

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

1.1 This is the financial monitoring report for period 4 ending 31st July 2015.

This financial monitoring report provides:-

- The income and expenditure at period 4 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. 2015/16 FORECAST OUTTURN BASED UPON LATEST AVAILABLE DATA

Executive summary – At the end of the first quarter to 31st July 2015 the year end forecast is net £3.5m overspend, 2.3% of the net budget.

**Summary Position as at 31st
July 2015**

	Current Budget 2015/16 £000s	Full Year Forecast (July) £000s	Forecast Variance at year end (July) £000s	Forecast Variance at year end- previous month (June) £000s	Outturn variance 2014/15 £000s
Department					
3A. Corporate Services	15,061	14,658	(403)	(561)	(691)
3B. Children, Schools and Families	52,481	54,734	2,253	1,388	2,663
3C. Community and Housing	61,878	63,058	1,180	1,012	2,774
3D. Public Health	320	86	(234)	(183)	(0)
3E. Environment & Regeneration	24,185	27,151	2,966	93	1,703
Overheads	0	0	0	0	0
NET SERVICE EXPENDITURE	153,925	159,686	5,762	1,749	6,448
3E. Corporate Items					
Impact of Capital on revenue budget	14,117	13,980	(137)	(25)	205
Central budgets	(13,948)	(16,070)	(2,122)	(2,222)	(2,817)
Levies	926	926	0	0	0
TOTAL CORPORATE PROVISIONS	1,095	(1,164)	(2,259)	(2,247)	(2,612)
TOTAL GENERAL FUND	155,019	158,634	3,503	(498)	3,836
FUNDING					
Revenue Support Grant	(30,425)	(30,425)	0	0	0
Business Rates	(33,686)	(33,686)	0	0	0
Other Grants	(9,434)	(9,434)	0	0	(154)
Council Tax and Collection Fund	(81,471)	(81,471)	0	0	0
FUNDING	(155,016)	(155,016)	0	0	(154)

There has been a swing of £4.0m from last month. Discounting the delay to the award for tackling traffic congestion of £2.9m, there has still been an increase in the forecast outturn of £1.1m, predominantly in CSF due to SEN transport.

Spending needs to be reviewed across all departments as if the outturn remains at this level, General Fund balances will reduce to £11.5m, just above the minimum level. Further savings may need to be found if this continues to ensure a minimum level of General Fund balances are maintained.

	Current Budget 2015/16	Forecast Variance at year end (July)	Forecast Variance at year end (June)
Expenditure	£000	£000	£000
Employees	97,110	2,106	1,119
Premises Related Expenditure	8,504	(479)	(416)
Transport Related Expenditure	14,699	667	72
Supplies and Services	172,994	(1,395)	(614)
Third Party Payments	88,996	3,875	3,156
Transfer Payments	104,053	1,507	(189)
Support Services	31,902	(2)	(2)
Depreciation and Impairment Losses	16,505	0	0
Corporate Provisions	1,095	(2,259)	(2,247)
GROSS EXPENDITURE	535,857	4,020	880
Income			
Government Grants	(264,961)	2,883	188
Other Grants, Reimbursements and Contribs	(25,508)	(1,469)	(1,348)
Customer and Client Receipts	(57,731)	(2,361)	(1,030)
Interest	(44)	24	24
Recharges	(32,547)	1	1
Balances	(46)	406	787
GROSS INCOME	(380,837)	(517)	(1,377)
NET EXPENDITURE	155,019	3,503	(498)

Chart 1 below shows the forecast year end variance for departmental expenditure with a comparison against 2014/15, 2013/14 and 2012/13.

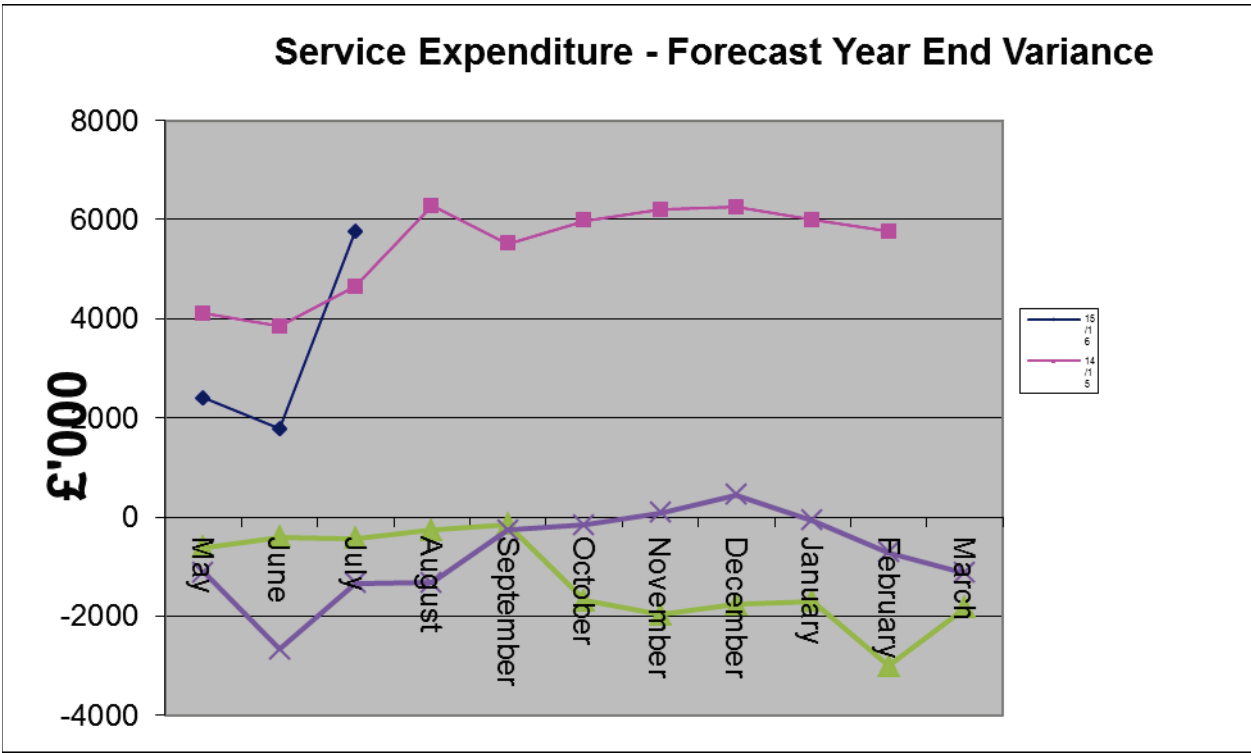
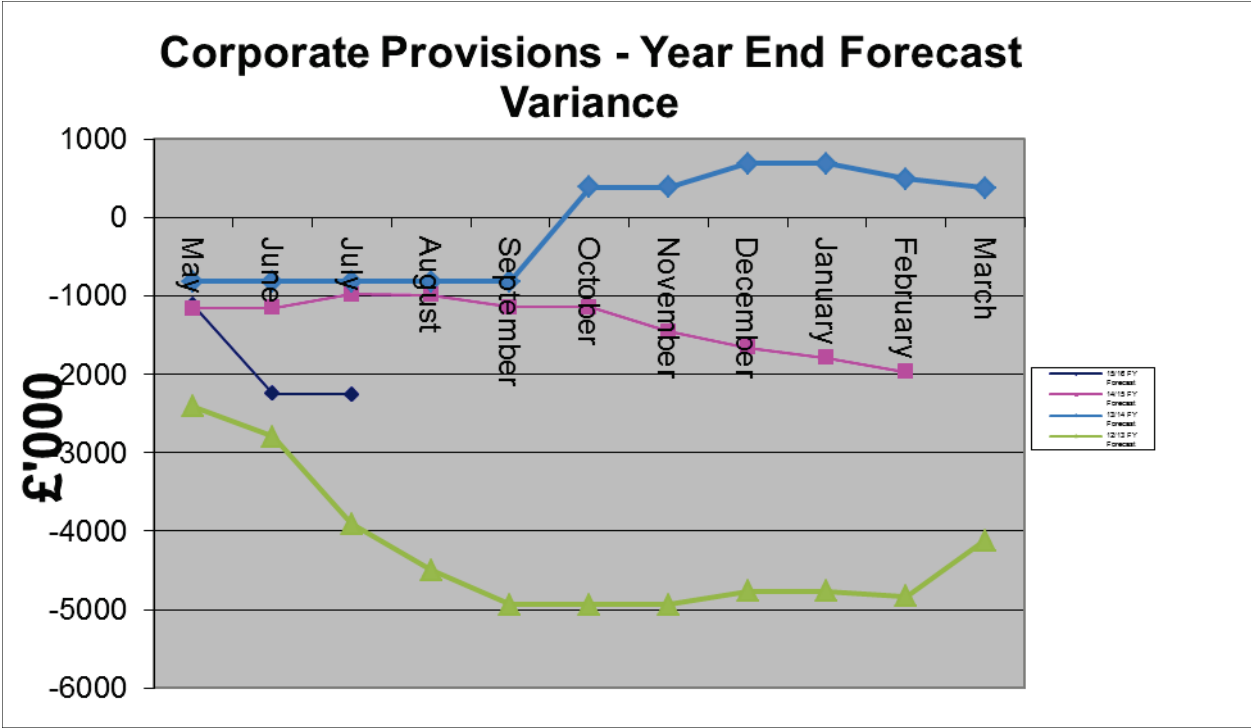


Chart 2 shows the forecast year end variance for corporate provisions with a comparison against 2014/15, 2013/14 and 2012/13.



3. DEPARTMENTAL SUMMARY OF CURRENT POSITION

Corporate Services

	2015/16 Current Budget	Full year Forecast July	Forecast variance at year end July	Forecast variance at year end June	2014/15 Outturn Variance
	£000	£000	£000	£000	£000
Business Improvement	4,781	4,617	-164	-80	-259
Infrastructure & Transactions	9,887	9,652	-234	-181	-347
Resources	7,471	7,312	-159	-67	-255
Human Resources	2,380	2,456	76	-15	-26
Corporate Governance	3,224	2,927	-297	-204	-433
Customer Services	2,632	2,286	-346	-364	-273
Corporate Items including redundancy costs	1,295	2,016	721	350	1,320
Total (controllable)	31,670	31,266	-403	-561	-273

Overview

At the end of period 4 (July 2015) the Corporate Services department are forecasting an underspend of £403k at year end.

Business Improvement – underspend £164k

The main reasons for the forecast underspend are an overachievement of street naming income of approx. £90k and some vacant posts in the new systems and development team structure due to a delay in successful recruitment.

Infrastructure and Transactions – underspend £234k

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. Some vacant posts are being held and underspends on non salary budgets to offset savings, whilst alternative savings are identified.

Resources – underspend £159k

There is a forecast underspend of £100k due to vacant posts and some future years savings being captured early.

Corporate Governance – forecast underspend £297k

There is a forecast underspend of approx. £140k 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. There is a forecast underspend of £35k for vacant posts and £50k for future year saving captured early.

Customer Services – forecast underspend £346k

There is a forecast underspend of approx. £130k 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 and an improvement in court costs charged resulting in a forecast underspend of approx. £135k.

The Merton bailiffs' service is forecasting an overachievement of fee income of £170k but this is predominantly offset by a shortfall on the shared bailiffs' income target of £120k.

Translation services are forecasting an overachievement of income of £20k and there are some forecast underspends on the establishment and parking cash collection contracts of £25k.

Corporate items - forecast overspend £721k

The forecast overspend is to provide for a loss of subsidy for the 2015/16 housing benefits grant claim audit based on the results of the previous audit of £350k.

There is also a forecast overspend of approx. £350k for redundancies based on the payments year to date. Further work is being done in this area.

