

Merton Council

Cabinet

12 October 2016

Supplementary agenda

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Cabinet

Date: 12 October 2016

Subject: Financial Report 2016/17 – August 2016

Lead officer: Paul Dale

Lead member: Mark Allison

Reason for urgency: The chair has approved the submission of this report as a matter of urgency as it provides the latest available monitoring information for 2016/17. This requires consideration as it has implications for current and future years' budget monitoring and management.

Recommendations:

- A. That LSG/Cabinet note the financial reporting data relating to revenue budgetary control, showing a forecast net overspend at year end of £4.966million, 0.9% of the gross budget.
- B. That LSG/Cabinet approve the proposed adjustments to the Capital Programme detailed in appendix 5b. That Cabinet notes the adjustments made to the Capital Programme in Appendix 5b and approves the following:

Scheme	2016/17 Budget	Adjustment	Revised 2016/17 Budget
	£	£	£
Bus Stop Compliance*	0	134,000	134,000

* Fully funded by Transport for London

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 This is the financial monitoring report for the first quarter of 2016/17 presented in line with the financial reporting timetable.

This financial monitoring report provides:-

- The income and expenditure at period 5 and a full year forecast projection.
- An update on the capital programme and detailed monitoring information;
- An update on Corporate Items in the budget 2016/17;
- Progress on the delivery of the 2016/17 revenue savings
- Progress on the delivery of 2014/15 and 2015/16 revenue savings

2. THE FINANCIAL REPORTING PROCESS

- 2.1 The budget monitoring process will continue to focus on adult social care and children's social care as these areas are forecasting significant overspends. Urgent mitigating action is required to address the scale of the forecast overspend.

2.2 Chief Officers, together with budget managers and Service Financial Advisers are responsible for keeping budgets under close scrutiny and ensuring that expenditure within budgets which are overspending is being actively and vigorously controlled and where budgets are under spent, these underspends are retained until year end. Any final overall overspend on the General Fund will result in a call on balances as has been the case for the last two financial years, however this action is not sustainable longer term.

2.3 2016/17 FORECAST OUTTURN BASED UPON LATEST AVAILABLE DATA

Executive summary – At period 5 to 31st August 2016 the year end forecast is a net £4.966m overspend compared to the current budget.

Summary Position as at 31st August 2016

	Current Budget 2016/17	Full Year Forecast (August)	Forecast Variance at year end (August)	Forecast Variance at year end (July)	Outturn variance 2015/16
	£000s	£000s	£000s	£000s	£000s
Department					
3A. Corporate Services	11,679	11,542	(137)	(161)	(373)
3B. Children, Schools and Families	50,777	52,629	1,852	1,648	(7)
3C. Community and Housing	56,764	64,171	7,407	7,233	940
3D. Public Health	43	44	0	(59)	(7)
3E. Environment & Regeneration	22,482	22,720	238	97	3,632
Overheads	0	0	0	0	272
NET SERVICE EXPENDITURE	141,746	151,106	9,360	8,758	4,457
3E. Corporate Items					
Impact of Capital on revenue budget	13,643	13,649	6	6	49
Central budgets	(8,704)	(11,897)	(3,194)	(2,202)	(2,846)
Levies	928	928	0	0	0
TOTAL CORPORATE PROVISIONS	5,867	2,679	(3,188)	(2,196)	(2,797)
TOTAL GENERAL FUND	147,613	153,786	6,173	6,562	1,660
FUNDING					
Revenue Support Grant	(23,156)	(23,156)	0	0	0
Business Rates	(34,230)	(34,230)	0	0	0
Other Grants	(9,811)	(10,353)	(542)	(542)	(954)
Council Tax and Collection Fund	(80,399)	(80,399)	0	0	(6)
FUNDING	(147,597)	(148,139)	(542)	(542)	(960)
Appropriation from reserves		(665)	(665)	(665)	0
NET	17	4,982	4,966	5,356	699