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 (July) £000	Forecast Variance at year end (July) £000	Forecast Variance at year end (June) £000	2014/15 Outturn Variance £000
Public Protection	(9,415)	(6,310)	3,105	(131)	(53)
Sustainable Communities	12,864	12,686	(178)	(142)	203
Waste Services	15,433	15,312	(121)	366	1,440
Other	(866)	(705)	161	0	(291)
Total (Controllable)	18,016	20,983	2,967	93	1,299

Description	2015/16 Current Budget £000	Forecast Variance at year end (July) £000	Forecast Variance at year end (June) £000	2014/15 Variance at year end £000
Employee overspend within Parking Services	3,177	(170)	110	99
Delay in implementation of measures to tackle traffic congestion	(3,214)	3,214	0	0
Employee overspend within Regulatory Services	2,058	153	99	99
Underspend on third party payments within Safer Merton	251	(41)	0	(78)
Other	(11,687)	(51)	(340)	(323)
Total for Public Protection	(9,415)	3,105	(131)	(203)
Employee overspend within B&DC	1,710	38	169	200
General Supplies & Services underspend within Building & Development Control (B&DC)	243	(58)	(73)	(64)
Shortfall in B&DC income	(1,893)	109	90	(46)
Employee related overspend within Future Merton	2,645	56	58	(129)
Overspend on third party payments within Future Merton	2,913	59	73	64
General Supplies & Services underspend within Future Merton	1,331	(41)	(42)	(132)
Premises related underspend within Property Management	283	(66)	(61)	32
Overachievement of rental income within Property Management	(4,042)	(183)	(198)	(181)
Underachievement of Customer & Client Receipts within Greenspaces	(1,871)	114	61	79
General Supplies & Services underspend within Greenspaces	445	(57)	(32)	(10)
Employee underspend within Senior Mgmt & Support	886	(159)	(131)	(51)
Other	10,214	10	(56)	35
Total for Sustainable Communities	12,864	(178)	(142)	203
Employee overspend within Waste Services	7,529	54	106	316
Transport related underspend within Waste Services	1,927	(172)	(49)	(155)
General Supplies & Services underspend within Waste Services	915	(110)	(6)	(169)
Overspend on 3 rd Party Payments	6,651	321	462	909
Overachievement of Customer & Client Receipts within Waste Services	(2,357)	(169)	(131)	527
Overspend within Transport Services	(866)	161	0	(291)
Other	768	(45)	(16)	12
Total for Street Scene & Waste	14,567	40	366	1,149
Total Excluding Overheads	18,016	2,967	93	1,299

Overview

The department is currently forecasting an overspend of £2,967k at year end. The main areas of variance are Parking Services, Waste Services, Regulatory Services, Transport Services, Property management, Building & Development Control, and Senior Management & Support.

Pressures

Public Protection

Parking Services

The section is currently forecasting an overspend of £3,041k mainly due a legal challenge to the award of the contract for the provision and maintenance of Automatic Number Plate Recognition (ANPR) cameras, resulting in a suspension of the contract award. The matter is now subject to legal processes through the Technology and Construction Court and a definitive date as to the resolution of the matter at this stage cannot be given. The expected lead-in time for implementation is 4 months from the award of the contract, and the budgeted expectation was for a November 2015 start (4 months from a July 2015 award). Therefore, unless the matter is concluded and the contract awarded by the beginning of November 2015 for commencement by March 2016, the section will not receive any anticipated revenue in the 2015/16 financial year, and as a March 2016 commencement cannot be guaranteed at present, all income and expenditure relating to ANPR is excluded from the current forecast.

Regulatory Services Partnership

An overspend of £133k is forecast as a result of a delay in implementing the second phase of the shared service staffing structure, which was budgeted to begin in April but will not be implemented until around October.

Sustainable Communities

Building & Development Control

The section is currently forecasting an overspend of £127k mainly due to an employee overspend of £38k, and an underachievement of income of £109k. This is partially offset by an underspend of £58k in supplies and services.

The employee overspend is the result of both the additional temporary staff for the agreed 2-year fixed term enhancement of the service, and the use of agency staff (which are more costly) to cover vacancies whilst 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 £252k. This is as a result of exceeding their commercial rental income expectations by £180k 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, in the main, be mitigated from underspends elsewhere within the section.

Greenspaces

The section is currently forecasting an overspend of £54k, which is mainly as a result of an underachievement of internment income (£78k), sports income (£62k), income relating to rents (£49k), and the hiring of openspaces e.g. Wimbledon Park athletics track (£20k). These pressures are being partially off-set by an expected supplies and services underspend of £57k.

This forecast includes an estimated £90k surplus from a planned event in Wimbledon Park later in the year.

Senior Management & Support

An underspend of £166k is being forecast due to not filling vacant posts in order to contribute towards the department's mitigating actions.

Street Scene & Waste

Waste Services

The section is currently forecasting an underspend of £121k, which is mainly due to an underspend on transport (£172k), supplies and services (£110k), and customer and client receipts (£169k).

However, the section is also forecasting an overspend of £321k which mainly relates to the ongoing operational and disposal costs associated with the management of the HRRC and transfer station (£499k). 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.

Waste services are also working closely with SLWP to manage operational cost associated to both the HRRC and Waste transfer station. In preparation for the second half of the year, the service is looking at the feasibility of the transfer station and undertaking a commercial review to assess its long term viability.

Waste Operations are also currently reviewing the service provision for weekend working (Saturday) with the aim of reducing agency spend. The section is also assessing the financial viability of procuring two additional vehicles to mitigate the need for overtime to cover mechanical breakdowns.

Transport Services

The section is currently forecasting an overspend of £161k which is mainly as a result of a lower than expected user requirement of the Workshop, and a delay in the external use of the tachograph centre.

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 is strictly adhered to.

Children Schools and Families

Children, Schools and Families	2015/16 Current Budget £000	Full year Forecast (Jul) £000	Forecast Variance at year end (Jul) £000	Forecast Variance at year end (Jun) £000	2014/15 Variance at year end £000
Commissioning, Strategy and Performance	8,602	9,583	981	969	1,287
Education	17,494	18,316	822	134	953
Social Care and Youth Inclusion	11,697	12,632	935	512	580
Public Health contribution	0	(328)	(328)	(328)	(415)
PFI	7,983	7,826	(157)	101	6
Redundancy costs	2,091	2,091	0	0	39
Total (controllable)	47,867	50,120	2,253	1,388	2,450

Overview

At the end of July Children Schools and Families had a forecast overspend of £2.253m on local authority funded services. Although the department received growth for placements, this was not sufficient to cover the total shortfall caused by the increased birth rate and additional burdens from central government. An additional budget allocation of £1.007m for transport cost has also been included in this month's forecast. The overspend has also been netted down by one off Public Health money of £328k making the underlying overspend £2.581m, (£1.716m last month) an increase of £865k.

There is a potential risk of an in-year claw back on the Public Health grant allocation as a result of the recent budget announcement by the chancellor, estimated nationally as £200m. Details of how this will be allocated across PH grants or how it will be taken back in year have not been agreed. Estimate is around 7% of the grant allocation (£646k).

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	Jul £000	Jun £000	2014/15 £000
Fostering and residential placements (ART)	4,845	600	733	1,052
Supported lodgings/housing	629	446	294	427
Un-accompanied asylum seeking children (UASC)	60	300	336	193
Procurement & School organisation	545	(287)	(325)	(128)
Other small over and underspends	2,523	(78)	(69)	(257)
Subtotal Commissioning, Strategy and Performance	8,602	981	969	1,287
SEN Transport	3,878	681	42	1,168
Children with disabilities team (CWD) staffing	526	95	123	24
Other small over and underspends	13,090	46	(31)	(236)
Subtotal Education	17,494	822	134	953
No Recourse to Public Funds (NRPF)	20	451	451	441
Independent review and service quality	526	176	210	210
Social Work staffing	2,970	391	0	(71)
Other small over and underspends	8,181	(83)	(149)	(71)
Subtotal Children's Social Care and Youth Inclusion	11,697	935	512	580
Public Health contribution	0	(328)	(328)	(415)
Subtotal PFI	7,983	(157)	101	6
Subtotal Redundancy cost	2,091	0	0	39
Grand total Children, Schools and Families	47,867	2,253	1,388	2,450

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 £600k. This includes on-going pressures on independent agency fostering of £89k, in-house fostering of £342k and residential placements of £240k which is offset by underspends in mother and baby placements of £3k and secure accommodation costs of £68k.

The budget for semi-independent and supported lodgings/housing placements is estimated to overspend by £446k. This budget is used to finance placements for young people aged 16/17 who require semi-independent provision and for Care Leavers through to independence or, in some cases, through to the age of 21. There has been an increase in forecast expenditure due to increase in caseload as some young people have now reached 18 and funding for their placement has transferred from the LAC placement into this budget. Because of their specific needs, some young people have also needed to move placements and this has resulted in increased expenditure on those placements.

The UASC payments are expected to overspend by £300k this year due to both an increase in cases and an increase in the number of claimants turning 18 which is when central government contribution towards these cases ceases.

Procurement and school organisation budgets are expected to underspend by £287k as a result of lower spend forecast on revenue budgets. This budget relates to construction projects that cannot be classified as capital. The majority of this is required for temporary classrooms due to rising pupil demand when it is not viable to provide permanent buildings. This year demand for reception year places is slightly lower than forecast so there has been no need for temporary classrooms.

There are various other small over and underspends forecast across the division netting to a £78k underspend. These combine with the items described above to arrive at the total reported divisional overspend of £981k.

Education Division

SEN and FE transport cost are expected to overspend by £681k. This represents cost on external home to school transport as additional budget was received to balance the internal transport cost based on the June 2015 forecast. The overspend forecast increased by £639k from last month due to a change in the forecast methodology to be more accurate. This represents an increase of £400k on last year's actual cost which is due to a net demographic growth of c £450k. We had 71 new children taking up transport since September 2014. We are reviewing both demand management and cost efficient supply with E&R.

The CWD team staffing costs is expected to overspend by £95k. As highlighted in the budget reports to Cabinet and Council, additional capacity is being kept under regular review and funded quarterly from the corporate contingency. This amount equates to two additional social workers. One quarter's funding has been included in the forecast for the year. On top of the additional staff, the team also has to cover vacancies with higher agency staff cost.

There are various other small over and underspends forecast across the division netting to a £46k overspend. These combine with the item described above to arrive at the total reported divisional overspend of £822k.

Children's Social Care and Youth Inclusion Division

The NRPF budgets are forecast to overspend by £451k 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.

The independent review and service quality team is expected to overspend by £176k. This is due to the use of agency staff to cover permanent IRO vacancies as well as additional resources above establishment to ensure appropriate caseloads to support the quality assurance function.

The Central Social Work, MASH and Permanency team's staffing costs is expected to overspend by £391k. As highlighted in the budget reports to Cabinet and Council, additional capacity is being kept under regular review and funded quarterly from the corporate contingency. This amount equates to six additional social workers. One quarter's funding has been included in the forecast for the year. On top of the additional staff, the team also has to cover vacancies with agency staff due to difficulty in recruiting permanent members of staff. This cost could fluctuate during the course of the year depending on our ability to recruit permanent members of staff to our vacancies

There are various other small over and underspends forecast across the division netting to a £83k underspend. These combine with the item described above to arrive at the total reported divisional overspend of £935k.

Dedicated Schools Grant

DSG funded services is forecast to underspend by £406k. 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 £386k in Independent Residential School provision. This figure is expected to reduce towards year-end as additional placements are made throughout the year.

There are various other smaller over and underspends forecast across the DSG netting to a £20k underspend which, combined with the item above, equates to the net underspend of £406k.

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 continues to ensure that entry to care thresholds is maintained. The impact of increased numbers of UASC is in particular affecting our LAC and care leaver 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 which have delivered savings of £30k to date. 6 personal budgets were approved this financial year providing an on-going cost reduction of £34k.

New burdens

There are a considerable number of duties placed on the Local Authority which have not been fully funded or not funded at all. However this still leaves a net departmental overspend of £1.056m. The table below highlights the estimated overspends relating to these duties:

Description	Budget £000	Jul overspend forecast £000	Jun overspend forecast £000
Supported lodgings/housing	629	446	294
Un-accompanied asylum seeking children (UASC)	60	300	336
No Recourse to Public Funds (NRPF)	20	451	451
Total	709	1,197	1,081

Young people aged between 18 and 21 have the right to stay in their foster placements beyond 18 including whilst attending university. This means their fostering placement has to remain open to them and the in-house foster carer or Independent Fostering Agency will have to continue to be paid.