Subjective analysis as at 31st August 2016

	Current Budget 2016/17	Full Year Forecast at (Aug)	Forecast Variance at year end (Aug)	Forecast Variance at year end (July)
Expenditure	£000	£000	£000	£000
Employees	93,219	94,587	1,368	1,397
Premises Related Expenditure	8,290	8,040	-250	-315
Transport Related Expenditure	14,535	15,273	738	761
Supplies and Services	167,958	167,062	-896	-2,014
Third Party Payments	88,965	99,168	10,204	8,945
Transfer Payments	104,224	93,128	-11,096	-7,904
Support Services	32,153	32,154	0	1
Depreciation and Impairment Losses	17,638	17,637	-0	-0
GROSS EXPENDITURE	526,981	527,049	68	870
Income				
Government Grants	-266,780	-256,643	10,137	8,175
Other Grants, Reimbursements and Contribs	-22,252	-23,813	-1,560	-1,630
Customer and Client Receipts	-63,377	-62,579	799	1,178
Interest	-46	-23	23	23
Recharges	-32,518	-32,519	-0	-0
Balances	-261	-367	-106	143
GROSS INCOME	-385,235	-375,943	9,292	7,888
NET EXPENDITURE	141,746	151,106	9,360	8,758

Chart 1 below shows the forecast year end variance for departmental expenditure with a comparison against prior years.