Young People on remand are classed as being LAC and also have access to care leavers' services across a range of budgets. These are in excess of the figures in the table above but included within the overall projections for the department. As the system does not separately identify costs relating to remand cases, it is not possible to identify this separately.

Unaccompanied Asylum Seeking Young People are also required to receive these leaving care services and we have 11 over 18s which is putting pressure on the UASC budget.

The majority of families presenting as NRPF needs are housing. Meetings are on-going to discuss options to reduce cost and strengthen processes and procedures. The work being undertaken by Housing Needs to stimulate supply will assist in reducing these costs. Discussions are on-going regarding the most economic way of procuring housing for families with no recourse to public funds.

Additional social worker capacity

As highlighted in the budget reports to Cabinet and Council, additional capacity is being kept under regular reviewed and funded quarterly from the corporate contingency. CMT / Cabinet are asked to approve the virement for the first quarter of £119k from the corporate contingency. This adjustment has already been built into budget forecast for July.

Community and Housing

Overview

At the end of July Community and Housing is forecast to overspend by £1.180m as shown in summary table 1 below. This variance has occurred despite the Department's budget for 2015-16 including growth to protect social care services through the Better Care Fund additional funding to manage the new duties arising from the Care Act 2014 and inflation. This growth totalled £3.9m

The Department under delivered its savings in 2014-15. Therefore, the Department is complementing its existing savings plan with a number of other mitigating actions designed to manage these pressures and recoup the shortfall in savings carried forward from 2014-15. However, It seems that the 2015/16 savings will also be underachieved at this stage of the year.

Table 1 Community and Housing	2015/16 Current Budget £000	Full Year Forecast (Jul) £000	2015/16 Forecast Variance (Jul) £000	2015/16 Forecast Variance (Jun) £000	2014/15 Variance at year end £000
Access and Assessment	42,695	44,305	1,610	894	2,648
Commissioning	4,727	4,616	(111)	(115)	(221)
Direct Provision	4,231	4,612	381	445	892
Directorate	1,053	1,045	(8)	(6)	(223)
Directorate – Care Act Implementation Expenditure	1,265	765	(500)	0	0
Directorate – Care Act Implementation Income	(1,265)	(1,265)	0	0	0
**Contribution from Public Health	0	(328)	(328)	(328)	(500)
Adult Social Care	52,706	54,250	1,544	890	2,595
Libraries and Heritage	2,436	2,408	(28)	2	4
Merton Adult Education	(179)	99	278	177	254
Housing General Fund	1,903	1,789	(114)	(57)	(105)
Total (controllable)	56,866	58,046	1,180	1,012	2,748

It should be noted that Adult Social Care forecast overspend has been netted down by £328k of one-off Public Health money giving an underlying overspend of £1.382m. A corporate settlement of £265k budget transfer has been approved to reduce the transport forecast over-spend. Additional estimated transitions costs totalling £442k have been included in the Period 4 placements forecast, this will be kept under review to monitor if cases included actually transfer.

It should be noted that the government has decided to delay implementing the cap on care costs until 2020 . The delay will allow time to be taken to ensure that everyone is ready to introduce the new system and to look at what more can be done to support people with the costs of care.

Access and Assessment – £1,610k over-spend

Access and Assessment	Forecast Variance (July) £000	Forecast Variance (June) £000
Gross Placements overspend	2,771	2,175
Miles Re-ablement under-spend	(261)	(217)
Other A&A under-spends	(884)	(774)
Sub-total Net over-spend	1,626	1,184
Under achievement of Client Contribution	9	(265)
Helping People at home grant **	(25)	(25)
Total Access & Assessment	1,610	894

<u>Description</u>	2015/16 Budget £000	Forecast Variance (Jul) £000	Forecast Variance (Jun) £000	2014/15 Variance at year end £000
<u>Access & Assessment</u>				
Gross Placements	38,178	2,771	2,109	3,689
Placements - Other	368	(43)	13	0
Transport**	346	66	53	0
Client & CCG Contribution Income	(11,875)	9	(265)	(612)
Helping People at home revenue grant	0	(25)	(25)	(75)
Miles- Reablement	1,568	(261)	(217)	371
Concessionary Fares & Taxi-card	9,203	(157)	(157)	(45)
Care-first	136	(129)	(129)	(117)
Other Access & Assessment	9,366	(621)	(488)	(564)
Better Care Fund – NHS Social Care Transfer Income	(4,427)	0	0	0
Sub-total Access & Assessment	42,695	1,610	894	2,648
<u>Commissioning</u>				
Brokerage, Contracts, Performance & Planning & Commissioning	1,188	(141)	(143)	(237)
Voluntary Organisations - grants	738	92	87	138
Voluntary Organisations – Contracts	200	(23)	(23)	(24)
Voluntary Organisations – Dementia contract	230	8	8	11
Pollards Hill Contract	82	(14)	(16)	0
Transport**	261	(128)	(128)	32
Supporting People Grant	2,128	95	100	(141)
Better Care Fund – NHS Social Care Transfer Income	(100)	0	0	0
Sub-total Commissioning	4,727	(111)	(115)	(221)
<u>Direct Provision</u>				
Transport **	501	132	274	604
Day Centres	2,061	(2)	(14)	(58)
Supported Living	873	19	(8)	109
Residential	794	194	173	222
Mascot	370	17	5	5
Other Direct Provision	32	21	15	10
Better Care Fund – NHS Social Care Transfer Income	(400)	0	0	0
Sub-total Direct Provision	4,231	381	445	892
<u>Directorate</u>				
Staffing Costs	934	(8)	(6)	(223)
Adult Social Care Redesign – Projects	300	0	0	0
Better Care Fund – NHS Social Care Transfer Income	(181)	0	0	0
Care Act Implementation	1,265	(500)	0	0
Care Act Implementation-Grant	(865)	0	0	0
Better Care Fund – NHS Social Care Transfer Income – CA Implementation	(400)	0	0	0
Subtotal Directorate	1,053	(8)	(6)	(223)
Contribution from Public Health – Ageing Well Grants	0	(328)	(328)	(500)
Sub-total Adult Social Care	52,706	1,044	890	2,595

Libraries	2,436	(28)	2	4
Merton Adult Education	(179)	278	177	254
Housing				
Temporary Accommodation	116	(48)	(7)	84
Homelessness Prevention	320	0	0	(127)
Housing Advice and Options	500	(15)	0	(7)
Housing Needs	283	(8)	(9)	(43)
Housing Strategy	139	(13)	(13)	(18)
Housing Supply & Development	266	(15)	(15)	(3)
Housing Environmental Health	228	(15)	(14)	(59)
Merton Action single Homeless	51	0	0	0
Reserves Funding Adjustment	0	0	0	67
Sub-total Housing	1,903	(114)	(57)	(106)
Total Community & Housing	56,866	1,180	1,012	2,648

Budget Pressures

The department is facing a number of budget pressures. The main area of challenge is around social care placements and many of the below pressures feed into that one budget area. The main pressures are listed below:

- **Under achievement of savings in 2014/15 (£2.265m)** The savings programme developed for 2014/15 contained a number of savings which had high levels of risk and despite the best efforts of officers were not delivered. The savings programme for 2015/16 has been rebalanced to include a series of proposals that we believe are more deliverable, although still high risk, and managers are working to bring in additional savings to close the gap (see mitigations section below) . If these savings had been delivered then the budget for 2015/16 would be underspending despite the pressures discussed below. Similarly there are savings of £2,154m to be delivered in 2015/16. The current estimates of achievement would seem to be rather over optimistic.
- **Existing Placements Commitments (£2.771m gross)** - The cost of commitments to pay for 3rd party support packages for adults/ older people with eligible support needs at the end of July 2015 is forecast to be £2.771m more than the 2015-16 budget i.e. commitments are £40.95m versus a budget of £38.2m.
- **Demographic pressures (£640k estimated pressure)** This is based on national agreed prediction systems - POPPI (Projecting Older People Population Information System) and PANSI (Projecting Adult Needs and Service Information System), alongside specific local data such as actual young people entering adult services through transitions.
- **Price pressures (£515k)** Nationally the market in social care has shown that providers are successfully demanding increases in fees and have very limited scope for making further cash efficiencies. This is due to pressures such as clarification over the definition of minimum wage and increasing challenges in hiring staff. Merton has in recent years held fees low compared with other boroughs, for example not offering an increase for inflation for five years. However if

providers can obtain better prices from neighbouring boroughs and/or the NHS, it means that Merton may have to pay more if it is to secure access to care provision.

- **New responsibilities from the Cheshire West judgement, Care Act 2014** Although the Government has provided some funding to cover the Cheshire West judgement around Deprivation of Liberty Assessments (DOLs) (£80k), there are risks that the costs may exceed this funding
- **Transport costs – (£70k overspend).**
A corporate budget transfer of £265k has been approved to reduce the above overspend. To mitigate the effects of the rise in costs Direct Provision staff have also taken over escorting duties and staff use self-drive vehicles to collect some of the day service customers. Savings in the use of taxis are being achieved on an on-going basis
- **Direct Provision Residential Homes Services Staffing costs (£204k)** There are a number of pressures to Direct Provision staffing costs including the on-going impact of Single Status Agreement. There is also growth in demand for our Supported Living Service and extra costs related to the move from the Gables back to Doliffe Close.
- **NHS pressures** the pressures especially on acute hospitals are well known, and this is leading to the discharge of more people at a greater level of dependency. It can be challenging to find care packages often at short notice. As an indicator of this pressure, the number of people needing “double ups” (i.e. two carers at any one time to manage personal care for a customer) has increased.
- **Other items (£372k)** In addition to the above we have a number of other pressures including three new Ordinary residence cases (£193k) passed by neighbouring boroughs and
- **Merton Adult Education (£278k)** caused by in year reductions in SFA funding and the inability to realise savings target of £176K.
This forecast has taken into account funding the new MAE Commissioning Team roles which has added additional pressure to the budget for the remainder of the year as the roles are paid at a higher rate. £51K savings have been realised through holding staff vacancies. A re-structure is planned from October 2015 for the remainder of the year.

Management action

Management actions to mitigate the pressures above and to recoup the savings shortfall from 2014-15 include:

- **Strengthened Resource Panel and cost/activity monitoring systems:** The panels now sit twice a week and there is representation from both the Brokerage and Occupational Therapy teams. Chairing arrangements have been strengthened. Every team is getting a monthly breakdown, with an aim to make it fortnightly, on its performance on activity and finance as against the required trajectory to stay within budget.
- **A savings delivery plan to ensure MTFs targets are achieved:** An over-arching savings plan exists to ensure the delivery of the savings in the MTFs and where possible exceed savings targets to recoup the savings shortfall in 2014-15. The plan is designed to deliver £2.234m of savings in 2015-16 in line with the MTFs and there are areas where we will achieve more savings than originally forecast – we will continue to press these as hard as possible.
- **The ASC redesign programme to deliver the target operating model:** The Adult Social Care Redesign Programme is the Department’s overarching programme to deliver our Target Operating Model, our savings plan and in response to the Care Act. This is being delivered as part of the council’s corporate portfolio. This plan around 30 individual projects that taken together will redesign the way the department manages the support needs of our clients in the

most efficient method and continues to support independence. Some key elements are described below:

- **Cost avoidance / delaying costs arising:** the Programme includes a review to ensure that we are using our grant funding, early intervention and universal services to support prevention and recovery.
- **Process redesign work** As part of implementing the new social care system, Mosaic, and in response to the Care Act 2014 the department is redesigning its processes to make the delivery of social care even more efficient. In addition like the rest of the Council our staff are adopting flexible and mobile work approaches to improve productivity. This will enable staff resources to be freed up to implement the Care Act 2014, work in a more integrated way with the NHS and to help us to manage the increased flow of work from the NHS..
- **Market management/shaping work:** Recognising the challenges posed by the market costs we are undertaking a number of individual negotiations with providers looking at what models of delivery we can design that will enable the services to be delivered in partnership with providers for the lowest costs. In addition, there are some areas where we feel we can negotiate even keener prices and we are actively pursuing those as well. So far these negotiations have led to increases estimated to cost £515k in 2015-16 against requested rises that we estimate would have cost at least twice this amount in 2015-16 had we agreed to the suppliers initial price increase demands. However, there are delays in updating CareFirst with agreed rates which is causing difficulties in estimating costs and will also affect migration to the new system before it goes live in November.
- **New innovative commissioning approaches:** Related to the above, as well as delivering the current savings plan and our current commissioning strategy we are working on a number of other innovative ideas to help us meet a growing need in a different way to what we currently do. Ideas being pursued include new ways of procuring access to care home placements, creating a more flexible market for domiciliary care based on personal assistants and investigating how we can use econometric tools to forecast demand even more accurately and reduce void costs.
- **Developing staff resources** Staff resources including structures are being reviewed to ensure they staff consistently work to promote and to ensure structure are affordable given the staff savings in the MTFS
- **Moving to a commissioning model for adult education** This will end the recurrent overspend in this area since Merton will simply commission as much as is available through central government funding and any other sources of funds.