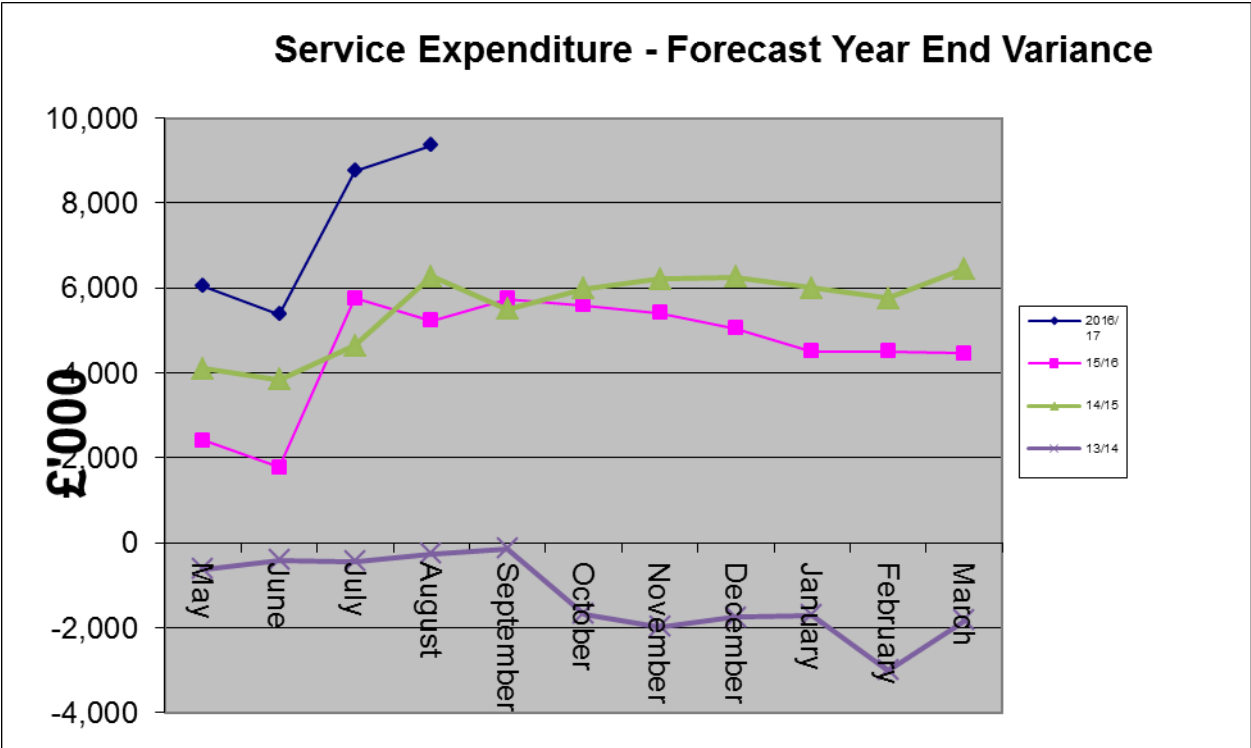
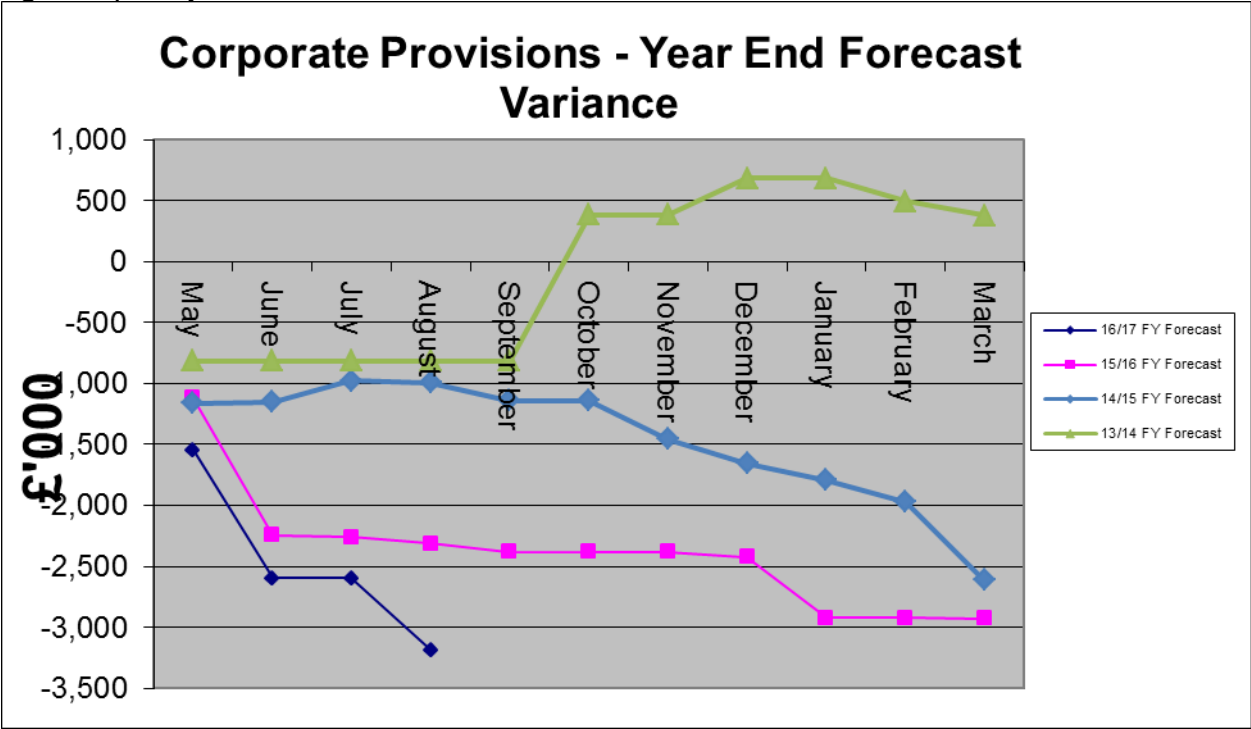


Chart 2 shows the forecast year end variance for corporate provisions with a comparison against prior years.



3. DEPARTMENTAL SUMMARY OF CURRENT POSITION

Corporate Services

	2016/17 Current Budget £000	Full year Forecast (August) £000	Forecast Variance at year end (August) £000	Forecast Variance at year end (July) £000	2015/16 Variance at year end £000
Business Improvement	3,280	3,185	-94	-59	-29
Infrastructure & Transactions	9,423	9,379	-44	-15	-249
Resources	6,802	6,804	2	-11	-243
Human Resources	2,231	2,128	-102	-110	-55
Corporate Governance	2,663	2,447	-216	-229	-426
Customer Services	2,584	2,559	-26	-149	-479
Corporate Items (including redundancy costs)	981	1,324	343	412	1,109
Total (Controllable)	27,964	27,827	-137	-161	-372

Overview

The Corporate Services (CS) department are forecasting an underspend of £137k at year end. This compares to a period 4 forecast underspend of £161k.