Placements Activity Data

The table below details the current number of clients and care packages numbers

Activity Data – Care Package Numbers	No of Care Packages (No's)	No of Clients (No's)	Total Yearly Commitment July
Service Area			£000
Mental Health	131	116	1,491
Physical and Sensory	333	230	4,516
Learning Disabilities **	418	337	13,221
Older People	1,822	1,233	21,432
Substance Misuse	2	2	65
No recourse to public funds	18	10	224
TOTAL Gross placement expenditure	2,724	1,928	£40,949

Learning Disability Commitment include estimated transition costs of £675k.

Details of the estimated costs are :-

1. At 18 when the young person comes to ASC - £250k,
2. At 19 when they leave school - £125k
3. At 21/22 (or possibly older with the recent Children and Families Act) when they leave college. £300k

Public Health

Public Health is forecast to under-spend by £234k .

Public Health	2015/16 Budget £000	Period 4 (Jul) Forecast £000	Forecast Variance (Jul) £000	Forecast Variance (Jun) £000	2014/15 Final Out-turn Variance £000
PH - Directorate	1,247	1,104	(143)	(147)	(305)
PH- Contraception	713	713	0	0	(26)
PH - STI Testing and Treatment (GUM)	2,060	2,194	134	134	110
PH - SH Advice, Prevent and Promotion	217	219	2	2	(97)
PH - NHS Health check	282	282	0	0	17
PH - Falls Prevention	66	66	0	0	(1)
PH – Obesity	579	538	(41)	(41)	(28)
PH – Live well (including smoking cessation)	345	331	(14)	(14)	(35)
PH - Substance Misuse (drugs and alcohol)	2,100	1,969	(131)	(103)	(422)
PH - School Nursing (including National Child Measurement programme)	849	833	(16)	0	(4)
PH - Surveillance and Control of Infectious Diseases	10	10	0	0	(9)
PH- Determinants	160	149	(11)	0	0
PH - Community Services Contract Estates	284	284	0	0	0
PH - New Investments	152	138	(14)	(14)	(275)
Total Public Health (controllable)	9,064	8,830	(234)	(183)	(1,075)
PH – Non-Recurrent Projects funded from Reserves)	498	498	0	0	0
PH – CSF Projects funded from Reserves b/f	328	328	0	0	0
PH – C&H Projects funded from Reserves b/f	328	328	0	0	0
Total Public Health (including funding from Reserves)	10,218	9,984	(234)	(183)	(1,075)

There is a potential risk of an in-year claw back on the Public Health grant allocation as a result of the recent budget announcement by the chancellor. The consultation sets out possible options on how the £200 million of savings might be spread across LA's. One suggestion is a straight 6.2% cut to all LA's. This equates to a reduction of £573k on the PH grant and £91k on the 0-5 (Health Visiting) allocation due to transfer in October (Total £664k)

Details of how this reduction if applied will be allocated across PH projects or how it will be taken back in year have not been agreed.

(E) Corporate Items

The details comparing actual expenditure up to 31 July 2015 against budget are contained in Appendix 2. The main areas of variance as at 31 July 2015 are:-

Corporate Items	Current Budget 2015/16	Full Year Forecast (July)	Forecast Variance at year end (July)	Forecast Variance at year end (June)	2014/15 Year end Variance
	£000s	£000s	£000s	£000s	£000s
Cost of borrowing	14,117	13,980	(137)	(25)	205
Use for Capital Programme	0	0	0	0	0
Impact of Capital on revenue budget	14,117	14,980	(137)	(25)	205
Investment Income	(559)	(655)	(96)	(96)	(385)
Pension Fund	5,042	5,042	0	0	(300)
Pay and Price Inflation	575	575	0	0	(883)
Contingencies and provisions	4,711	3,311	(1,400)	(1,500)	64
Income Items	(174)	(800)	(626)	(626)	(914)
Appropriations/Transfers	(7,024)	(7,024)	0	0	(399)
Central Items	2,571	449	(2,122)	(2,222)	(2,817)
Levies	926	926	0	0	0
Depreciation and Impairment	(16,506)	(16,506)	0	0	0
TOTAL CORPORATE PROVISIONS	1,108	(1,292)	(2,259)	(2,247)	(2,612)

Since June, there has been a small adjustment to the forecast for the use of contingency to reflect the latest estimated cost of funding 8 social workers within Children's social care and the capital financing costs have been revised to take into account the outturn position and slippage in the programme.

4. CAPITAL PROGRAMME 2015-19

4.1 Capital Expenditure

4.1.1 The table below compares capital expenditure to July over the last four years:

Depts.	Spend To July 2012	Spend To July 2013	Spend To July 2014	Spend To July 2015	Variance 2012 to 2015	Variance 2013 to 2015	Variance 2014 to 2015
C&H	258	774	107	23	(236)	(752)	(84)
CS	776	613	192	221	(554)	(391)	29
CSF	6,285	2,038	3,993	4,109	(2,176)	2,071	116
E&R	2,808	2,485	1,068	767	(2,041)	(1,717)	(300)
Total Capital	10,127	5,909	5,360	5,121	(5,006)	(789)	(239)

Outturn £000s	40,487	31,564	36,869	
Budget £000s				45,062
Projected Spend June 15 £000s				41,387
Percentage Spend to Budget				11.36%
Percentage Spend to Outturn/Projection	25.01%	18.72%	14.54%	12.37%
Monthly Spend to Achieve Projected Outturn £				4,030

4.1.2 July is one third of the way through the financial year, however, departments have only spent 11.36% of their budget or 12.37% of their forecast outturn, in the last three years spend was in the region of 15-25% of the final outturn by this point. To achieve a projected spend of 41.4m officers will need to spend just over £4m per month for the rest of the financial year. The table below shows that in July 2015 departments have managed to spend just over £2.75 million.

Department	Spend To June 2015 £000s	Spend To July 2015 £000s	Increase £000s
C&H	102	23	(79)
CS	131	221	91
CSF	1,869	4,109	2,240
E&R	262	767	506
Total Capital	2,363	5,121	2,757

4.2 The Table below shows the movement in the 2015/19 corporate capital programme since the June 2015 financial monitoring report:

Depts	Original 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	(875)	2,722	984	875	1,859	340	0	340	340	0	340
CS	8,768	4	8,772	4,890	0	4,890	2,881	0	2,881	2,757	0	2,757
CSF	15,949	31	15,980	28,911	100	29,011	20,979	0	20,979	20,104	0	20,104
E&R	17,799	(102)	17,697	26,792	465	27,257	10,327	0	10,327	6,379	0	6,379
TOTAL	46,113	(942)	45,171	61,576	1,440	63,016	34,526	0	34,526	29,579	0	29,579

4.3 The table below summarises the position in respect of the Capital Programme as at July 2015 the detail is shown in Appendix 5a

Merton Summary Capital Report - July 2015 Monitoring

Scheme Description	Total Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance
Community and Housing	2,722,150	231,688	307,380	(75,692)	2,721,533	(617)
Corporate Services	8,772,110	221,485	2,787,327	(2,565,842)	5,007,466	(3,764,644)
Children Schools and Families	15,979,640	4,108,958	9,728,121	(5,619,163)	15,979,633	(7)
Environment and Regeneration	17,696,410	558,379	4,911,684	(4,353,305)	17,678,225	(18,185)
Total Capital	45,170,310	5,120,510	17,734,512	(12,614,002)	41,386,857	(3,783,453)

- a) Community and Housing – At present it is assumed that Disabled Facilities Grants will fully spend.
- b) Corporate Services – The majority of the projected variance is caused by four major corporate schemes
 - a. the Acquisition Fund £1,542k - this budget is held corporately,
 - b. Bidding Fund £1,357k (subject to business cases for European Funding)
 - c. Transformation Budget £197k – this budget is held corporately and vired as transformation projects are identified.
 - d. Customer Contact Programme and Document Management System projects which are being progressed under one contract are currently showing slippage of £420k. Currently this is an estimate of the likely outturn for 2015/16 as the contract milestones for payments have not yet been agreed with the provider and confirmed
- c) Environment and Regeneration – Two small projected slippages account for the underspend shown.

- 4.3 Appendix 5b details the adjustments being made to the Capital Programme this month. A brief description of the adjustment is provided in this Appendix.
- 4.4 Appendix 5c details the change in funding the programme. The table below shows the movement in the Capital programme for 2015/16 since its approval in March 2015:

Depts.	Original Budget 15/16	Net Slippage 2014/15	Adjustments	New External Funding	New Internal Funding	Re-profiling	Revised Budget 15/16
Community and Housing	2,161	1,436	200	0		(1,075)	2,722
Corporate Services	7,428	2,408	(17)	0	0	(1,047)	8,772
Children Schools and Families	17,105	1,014	268	60	0	(2,467)	15,980
Environment and Regeneration	15,240	2,345	(147)	534	275	(550)	17,697
Total	41,933	7,203	304	594	275	(5,139)	45,171

5. DELIVERY OF SAVINGS FOR 2015/16

Department	Target Savings 2015/16	Projected Savings 2015/16	Period 4 Forecast Shortfall	Period 4 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	1,777	(377)	(17.5)%
Environment and Regeneration	4,192	836	(3,356)	(80.1)%
Total	8,297	4,493	(3,804)	(45.8)%

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

Appendix 8 reports the 2014/15 savings not 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. CONSULTATION UNDERTAKEN OR PROPOSED

6.1 All relevant bodies have been consulted.

7. TIMETABLE

7.1 In accordance with current financial reporting timetables.

8. FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

8.1 All relevant implications have been addressed in the report.

9. LEGAL AND STATUTORY IMPLICATIONS

9.1 All relevant implications have been addressed in the report.

10. HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

10.1 Not applicable

11. CRIME AND DISORDER IMPLICATIONS

11.1 Not applicable

12. RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

12.1 The emphasis placed on the delivery of revenue savings within the financial monitoring report will be enhanced during 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.