Business Improvement - £94k under

The underspend is due to an overachievement of street naming income and an underspend relating to non-salary expenditure.

Resources - £2k over

Resources are now forecasting an overspend of £2k. There is an overspend of £80k relating to the delayed implementation of the FIS/E5 finance system. This has been largely absorbed by underspends elsewhere in Resources.

Human Resources – £102k under

An underspend of £102k is due to unfilled posts within the new HR structure.

Corporate Governance - £216k under

Corporate Governance are forecasting a £216k underspend. This is partly due to a £52K underspend in Internal Audit, a consequence of an Audit Partnership restructure. £38k relates to Benefits investigation where a 17/18 saving has been captured early.

Merton legal are also forecasting an overachievement of income relating to S106 and Merton Property charges of £82k

Customer Services - £26k under

Customer Services' underspend has reduced by £123k from period 4. This is largely due to a reduction in the anticipated recovery of court cost income.

There is a £24k overachievement of translation services income. Of this, two thirds of the overachievement relates to external customers and one third internal customers.

Corporate Items - £343k over

Redundancy costs are forecasted to be £300k over budget.

Estimates from Westminster Council regarding the shared coroner court service are £72k more than budget. The cost of the overall service has increased. We have been given the schedule detailing 2016/17 costs to Merton and some narrative to explain increase. However, the narrative is not entirely clear and we are in correspondence with them for further clarification. It is hoped we will be able to update further in time for period 6 reporting.

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	2016/17 Current Budget £000	Full year Forecast (Aug) £000	Forecast Variance at year end (Aug) £000	Forecast Variance at year end (July) £000	2015/16 Variance at year end £000
Public Protection	(10,962)	(11,281)	(319)	(305)	3,709
Sustainable Communities	12,359	12,329	(30)	(9)	(600)
Waste Services	15,283	15,682	399	255	187
Other	(866)	(678)	188	156	336
Total (Controllable)	15,814	16,052	238	97	3,632

Description	2016/17 Current Budget £000	Forecast Variance at year end (Aug) £000	Forecast Variance at year end (July) £000	2015/16 Variance at year end £000
Overachievement of Customer & Client Receipts within Parking Services	(17,194)	(263)	(263)	3,281
Other small over and underspends	6,232	(56)	(42)	428
Total for Public Protection	(10,962)	(319)	(305)	3,709
Overachievement of rental income within Property Management	(4,065)	(248)	(245)	(430)
Employee overspend within Greenspaces	2,271	97	97	80
Underachievement of Customer & Client Receipts within Greenspaces	(2,053)	190	190	278
Underachievement of Customer & Client Receipts within Future Merton	(1,895)	74	94	6
Underspend within Senior Management & Support	972	(93)	(95)	(149)
Other small over and underspends	17,129	(50)	(50)	(385)
Total for Sustainable Communities	12,359	(30)	(9)	(600)
Employee overspend within Waste Services	7,594	203	199	213
Overspend on 3 rd party payments within Waste Services	6,756	320	201	346
Overspend on Transport related costs within Waste Services	1,938	137	53	(146)
Overspend within Transport Services	866	188	156	336
Other small over and underspends	(2,737)	(261)	(198)	(226)
Total for Street Scene & Waste	14,417	587	411	523
Total Excluding Overheads	15,814	238	97	3,632

Overview

The department is currently forecasting an overspend of £238k at year end. The main areas of variance are Parking Services, Property Management, Greenspaces, Future Merton, Waste Services, and Transport Services.

Pressures

Public Protection

Parking & CCTV Services – forecasting a total £159k underspend

The section is forecasting to overachieve on its customer and client receipts by £263k, mainly as a result of an over-recovery in most areas of on-street/ permit / bay suspension revenue (£246k), and off-street parking income (£221k). However, this is being partially offset by the continued funding of CPZ related expenditure (£200k). In addition, this outturn position currently includes allowance for a c£60k loss of income as a result of providing free parking during the Christmas period. However, consideration should be given to removing this concession as a result of the Authority's financial position.