13. 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 July 2015
Appendix 5c –	Funding Current Capital Programme 2015/16 & 2016/17
Appendix 6 -	Departmental charts
Appendix 7 -	Progress on 2015/16 savings
Appendix 8-	2014/15 savings achieved and expected in 2015/16

14. BACKGROUND PAPERS

14.1 Budgetary Control files held in the Corporate Services department.

15. REPORT AUTHOR

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**Summary Position as at 31st July
2015**

APPENDIX 1

	Original Budget 2015/16	Current Budget 2015/16	Year to Date Budget (July)	Year to Date Actual (July)	Full Year Forecast (July)	Forecast Variance at year end(July)	Forecast Variance at year end- previous month (June)	Outturn Variance 2014/15
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000
Department	-							
3A. Corporate Services	14,025	15,061	13,536	9,716	14,658	(403)	(561)	(691)
3B. Children, Schools and Families	50,894	52,481	59,962	59,293	54,734	2,253	1,388	2,663
3C. Community and Housing	-							0
Adult Social Care	56,080	56,434	19,148	15,899	57,479	1,044	889	2,593
Libraries & Adult Education	3,169	3,289	1,394	1,269	3,539	250	180	281
Housing General Fund	2,151	2,154	736	149	2,040	(114)	(57)	(100)
3D. Public Health	320	320	(1,557)	(4,013)	86	(234)	(183)	(0)
3E. Environment & Regeneration	23,986	24,185	1,869	1,581	27,151	2,966	93	1,703
Overheads	0	0	0	0	0	0	0	0
NET SERVICE EXPENDITURE	150,624	153,925	95,088	83,894	159,686	5,762	1,749	6,448
3E. Corporate Items								
Impact of Capital on revenue budget	14,117	14,117	4,706	1,729	13,980	(137)	(25)	205
Other Central items	-10,651	-13,948	-6,370	-1,462	-16,070	-2,122	-2,222	(2,817)
Levies	926	926	372	372	926	0	0	0
TOTAL CORPORATE PROVISIONS	4,392	1,095	-1,292	640	-1,164	-2,259	-2,247	-2,612
TOTAL GENERAL FUND	155,016	155,019	93,796	84,534	158,522	3,503	-498	3,836
- Funding								
- Business Rates	(33,686)	(33,686)	(2,823)	(2,823)	(33,686)	0	0	0
- RSG	(30,425)	(30,425)	(15,673)	(15,673)	(30,425)	0	0	0
- Council Tax Freeze Grant 2014/15	(861)	(861)	(260)	(260)	(861)	0	0	6
- Section 31 Grant	(1,134)	(1,134)	(323)	(323)	(1,134)	0	0	(160)
- New Homes Bonus	(2,642)	(2,642)	(2,142)	(2,142)	(2,642)	0	0	0
- PFI Grant	(4,797)	(4,797)	(1,199)	(1,199)	(4,797)	0	0	0
Grants	(73,545)	(73,545)	(22,420)	(22,420)	(73,545)	0	0	(154)
Collection Fund - Council Tax Surplus(-)/Deficit	(4,813)	(4,813)	0	0	(4,813)	0	0	0
Collection Fund - Business Rates Surplus(-)/Deficit	393	393	0	0	393	0	0	0
Council Tax								
- General	(76,758)	(76,758)	0	0	(76,758)	0	0	0
- WPC	(293)	(293)	0	0	(293)	0	0	0
Council Tax and Collection Fund	(81,471)	(81,471)	0	0	(81,471)	0	0	0
FUNDING	(155,016)	(155,016)	(22,420)	(22,420)	(155,016)	0	0	(154)
NET	0	3	71,375	62,113	3,506	3,503	(498)	3,682

	Current Budget 2015/16	Year to Date Budget (July)	Year to Date Actual (July)	Forecast Variance at year end (July)	Forecast Variance at year end (June)
Expenditure	£000	£000	£000	£000	£000
Employees	97,110	32,657	32,479	2,106	1,119
Premises Related Expenditure	8,504	3,735	2,025	(479)	(416)
Transport Related Expenditure	14,699	4,838	3,654	667	72
Supplies and Services	172,994	51,309	48,724	(1,395)	(614)
Third Party Payments	88,996	27,622	22,885	3,875	3,156
Transfer Payments	104,053	3,307	33,227	1,507	(189)
Support Services	31,902	0	0	(2)	(2)
Depreciation and Impairment Losses	16,505	712	0	0	0
Corporate Provisions	1,095	(1,292)	640	(2,259)	(2,247)
GROSS EXPENDITURE	535,857	122,889	143,634	4,020	880
Income					
Government Grants	(264,961)	(5,089)	(36,548)	2,883	188
Other Grants, Reimbursements and Contribs	(25,508)	(4,438)	(4,789)	(1,469)	(1,348)
Customer and Client Receipts	(57,731)	(18,062)	(17,692)	(2,361)	(1,030)
Interest	(44)	0	0	24	24
Recharges	(32,547)	(1,434)	0	1	1
Balances	(46)	(70)	(70)	406	787
GROSS INCOME	(380,837)	(29,093)	(59,100)	(517)	(1,377)
NET EXPENDITURE	155,019	93,797	84,534	3,503	(498)

APPENDIX 2

3E. Corporate Items	Council 2015/16 £000s	Original Budget 2015/16 £000s	Current Budget 2015/16 £000s	Year to Date Budget (July) £000s	Year to Date Actual (July) £000s	Full Year Forecast £000s	Forecast Variance at year end (July) £000s	Forecast Variance at year end (June) £000s
Cost of Borrowing Use for Capital Programme	14,117	14,117	14,117	4,706	1,729	13,980	(137) 0	(25) 0
Impact of Capital on revenue budget	14,117	14,117	14,117	4,706	1,729	13,980	(137)	(25)
Investment Income	(559)	(559)	(559)	(186)	(130)	(655)	(96)	(96)
Pension Fund	5,042	5,042	5,042	840	238	5,042	0	0
Corporate Provision for Pay Award	189	189	0	0	0	0	0	0
Provision for inflation in excess of 1.5%	543	543	475	0	0	475	0	0
Utilities Inflation Provision	100	100	100	0	0	100	0	0
Pay and Price Inflation	832	832	575	0	0	575	0	0
Contingency	1,500	1,500	1,500	0	0	500	(1,000)	(1,100)
Single Status/Equal Pay	100	100	100	0	14	100	0	0
Bad Debt Provision	500	500	500	0	0	500	0	0
Loss of income arising from P3/P4	400	400	400	0	0	0	(400)	(400)
Revenuisation and miscellaneous	3,525	3,525	2,211	0	0	2,211	0	0
Contingencies and provisions	6,025	6,025	4,711	0	14	3,311	(1,400)	(1,500)
Local Services Support Grant	0	0	0	0	0	0	0	0
Other	(174)	(174)	(174)	0	3	(800)	(626)	(626)
Income items	(174)	(174)	(174)	0	3	(800)	(626)	(626)
Appropriations: CS Reserves	(3,003)	(3,003)	(3,914)	(3,914)	(293)	(3,914)	0	0
Appropriations: E&R Reserves	(1,631)	(1,631)	(1,772)	(1,759)	(13)	(1,772)	0	0
Appropriations: CSF Reserves	(618)	(618)	(1,137)	(1,137)	(1,387)	(1,137)	0	0
Appropriations: C&H Reserves	(545)	(545)	(700)	(700)	(700)	(700)	0	0
Appropriations: Public Health Reserves	(320)	(320)	(320)	(320)	0	(320)	0	0
Appropriations: Corporate Reserves	806	806	806	806	806	806	0	0
Appropriations/Transfers	(5,311)	(5,311)	(7,037)	(7,024)	(1,587)	(7,037)	0	0
Depreciation and Impairment	(16,506)	(16,506)	(16,506)		0	(16,506)	0	0
Central Items	3,466	3,466	169	(1,664)	267	(2,090)	(2,259)	(2,247)
Levies	926	926	926	372	372	926	0	0
TOTAL CORPORATE PROVISIONS	4,392	4,392	1,095	(1,292)	640	(1,164)	(2,259)	(2,247)

Pay and Price Inflation as at June 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) grew by 0.1% in the year to July 2015 up from 0.0% in the year to June 2015. A smaller fall in clothing prices on the month compared with a year ago was the main contributor to the rise in inflation. Falling prices for food and non-alcoholic beverages partially offset the rise.

CPIH grew by 0.4% in the year to July 2015, up from 0.3% in June 2015.

RPI annual inflation stands at 1.0% in July 2015, unchanged from June 2015.

Outlook for inflation:

On 5 August 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 August 2015 Inflation Report it was noted that "CPI inflation was 0.0% in June, well below the MPC's 2% target. That undershoot largely reflects external factors but domestic cost pressures have also been weak. Inflation is projected to rise around the turn of the year as past falls in energy prices begin to drop out of the annual comparison. Thereafter, domestic pressures are likely to build alongside a steady expansion in demand, which 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 a gradual rise in Bank Rate, such as that currently implied by market yields, 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 (August 2015)			
	Lowest %	Highest %	Average %
2015 (Quarter 4)			
CPI	(0.2)	1.0	0.5
RPI	(0.4)	1.6	1.2
LFS Unemployment Rate	4.9	5.6	5.3
2016 (Quarter 4)			
CPI	1.2	2.7	1.7
RPI	1.3	3.5	2.8
LFS Unemployment Rate	3.8	5.8	5.0

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

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

Source: HM Treasury - Forecasts for the UK Economy (August 2015)					
	2015	2016	2017	2018	2019
	%	%	%	%	%
CPI	0.1	1.4	1.9	2.0	2.0
RPI	1.0	2.2	3.1	3.2	3.4
LFS Unemployment Rate	5.5	5.1	5.0	4.9	4.9

Treasury Management: Outlook

The Bank Base Rate has been kept at its low of 0.5% since March 2009. At its meeting ending on 5 August 2015, the MPC voted by a majority of 8-1 to maintain Bank Rate at 0.5%. The Committee voted unanimously to maintain the stock of purchased assets financed by the issuance of central bank reserves at £375 billion

In the MPC minutes published on 6 August 2015 it was noted that “CPI inflation fell back to zero in June. As set out in the Governor’s open letter to the Chancellor, around three quarters of the deviation of inflation from the 2% target, or 1½ percentage points, reflects unusually low contributions from energy, food, and other imported goods prices. The remaining quarter of the deviation of inflation from target, or ½ a percentage point, reflects the past weakness of domestic cost growth, and unit labour costs in particular. The combined weakness in domestic costs and imported goods prices is evident in subdued core inflation, which on most measures is currently around 1%.”

The MPC believe that the short to medium term outlook for inflation is muted, particularly as “Sterling has appreciated by 3½% since May and 20% since its trough in March 2013. The drag on import prices from this appreciation will continue to push down on inflation for some time to come, posing a downside risk to its path in the near term.” In terms of the next 2-3 years the MPC expect that “were Bank Rate to follow the gently rising path implied by market yields, the Committee judges that demand growth would be sufficient to return inflation to the target within two years. In its projections, inflation then moves slightly above the target in the third year of the forecast period as sustained growth leads to a degree of excess demand.” One member of the MPC voted to increase the Bank Rate by 0.25% this month, reasoning that “demand growth and wage pressures were likely to be greater, and the margin of spare capacity smaller, than embodied in the Committee’s collective August projections.”

In the quarterly inflation report for August 2015, the MPC noted that “all members agree that, given the likely persistence of the headwinds weighing on the economy, when Bank Rate does begin to rise, it is expected to do so more gradually and to a lower level than in recent cycles. This guidance is an expectation, not a promise. The actual path Bank Rate will follow over the next few years will depend on the economic circumstances. The Committee will continue to monitor closely the incoming data.”

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

	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	End Q.3 2018
August 2015	0.5	0.5	0.5	0.6	0.7	0.9	1.0	1.2	1.3	1.4	1.5	1.6	1.7	1.7
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	0.5	0.5	0.6	0.6	0.7	0.8	0.9	1.0	1.0	1.1	1.1		
November '14	0.6	0.7	0.8	1.0	1.1	1.2	1.4	1.5	1.5	1.7	1.7			
August 2015	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 - July 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	34,446	0	34,446	576,280	0
Other	133,550	1,144	26,940	(25,796)	132,933	(617)
Libraries						
Library Self Service	350,000	0	0	0	350,000	0
Housing						
8 Wilton Road	0	(13,011)	0	(13,011)	0	0
Disabled Facilities	1,662,320	209,109	280,440	(71,331)	1,662,320	0
Community and Housing Total	2,722,150	231,688	307,380	(75,692)	2,721,533	(617)

Corporate Services Summary Capital Report - July 2015 Monitoring

Scheme Description	Total Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance
Business Improvement Total	2,440,570	97,668	928,066	(830,398)	2,019,940	(420,630)
Corporate Governance	880	0	880	(880)	0	(880)
Corporate Items	2,899,340	0	333,332	(333,332)	0	(2,899,340)
Facilities Management Total	1,700,280	93,342	953,869	(860,527)	1,695,276	(5,004)
IT Total	930,550	30,475	328,432	(297,957)	730,550	(200,000)
Resources	561,700	0	76,084	(76,084)	561,700	0
IT Transformation Unallocated	238,790	0	166,664	(166,664)	0	(238,790)
Corporate Services Total	8,772,110	221,485	2,787,327	(2,565,842)	5,007,466	(3,764,644)

Children, Schools & Families Summary Capital Report - July 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	47,500	(47,500)	95,000	0
Cranmer expansion	31,260	(3,845)	31,260	(35,105)	31,260	0
Joseph Hood Permanent Expansn	3,830	(2,965)	3,830	(6,795)	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	3,547	3,550	(3)	3,550	0
Hillcross School Expansion	1,560,510	742,986	748,595	(5,609)	1,560,510	0
Merton Abbey Temp Accomodation	1,179,940	762,994	579,170	183,824	1,179,940	0
Pelham School Expansion	3,161,140	1,154,439	1,912,470	(758,031)	3,161,140	0
Dundonald expansion	3,106,710	533,322	2,121,980	(1,588,658)	3,106,712	2
Poplar Permanent Expansion	289,900	160,177	(155,072)	315,249	289,900	0
Liberty expansion	0	0	0	0	0	0
Singlegate expansion	1,412,810	53,608	1,121,194	(1,067,586)	1,412,803	(7)
Wimbledon Chase DCSF grant	0	0	0	0	0	0
Wimbledon Park expansion	70,530	(4,497)	70,530	(75,027)	70,530	0
Primary Expansion	11,072,260	3,390,937	6,504,877	(3,113,940)	11,072,253	(7)

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

Scheme Description	Total Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance
Devolved Formula Capital	568,830	120,584	192,968	(72,384)	568,830	0
Early Years	0	(59,158)	0	(59,158)	0	0
Free School Meals	193,080	0	118,080	(118,080)	193,080	0
Cricket Green Site	137,470	20,530	72,444	(51,914)	137,470	0
Primary school autism unit	1,145,240	230,934	1,142,125	(911,191)	1,145,240	0
Breaks-disabled children grant	0	(7,242)	0	(7,242)	0	0
Perseid	1,139,680	418,738	614,546	(195,808)	1,139,680	0
Secondary School Autism Unit	0	0	103,332	(103,332)	0	0
Schs Cap Maint & Accessibility	738,860	(5,365)	413,860	(419,225)	738,860	0
B631 - Solar PV Raynes Prk Pav	0	(1,000)	0	(1,000)	0	0
Raynes Park Sports Pavilion	4,770	0	4,770	(4,770)	4,770	0
Secondary School expansion	770,000	0	491,664	(491,664)	770,000	0
Expansion Inflation Contingency	0	0	17,230	(17,230)	0	0
Schools Equipment Loans	104,450	0	52,225	(52,225)	104,450	0
Admissions IT System	105,000	0	0	0	105,000	0
	4,907,380	718,021	3,223,244	(2,505,223)	4,907,380	0
Children Schools and Families	15,979,640	4,108,958	9,728,121	(5,619,163)	15,979,633	(7)

Environment & Regeneration Summary Capital Report - July 2015 Monitoring

Scheme Description	Total Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance
Footways Planned Works	1,060,000	44,180	90,000	(45,820)	1,060,000	0
Greenspaces	1,255,840	248,983	603,961	(354,978)	1,254,590	(1,250)
Highways General Planned Works	462,460	(10,642)	122,475	(133,117)	462,460	0
Highways Planned Road Works	1,500,000	13,414	150,000	(136,586)	1,500,000	0
Leisure Centres	1,328,760	13,456	93,080	(79,624)	1,328,760	0
Other E&R	93,260	24,965	42,760	(17,795)	93,260	0
On and Off Street Parking	20,140	10,236	20,140	(9,904)	20,140	0
Regeneration Partnerships	5,554,110	12,363	2,215,644	(2,203,281)	5,537,175	(16,935)
Street Lighting	600,000	0	20,000	(20,000)	600,000	0
Street Scene	340,690	29,078	75,160	(46,082)	340,690	0
Transport for London	2,622,430	179,627	511,610	(331,983)	2,622,430	0
Traffic and Parking Management	1,462,630	1,376	579,000	(577,624)	1,462,630	0
Transport and Plant	877,690	(11,172)	181,654	(192,826)	877,690	0
Safer Merton - CCTV & ASB	300,000	0	100,000	(100,000)	300,000	0
Waste Operations	218,400	2,515	106,200	(103,685)	218,400	0
Environment and Regeneration	17,696,410	558,379	4,911,684	(4,353,305)	17,678,225	(18,185)

Virement, Re-profiling and New Funding -JULY

Appendix 5b

	2015/16 Budget	Virements	Adjusted & New Funding	Reprofiling	Revised 2015/16 Budget	2016/17 Budget	Adjsutments	Revised 2016/17 Budget	Narrative
	£	£	£	£	£	£	£	£	
Corporate Services									
IT Transformation (1)	196,990				196,990	0	0	0	
PlanWeb	38,000		3,800		41,800	0	0	0	Funded from OCPB Reserve
Children, Schools & Families									
Pelham Permanent Expansion	3,135,400	25,740			3,161,140	0	0	0	Virement from climate change initiatives for
Perseid - Further 28 places	100,000			(100,000)	0	1,500,000	100,000	1,600,000	Budget for 2015-16 re-profiled into 2016-17
Admissions IT System (1)	0		105,000		105,000	0	0	0	Contract to proved schools admissions IT for 5 years with an option to extend for two further years. Funding from OCPB Reserve agreed by MIB/M2015
Community & Housing									
Western Road	875,000			(875,000)	0	0	875,000	875,000	Delays in both schemes in Western Road will result in expected spend occurring in 2016/17
Environment & Regeneration									
Colliers Wood Regeneration Fund	980,920		59,220		1,040,140				
Figges Marsh Changing Rooms	142,870		(142,870)		0				Scheme will not be progressed
Morden shopping parades (1)	0		111,000		111,000	0	410,000	410,000	New scheme funded by New Homes Bonus top slicet
Mitcham Major Schemes – TfL	1,900,000		(100,000)		1,800,000	884,000	0	884,000	Adjustment to TfL Funded Scheme
20MPH Zones	13,800	0	(13,800)		0	0	0	0	To be added to revenue expenditure funded by TfL
Brighter Business	0		10,000		10,000	0	55,000	55,000	New scheme funded by New Homes Bonus top slice
Climate Change Initiatives	25,740	(25,740)				0			Virement for solar panels at Pelham
Total	7,408,720	0	32,350	(975,000)	6,466,070	2,384,000	1,440,000	3,824,000	

1) Requires Cabinet Approval

Capital Programme Funding Summary 2015/16

	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
Cabinet - Sept June 2015 Monitoring	22,086	24,027	46,113
PlanWeb	4	0	4
Perseid - Further 28 Places	(100)	0	(100)
Admissions IT System	105	0	105
Western Road	0	(875)	(875)
Figges Marsh Changing Rooms	(143)	0	(143)
Colliers Wood Regeneration Fund	0	59	59
Mitcham Major Schemes	0	(100)	(100)
20MPH Zones	0	(14)	(14)
Morden shopping parades	0	111	111
Brighter Business	0	10	10
July Monitoring	21,952	23,218	45,170

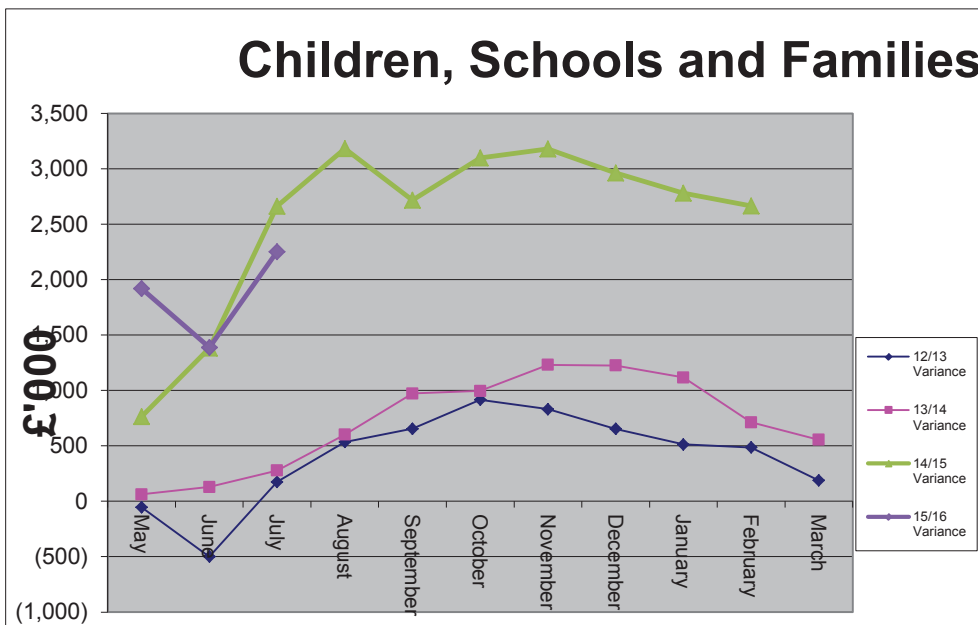
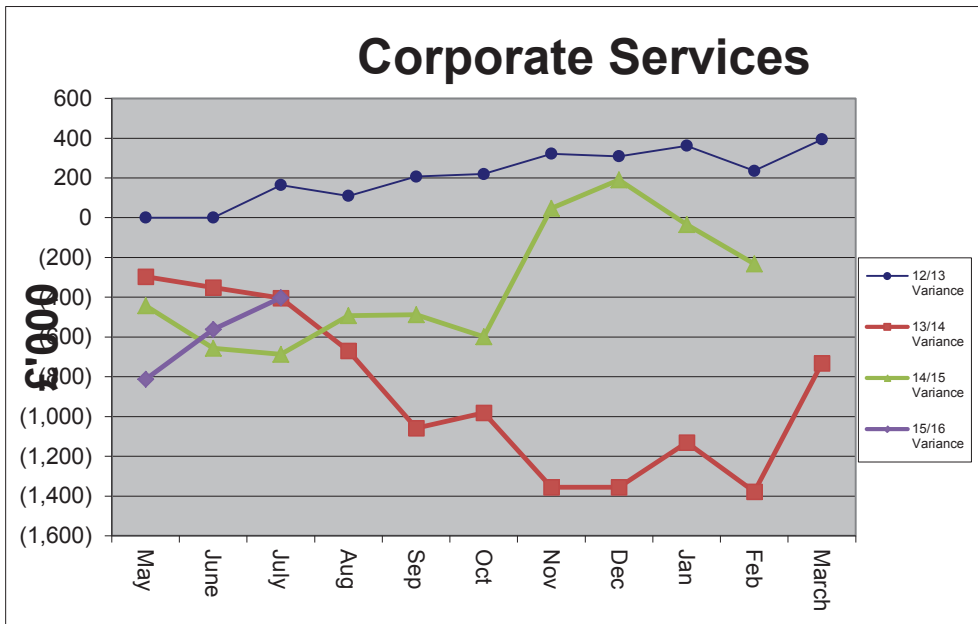
Capital Programme Funding Summary 2016/17

Appendix
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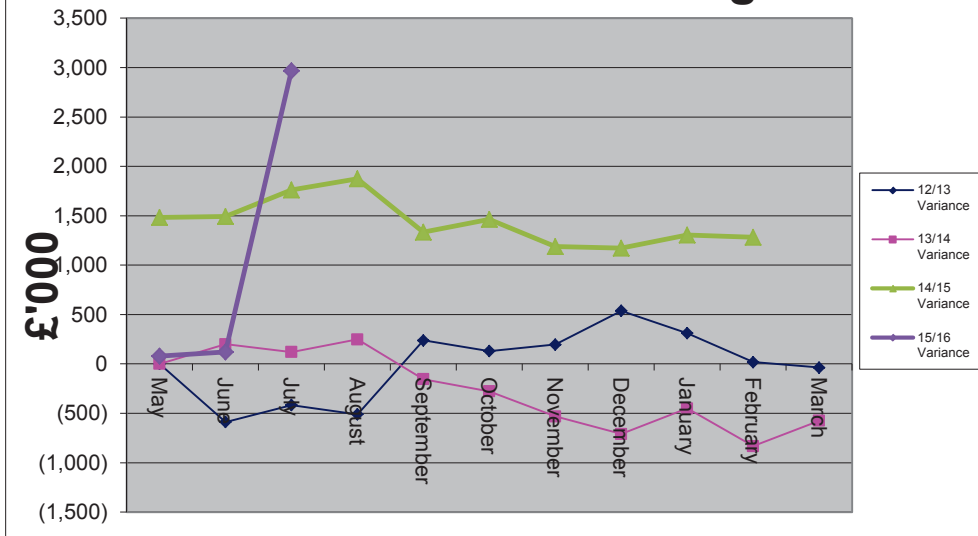
	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
Cabinet - Sept June 2015 Monitoring	49,369	12,207	61,576
Perseid - Further 28 Places	100	0	100
Western Road		875	875
Morden shopping parades		410	410
Brighter Business		55	55
July 2015 Monitoring	49,469	13,547	63,016