The installation of the ANPR cameras across the borough is now almost complete, and the contract has now commenced. The section is awaiting the first set of clear data from the system, which should be received by the end of September, before adjusting the forecast accordingly. It was expected that this data would have been available by the end of July. However, because of initial technical difficulties with data received from some of the cameras, the ANPR data received for July and August will not be truly representative.

Sustainable Communities

Property Management – forecasting a total £175k underspend

The main reason for the forecast underspend is as a result of exceeding their commercial rental income expectations by £248k mainly due to conducting the back log of rent reviews in line with the tenancy agreements.

Greenspaces – forecasting a total £165k overspend

The forecast employee overspend of £97k is as a result of overtime payments (Parks), and staffing of the firework displays (before taking into account income received from the event).

The section is also forecasting an underachievement of income of £190k, which is a result of an underachievement of sports income (£100k), and the 'Live at Wimbledon Park' event (£70k). Unfortunately, due to lower than expected ticket sales, the event has been cancelled with a total of c£25k of costs incurred (net of refunds), and although this event was expected to break-even this year, there was a budgeted expectation for it to achieve a surplus of £70k. Work continues to identify how we can generate further income from events in parks.

These pressures are being partially off-set by expected underspends within Premises (£35k), Supplies & Services (£49k), and Grants & Contributions (£55k).

Future Merton – forecasting a total £105k overspend

An overspend of £105k is being forecast mainly due to an underachievement of customer & client receipts of £74k, which is mainly attributable to savings E&R39 and E&R40. Alternative savings are currently being worked upon and will be reported to Cabinet.

Street Scene & Waste

Waste Services – forecasting a total £399k overspend

The section is forecasting an employee related overspend of £203k as a result of covering for absences, sick leave, and in order to maintain the level of service performance. However, as the section's employee establishment is still to be finalised it is not yet possible to confirm how this impacts on their budgeted establishment.

The forecast overspend on 3rd party payments of £320k mainly relates to waste disposal costs. Landfill waste has increased by c840 tonnes (1.5%) compared to the same period last year, at a cost of £92 p/t. A major contributing factor to this increase is the reduction of food waste which has fallen by 3.5%. In addition to this, Garden waste has increased by 8% which is a positive contributor to the services recycling performance. However this additional waste is subject to a gate fee and haulage cost.

These pressures are being partially offset by expected underspends within Supplies & Services (£75k), Grants & Contributions (£94k), and Customer & Client Receipts (£54k).

Transport Services – forecasting a total £188k overspend

The overspend is mainly as a result of additional agency and overtime requirements due to a number of staffing issues, which are being addressed in line with corporate policy. A recent recruitment process for drivers through the conventional market places yielded only 7 applications and no appointable applicants. Advice has been taken from one of the commercial bus companies who have had similar issues in the past, in preparation for another recruitment drive in the coming months.

Children Schools and Families

Children, Schools and Families	2016/17 Current Budget £000	Full year Forecast (Aug) £000	Forecast Variance at year end (Aug) £000	Forecast Variance at year end (Jul) £000	2015/16 Variance at year end £000
Commissioning, Strategy and Performance	8,096	9,563	1,417	1,110	677
Education	16,289	16,690	401	328	34
Social Care and Youth Inclusion	11,679	12,351	722	706	309
Public Health contribution	0	0	0	0	(328)
PFI	7,799	7,311	(488)	(496)	(368)
Redundancy costs	2,077	1,877	(200)	0	(331)
Total (controllable)	45,940	47,792	1,852	1,648	(7)

Overview

At the end of August Children Schools and Families had a forecast overspend of £1.852m on local authority funded services. Close scrutiny of overspending areas and management action to offset these overspends are on-going by the management team.