APPENDIX 6

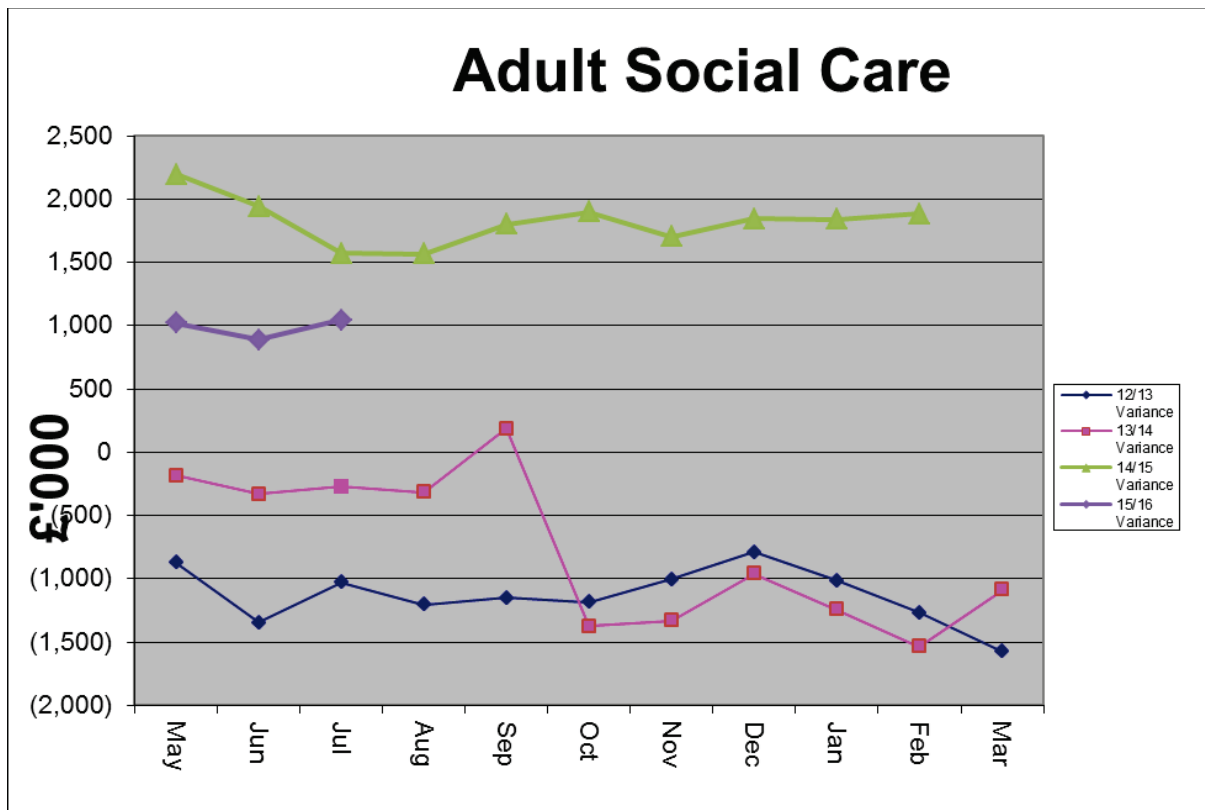
The following charts show the forecast year end variance by department with a comparison for 2012/13, 2013/14 and 2014/15:



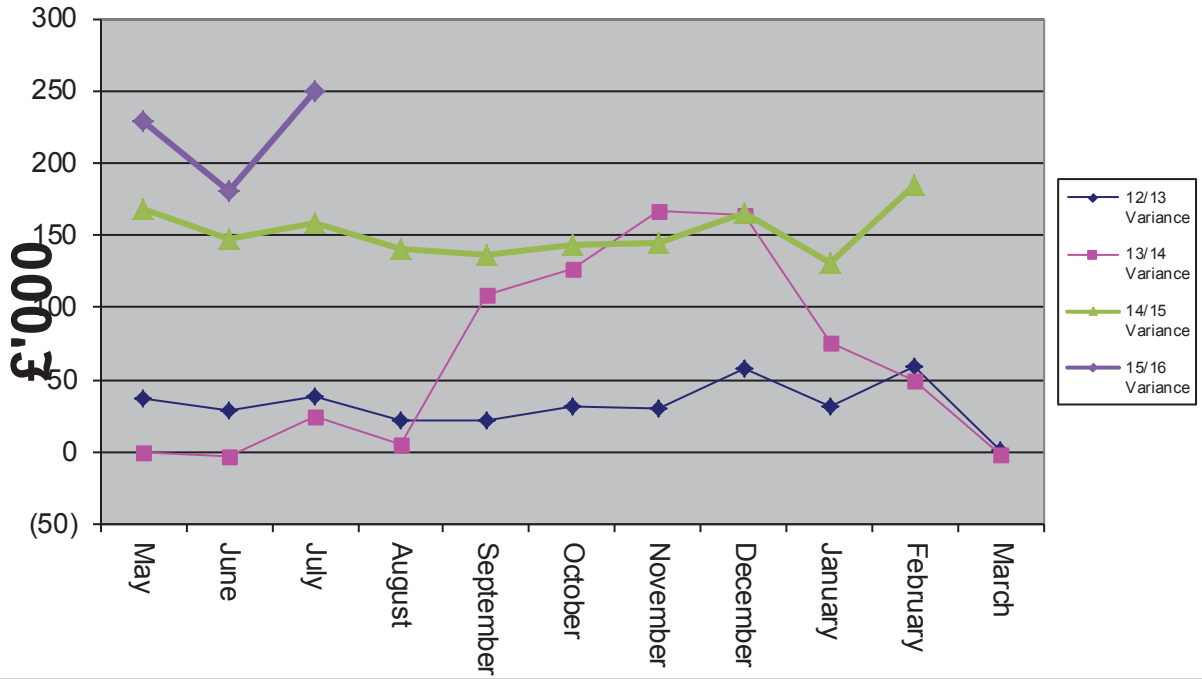
Environment and Regeneration



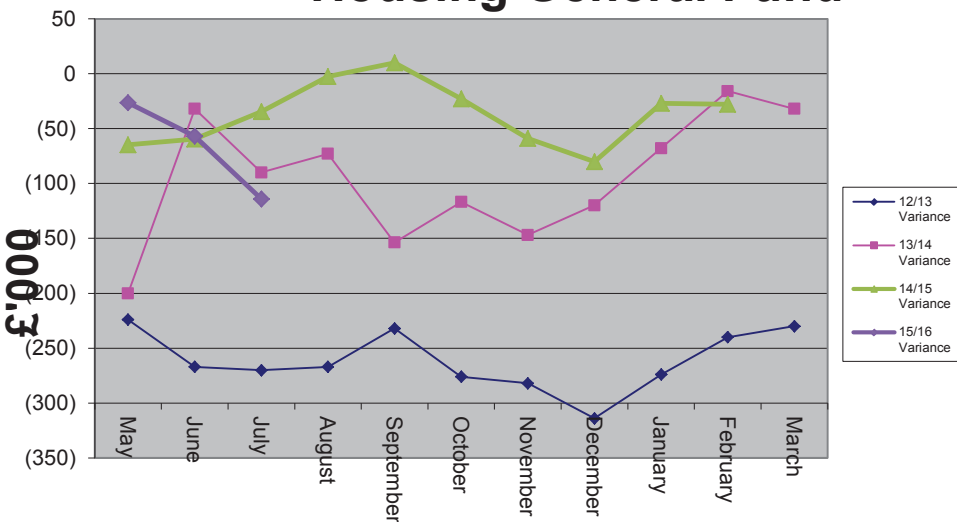
Adult Social Care



Libraries & Adult Education



Housing General Fund



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 expect to achieve the savings target, increased cost due to higher and more complex caseload is causing the service area to overspend. Detailed analysis to back up the cost reduction in placement costs through negotiations with providers are reported to DMT every quarter.	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 reduced the post 16 LAC/CL accommodation saving for 2015/16 from £100k to £58k.	58	58	0	A	Paul Ballatt	Base budgets were reduced for the savings target. Although we expect to achieve the savings target, increased cost due to higher and more complex caseload is causing the service area to overspend. Detailed analysis to back up the cost reduction in placement costs through negotiations with providers are reported to DMT every quarter.	Y
	<u>Commissioning, Strategy and Performance</u>							

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
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		
CSF2014-04	<u>Youth Services</u> 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	185	(165)	R	Rahat Ahmed-Man	The 2015-16 budget build allowed inflation growth of £550k, but after 5 yrs of zero % contract price increases suppliers are increasingly choosing not to trade with merton LBC. In response to this and to secure a viable and sustainable market Commissioning staff are negotiating good value contracts going forward. To date the financial impact of these are estimated to be £365k in 2015-16 for res and nursing care contracts so for now savings of £185k look possible, but with more contracts being renegotiated there is a risk that further price increases will be agreed and saving may reduce further in 2015-16, hence, the Red rating. Since last month, a few more providers have requested uplifts, but to date, no agreements have been made. Merton are beginning to get a few comments from providers about the impact of the London Living Wage which comes into effect next April 2016.	
ASC9	Remodelling and re-procuring the domiciliary care service, following the end of the 3 year contract starting in 2012.	250	(150)	(400)	R	Rahat Ahmed-Man	Since this savings target was set market conditions have changed. Providers are being required to pay staff travel time and are under pressure to pay the London living wage. Therefore. price increases are more likely than price reductions. So far renegotiated dom care contracts are estimated to cost an extra £150k in 2015-16. This means compensating savings will need to be found by over achieving against other targets.	
CH10	Procurement Opportunities	250	362	112	G	Rahat Ahmed-Man	The Orchard Hill LD Supported Living Contract was relet from 16th February 2015. The new price assuming care hours do not exceed 1,350 in a year is £980k p.a. This compares to an annual cost under the old contract of £1.391m i.e. whole year savings forecast is £411k. The pro rata savings in 2015-16 are therefore £362k, so the £250k target <u>will be over-achieved in 2015-16 by £112k</u> . This will help compensate for the Dom care savings (above) unlikely to be achieved.	

APPENDIX 7

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
CH1	Brokerage efficiency savings	31	56	25	G	Rahat Ahmed-Man	Based on actual savings in previous years which exceeded £100k the Brokerage Manager is confident that this is a feasible savings target from better sourcing/re negotiations in 2015-16 and <u>there is a high probability that this target can be substantially exceeded e.g. at least doubling it looks feasible.</u>	
ASC10A	Review of care packages with a view to an overall average reduction in line with promoting independence	100	145	45	G	Rahat Ahmed-Man	A high cost cases review will be initiated in 2015-16, but savings from it aren't likely to be realised until 2016-17 onwards i.e. in 2015-16 reviews will focus on mid-range packages of £400-£1500 p.w. (excl. Dir Payments as these were reviewed in 2014-15). The £206k savings target represents about 1% of the annual cost of these packages, so it is feasible, but these cases have been reviewed in previous years and inevitably in some cases costs will properly increase in line with increased needs after a review so careful monitoring will be in place. Note: Reviews of Direct payment cases in Jan-Mar 2014-15 reduced costs by £57k p.a. Of this £12k related to 2014-15 and £45k to 2015-16. If you add this to £42k of savings from reviews in Apr to June 2015 and £39K projected savings in July, it is likely that savings from reviews will exceed the target and help <u>to compensate for any savings shortfall from Dom Care Remodelling.</u>	
*ASC18	* Review of care packages	75	81	6	A	Rahat Ahmed-Man		
CH2	Domiciliary care service	31	31	0	A	Rahat Ahmed-Man		
CH3	Procurement Opportunities (Placement budget)	32	32	0	A	Rahat Ahmed-Man	So far possible annual savings of £20k to £25k have been identified from changes to night cover arrangements and	
ASC2A	Outsource Reablement Service & realise benefits / efficiencies of the remodelled service	100	100	0	G	Sarah Wells	Required restructuring has taken place i.e. the projected savings will be realised.	
*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	Required restructuring has taken place i.e. projected savings will be realised. MAAT closed and its role is now fulfilled a new Information, Advice and Support Hub will be operated in partnership with the Voluntary Sector.	

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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
*ASC18	*Supporting People	300	300	0	A	Rahat Ahmed-Man	After £36k growth the net change in the budget is an 11% reduction on 2014-15. This can be partly achieved as the 2014-15 budget was underspent by £140k and because services previously costing ASC £30k at Grenfell to support vulnerable families are to be fully funded by CSF in in 2015-16. Savings of £96k still to be identified, but responsible officers are confident that this will be achieved.	
CH4	Staffing reductions within the Commissioning Team	71	71	0	A	Rahat Ahmed-Man	Staff restructuring is necessary to deliver this saving and this process has begun and it is anticipated that it will deliver these savings in full in 2015-16, but until this is 100% certain an amber rating is appropriate and actual savings are stated as nil.	
CH5	Staffing reductions across Direct Provision	99	99	0	G	Andy Ottaway-Searle	The required staff restructuring has already taken place so these savings will be fully achieved.	
*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	The required restructuring has taken place. As a result more volunteers will work at centres, and there will be a closer link with Merton Mencap will result in that group offering activities previously supported by staff and outside normal opening hours, but extra single status costs will add new staff costs in Direct Care Services	
	Libraries			0				
CH5	Reduction in Media Fund	12	12	0	G	Anthony Hopkins		
CH6	Increase income - Libraries	10	10	0	G	Anthony Hopkins		
	Merton Adult Education			0				
CH15	Increased income and some staff reductions	14	14	0	G	Yvonne Tomlin		
	Housing			0				
CH8	Homelessness Prevention Grant	35	35	0	G	Steve Langley		
Trf from E&R	Enviromental Health Salaries	69	69	0	G	Steve Langley		
	Total Community & Housing Department Savings for 2015/16	2,154	1,777	(377)				

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		
CS16	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	G	Mark Humphries		
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 marketing jobs.	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	Alternative saving found due to CHAS IP payment.	
	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
LEISURE & CULTURE								
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
TRAFFIC & HIGHWAYS								
EN29	Re-Structure of Traffic and Highway Services	252	196	56	A	James McGinlay	Due to delay in implementation, the full effect of this saving will not be realised this year.	Y
FUTURE MERTON								
EN42	Consultancy Income.	40	40	0	A	James McGinlay	No definitive income streams identified as yet.	Y
GREENSPACES								
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	17	22	R	James McGinlay	Shortfall based on P3 forecast.	Y
WASTE SERVICES								
EN16	Deletion of a vacant post within our Sheltered Placement team (£20k), and a reduction in transport related budgets.	66	66	0	G	Cormac Stokes		N
SAFER MERTON								
EV01	Reprocurement of CCTV maintenance contract leading to efficiency savings.	36	36	0	G	John Hill		N
REGULATORY SERVICES								
ER10	Merton & Richmond shared regulatory services.	230	110	120	A	John Hill	New structure estimated to commence in October 2015, so only a part-year effect saving will be achieved this year.	Y
PARKING SERVICES								
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
EV12	Introduction of unattended automatic number plate recognition CCTV parking enforcement cameras at fixed locations.	3,214	0	3,214	R	John Hill	A legal challenge to the award of the contract for the provision and maintenance of ANPR cameras has been received from one of the losing bidders resulting in a suspension of the contract award.	Y
Total Environment and Regeneration Savings 2014/15		4,192	780	3,412				

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

APPENDIX 8

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/Underspend? Y/N
Education										
CSF2012-08	Introduce new models of fulfilling the council's statutory responsibilities for the provision of SEN transport	140	100	40	140	0	G	Jane McSherry	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. To date £24k has been met from ITT and £34k from PB. The overall transport budget is expected to overspend due to increased caseloads and costs due to complexity of caseloads.	

DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2014/15

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/Underspend? Y/N
	Adult Social Care									
AS13/A AS34 Page 204	Brokerage Efficiencies	300	118	182	A	182	0	Julie McCauley	1. The Brokerage savings target in 2015-16 from brokerage is just £31k and since activity will be similar to 2014-15 a similar level of savings are anticipated. The expected over achievement in 2015-16 will substantially cover the shortfall in 2015/16. 2. Additionally the Brokerage team negotiate the best value care packages; including for new customers i.e. some of their value added is through cost avoidance. In 2014-15 this was estimated to be circa £82k for the year. The benefits of these will be reaped in 2015-16 also. 3. Therefore, if cost avoidance was taken into account there is every chance that the full shortfall would be recouped in 2015-16.	Y
ASC8	Optimising the use of block and spot contracts-OP&LD	300	137	163	R	112	51	David Stark	After 5 years of zero % contract price rises suppliers are increasingly powerful as they can sell to other London Boroughs at higher prices than Merton pays. As a consequence planned savings could not be fully achieved in 2014-15. However, contract negotiations enabled off-set savings of £141k from the Supporting People contracts. In 2015-16 a £112k over achievement on the Orchard Hill Contract renegotiation savings target will partly off-set the 2014-15 shortfall.	Y

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/Underspend? Y/N
ASC46	Review Service packages	60	108	(48)	G	60	(108)	Jean Spencer	Actual savings from regular reviews by Period 7 were £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 with a full year effect of £57K. Most of this (circa £45K) will be saved in 2015-16 and help to compensate for 2014-15 shortfalls in review savings for other client group i.e. this saving will be further over achieved in 2015-16 by £45k	
ASC54	Reduction in Mental Health Placement	50	0	50	R	0	50	Kamla Sumbhoolual	Increased volumes/complexity of care packages for people requiring MH support prevented this saving being achieved. The panel process has been reviewed to ensure all parties now make an appropriate contribution going forward, but this will not deliver new savings as such. Therefore the underachievement in 2014-15 will be offset by over achievement on OP reviews in 2015-16 as explained in ASC 46 above.	Y

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/Underspend? Y/N
CH12	Remove day care costs from residential customers	250	0	250	R	0	250	Andy Ottaway-Searle	The 2015-16 ASC Redesign Programme includes a full review of in-house day services. It will look at the people in res care and sup living to look at alternative activities that could reduce day service costs to seek to recover the 2014-15 shortfall. However, LD/PD teams place few people in external day care and those who are placed mostly live at home and attend highly specialised day services i.e. anticipated savings are limited and withdrawing people in residential care from day services risks higher charges from residential providers i.e. most of this savings shortfall will be off-set in 2015-16 by the over achievement of other savings targets e.g. by brokerage and from OP reviews.	Y
CH14	All Saints Respite extension	36	0	36	R	0	36	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 be achieved as planned unless the works are done i.e. recovery in 2015-16 will be by over achievement of other savings targets e.g. by brokerage and from OP reviews	Y

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/Underspend? Y/N
CH15	Assistive Technology	70	0	70	R	0	70	Andy Ottoway-Searle	AT is a key part in preventative services e.g. the 'Just Checking' tool allows a more accurate assessment to be made of an individual's needs, enabling a suitably tailored package for 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 so there may be evidence to prove that AT helped recoup savings not achieved in 2014-15	Y
CH6	Voluntary Organisation-SLA reduction	150	0	150	R	150	0	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 are hard to validate as the effect is cost avoidance.	Y
ASC51	Voluntary Sector Grants-reduction in infrastructure	98	0	98	R	98	0	Rahat Ahmed-Man	Grants were reduced from circa £1m in 2013-14 to circa £830k in 2014-15. Due to a decision to provide transitional funding to various voluntary organisations the saving was not achieved in 2014-15. Transitional arrangements end in 2015-16 so savings will be achieved going forward.	Y

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/Underspend? Y/N
ASC53	Meals on wheels contract	50	0	50		50	0	Rahat Ahmed-Man	A new (joint with Croydon) was due to commence in July 2015, but, non-compliant bids meant the process failed. A new contract to save £100k p.a. will be let in 2015-16. Forecast savings should be realised from 2016-17 onwards	Y
ASC4	TCES Retail Model (simple equipment)	23	32	(9)	G	23	(32)	Maiké Blakemore		
Page 208 ASC44	Remodelling of reablement service	282	0	282	G	282	0	Sarah Wells	When the MILES service was remodelled as Reablement the staff structure was adjusted i.e. these savings will recur each year. However, the need to employ agency home care on a one off basis during the transition period and to respond to hospital discharges and other winter pressures resulted in overall staff costs exceeding these savings in 2014-15. At the end of July 2015 the Reablement budget is forecast to underspend by £261k . By holding these vacancies a little longer the £282k shortfall can be recouped.	
	Staff Vacancy Factor	105	41	64	G	64	(0)	ALL	The staffing budgets were underspent, but not by as much as planned. A restructuring exercise in 2015-16 will ensure future staffing establishments are affordable and recovers this shortfall from 2014-15	

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/Underspend? Y/N
CH2	Promoting independence	500	0	500	A	500	0	Sarah Wells	The delay in implementing the reablement model meant these savings were not fully achieved. Reablement is now in place so savings in 2015-16 will be achieved and will be evidenced by comparing support hours at the start and end of reablement.	
ASC6/ASC49/CH8	Transport	246	0	246	R	246	0	Andy Ottaway-Searle		Y
Page 209 ASC50/CH7	Staffing savings in Direct Provision	216	0	216	R	216	0	Andy Ottaway-Searle	Posts were deleted and budgets reduced at the start of the year, but, increased volumes from 12 to 38 people at our supported living services, plus the need to back fill long term sickness to meet CQC standards led to other staffing budgets overspending. This offset the planned savings. Since increased activity remains unfunded this overspend will only be recouped in 2015-16 if other savings targets are over achieved	Y
	Sub-total Adult Social Care	2,736	436	2,300	0	1,983	317			
	<u>Merton Adult Education</u>									
	Increase income from commercial courses and café, reduction in staff. Admin & marketing cost.	176	0	176	R	0	176			
ASC23										
	Total Community & Housing Dep't Savings for 2014/15	2,912	436	2,476		1,983	493		There are a variety of new measures in 2015-16 designed to recoup this remaining shortfall.	

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>Corporate Governance</u>									
CS32	Integrate the FOI and Complaints functions	40	0	40	40	0	G	Paul Evans	Alternate savings within division identified and implemented	Y
	<u>I&T</u>									
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	15	0	G	Mark Humphries	Saving achieved from the wider consolidated facilities management budgets	Y
CS47	CRB Income generation via sales to PVI	30	27	3	30	0	G	Dean Shoesmith	Income shortfall in 14/15	Y

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/Unders pend? Y/N
GREENSPACES										
EN45	Further commercialisation and development of sports and allied parks services	96	67	29	85	11	R	James McGinlay		Y

WASTE SERVICES											
ER17	Consultancy and legal costs cease in relation to new partnership contracts	213	188	25		213	0	G	Cormac Stokes	On track to be delivered in 15/16	N
ER25	Commercial Waste and Recycling	250	0	250		250	0	G	Cormac Stokes	Saving replaced for 2015/16 by EV12.	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	Improved management of the sickness monitoring is in place. All LTA being seen by HofS.	N
PARKING SERVICES											
EN03	Enforcement of new CPZ's (Controlled Parking Zones)	50	10	40		50	0	G	John Hill		Y
EN04	Implementation of Pay & Display machines in new CPZ's (Controlled Parking Zones)	75	15	60		75	0	G	John Hill		Y
Total Environment and Regeneration Savings 2014/15		784	280	504		773	11				