Local Authority Funded Services

There are a number of volatile budgets requiring continuous and careful demand management which will be reflected through fluctuating monthly forecasts. Significant cost pressures and underspends identified to date are detailed below:

Description	Budget £000	Aug £000	Jul £000	2015/16 £000
Fostering and residential placements (ART)	5,056	271	(30)	377
Supported lodgings/housing	634	1,001	998	546
Un-accompanied asylum seeking children (UASC)	60	470	455	308
Procurement & School organisation	550	(214)	(208)	(276)
Other small over and underspends	1,796	(111)	(105)	(278)
Subtotal Commissioning, Strategy and Performance	8,096	1,417	1,110	677
SEN Transport	3,785	429	424	374
Staffing underspends across Early Years services	2,873	(250)	(250)	(315)
Children with disabilities team (CWD) staffing	541	85	84	8
Other small over and underspends	9,088	137	70	(33)
Subtotal Education	16,289	401	328	34
No Recourse to Public Funds (NRPF)	20	436	430	470
Social Work staffing	3,075	492	472	151
Other small over and underspends	8,585	(206)	(196)	(59)
Subtotal Children's Social Care and Youth Inclusion	11,679	722	706	309

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 cost pressures as detailed below. Placements are checked on a monthly basis and assumptions reviewed quarterly to ensure that they are as accurate as possible.

Service	Budget £000	Forecast spend £000	Variance		Placements	
			Aug £000	Jul £000	Aug Nr	Jul Nr
Residential Placements	2,127	2,412	285	68	21	21
Independent Agency Fostering	1,762	1,773	11	(32)	44	43
In-house Fostering	905	1,103	198	158	49	56
Secure accommodation*	164	22	(142)	(142)	0	0
Mother and baby	98	17	(81)	(82)	0	0
Total	5,056	5,027	271	(30)	114	120

*Known changes in secure accommodation was included in previous month's forecast.

The ART service seeks to make placements with in-house foster carers wherever possible. However, the needs of some looked after children mean that placements with residential care providers or independent fostering agencies are required.

- The forecast spend on residential placements has increased from July. There was no net increase in placements in the period but the main reasons for the change are as follows. 2 extra time in care, and others moved to more expensive placements. The costs for 3 further children in residential placements were reduced in the period.
- The forecast spend for agency fostering placements has also increased from July. There was a net increase of 1 placement. The significant changes included 4 children moving from in-house to agency foster carers; 1 new placement with an agency foster carer was made; and 3 children moved from agency carers to residential placement and in-house fostering.
- The forecast spend on in-house foster carers also increased from July despite a net reduction in placements. Significant changes included additional costs for 1 child due to his level of disability; forecast spend on 2 children transferring into in-house foster care thus increasing this budget's forecast spend; forecast costs for 1 LAC increasing following the birth of her own child also requiring placement; forecast spend on 1 newly looked after child.

The budget for semi-independent and supported lodgings/housing placements is estimated to overspend by £1,001k. This budget is used to finance an increased number of placements for young people aged 16/17 and above due to the requirements for Staying Put. These young people require semi-independent provision and for Care Leavers through to independence or, in some cases, through to the age of 21, as part of our new statutory duties. There are currently 58 placements, up from 35 in 2014/15.

The UASC payments are expected to overspend by £470k this year due to an increase in cases. At the end of August there were 24 placements with an increased number of claimant turning 18 later during the year, although this increase has been included in the August forecast.

Procurement and school organisation budgets are expected to underspend by £214k 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.

There are various other small over and underspends forecast across the division netting to a £111k underspend. These combine with the items described above to arrive at the total reported divisional overspend of £1,417k.

Education Division

SEN and FE transport cost are expected to overspend by £429k, £5k more than the forecast last month. This forecast is calculated using a case-by-case costs model and is reviewed monthly. We are reviewing demand management, cost efficiency of supply, and safeguarding of students with E&R who provide the in-house transport and commission the taxi service. We are in the process of procuring a Dynamic Purchasing System which should provide some cost reductions in future. The cost will be met from the transport budget so we do not anticipate a big reduction in the current year cost. We do however expect a reduction in cost from 2017/18 to reduce the current levels of overspend. Due to the changes in school attendance from the 15/16 to 16/17 academic years, we would expect the main change in this year's forecast in September/October monitoring while changes in routes are bedded down.

As part of management action, where possible, recruitment to vacancies in some areas will be delayed in preparation for 2017/18 savings with the aim to reduce the overall in-year departmental overspend. This is estimated to result in an overall underspend of £250k.

The CWD team staffing costs is expected to overspend by £85k. 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. For the first quarter an adjustment of £26k have been made towards the overspend for these costs (a maximum of £120k can be adjusted for the year). On top of the additional staff, the team also has to cover vacancies with higher cost agency staff.

There are various other small over and underspends forecast across the division netting to a £137k overspend. These combine with the item described above to arrive at the total reported divisional overspend of £401k.

Children's Social Care and Youth Inclusion Division

The NRPF budgets are forecast to overspend by £436k for the current financial year. This forecast is based on the assumption that case levels will stay the same as last year. We expect to receive more successful applications which will increase the level of overspend towards year-end. The new NRPF worker is now in post and working closely with housing colleagues to manage cases as they arise. We continue to use the Connect system to progress cases and have started a process of reviewing all open cases with the aim to limit the cost pressure on the council.

The Central Social Work, MASH and VCT team's staffing costs is expected to overspend by £492k. 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. For the first quarter an adjustment of £83k was made towards the overspend of these costs (a maximum of £360k can be adjusted 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. Two social workers have also been appointed in excess of the budgeted staffing compliment for a time limited period. This was done to address the increased volumes demand in the MASH team and to ensure the safeguarding of children and is reviewed monthly.

There are various other small over and underspends forecast across the division netting to a £206k underspend. These combine with the item described above to arrive at the total reported divisional overspend of £722k.

Dedicated Schools Grant

DSG funded services is forecast to overspend by £106k. These budgets are not within the council's general fund and cannot be offset against or increase the local authority funded budgets. Any underspend or overspend 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 Independent Residential School provision is expected to overspend by £119k. This is our best estimate at the moment with the information available as we are still awaiting confirmation on some placements in the new academic year.

Independent Day School provision is estimated to underspend by £62k. It is important to note that new placements which might be required from September onwards could significantly impact on this forecast.

Payment for Merton pupils that receive education in other boroughs is expected to overspend by £196k in the current financial year. The increase is due to new placement information available from September 2016.

There are various other smaller over and underspends forecast across the DSG netting to a £147k underspend which, combined with the items above, equates to the net underspend of £106k.

Management Action

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. Excluding the cost of these duties would leave a net departmental underspend of £55k. The table below highlights the estimated overspends relating to these duties:

Description	Budget £000	Aug overspend forecast £000	Jul overspend forecast £000
Supported lodgings/housing	634	1,001	998
Un-accompanied asylum seeking children (UASC)	60	470	455
No Recourse to Public Funds (NRPF)	20	436	430
Total	714	1,907	1,883

Staffing

Recruitment and retention (R&R) continues to be a priority at Merton, as the national shortage of children's Social Workers persists. Merton has had particular difficulty recruiting and retaining staff in 3 key areas; Multi Agency Safeguarding Hub & First Response (MASH), Safeguarding & Care Planning (S&CP) and the Children with Disabilities Team (CWDT). These three areas have R&R measures in place, which after a recent review will continue until at least March 2017.

There has been a significant reduction in the numbers of agency staff being used and the quarterly expenditure. In June 2016, there were 30.37 (FTE) agency Social Workers, making up 22% of the Children's Social Work Workforce. 69% of agency social workers are undertaking work in MASH, S&CP and CWDT. Strong recruitment to S&CP has led to 23% of Social workers in this area being agency workers and all vacant posts are under offer. MASH has 43% of agency workers (including the two short term over establishment) and CWDT has 42% agency workers. We now have our lowest number of agency staff since 2014.

Placements

Our edge of care panel continues to ensure that entry to care threshold 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. It is difficult to predict these negotiations on a monthly basis as they are often connected with children's progress in placement.

Our ART Fostering Recruitment and Assessment team is continuing to recruit new foster carers who will offer locally based placements. This continues to ensure a reduction in more expensive agency foster placements.

Our ART Placement service is working with providers to establish more local provision and offer better value placements to the Council. There is now an established agreed cost framework for semi-independent providers and this has resulted in more appropriately priced placements for Care Leavers and older LAC.

We ensure that accurate information about changes to placement costs are kept up to date. We are improving our response to invoice queries by having tight timescales in place. The placement reconciliation is completed on a monthly basis and builds in challenge meetings with colleagues in corporate finance.

We have tightened up our processes with YOS for obtaining information about young people remanded into secure accommodation and reviewed our forecast methodology. We will contact respite providers on a monthly basis going forward to ensure more accurate forecasts.

Transport

We have continued to develop a number of alternatives to transport and to develop a more cost effective continuum of offer to meet our SEN Transport statutory duties. In the current year to date we have had 1 personal budget taken up providing an annual saving of £6k. In addition 7 young people have been through the independent travel training programme this year providing an on-going cost reduction of £62k. We are monitoring tight eligibility thresholds with the view to limit any additional cost pressure.

Work continues through the corporate group to procure a Dynamic Purchasing System which should provide some taxi cost reductions and we are piloting initiatives to provide more cost effective answers to our statutory duties with a growing population.

General

The department continues to scrutinise all budgets to see how we can offset the above costs pressures and others created by growing demographics and new burdens. Where possible we will use grant and income flexibly and will also implement agreed savings for 2017/18 in year if possible to bring our anticipated spend in line with available budgets.

Community and Housing

Community and Housing was forecasting an over spend by £7.4m as at August 2016.

Please note that this forecast has been reduced by £1.4m (£500k over commitment on homecare and £900k savings on placement reviews).

The Director has produced and is implementing an action plan to determine the full extent and reasons behind the current forecasted over spend, and to do everything possible to contain or reduce expenditure. This action plan is monitored and updated on a weekly basis.

There is a gross underlying over spend in the Adult Services placements budget of £3.2m in 2015/16, which has been carried forward into the new financial year. In the previous financial year this was partially offset by underspends in other Adult Services budgets, contributions from Public Health and the Care Act and underspends in other parts of Community and Housing. Current monitoring suggests that offsetting underspends will be at half as much in 2016/17, as underspending budgets in 2015/16 were subject to savings in 16/17, and because Care Act funding has not been ring fenced or pass-ported to the adult social care budget. There has also been a £540k adverse movement in the housing forecast due to a change in accounting for costs of temporary accommodation.

Part of this overspend is an under-achievement of income of £1m, so a prudent assumption has been made that there will be a similar under-achievement of income this year, whilst doing further investigation with partners. To date this work is still in progress but the current forecast has been revised to reflect work completed to date.

Community and Housing	2016/17 Current Budget £000	Full Year Forecast (Aug) £000	Forecast Variance (Aug) £000	Forecast Variance (July) £000	2015/16 Variance @ year end £000
Access and Assessment	37,241	45,057	7,816	7,664	3,259
Commissioning	4,225	4,143	(82)	(58)	(50)
Direct Provision	5,753	5,716	(37)	14	(197)
Directorate	815	491	(324)	(374)	(17)
Care Act Implementation Expenditure	0	0	0	0	(1,230)
Contribution from Public Health	0	0	0	0	(328)
Adult Social Care	48,034	55,407	7,373	7,246	1,437
Libraries and Heritage	2,217	2,102	(115)	(118)	(176)
Merton Adult Education	(238)	(406)	(168)	(185)	218
Housing General Fund	2,052	2,370	318	291	(538)
Total	52,065	59,473	7,408	7,233	940

Access and Assessment - £7.8m over-spend

Access and Assessment	Variance (Aug'16) £000	Variance (Jul'16) £'000	2015/16 Variance @ Year end £000
Gross Placements overspend	6,484	6,356	3,146
Other A&A Over-spends/(underspend)	795	640	(526)
Sub-total Net over-spend	7,279	7,000	2,620
Under/(Over-achievement) of income	537	664	639
Total A&A Forecast over-spend	7,816	7,664	3,259

Adult Social Care

Placement Activity

The table below details the current number of clients and care packages numbers as at August 2016. Care packages have reduced by 29 between May and August but the commitment has increased for estimated cost relating to college and school leavers, and raising 18's Learning Disabilities clients, and recent provider fee increases.

Activity Data	Care Packages (No's) Aug16		Care Packages (No's) Jul'16	Clients (No's) Aug16		Clients (No's) Jul'16	Total
							Commitment Aug'16 £'000
Service Area							
Mental Health	147	↑	146	129	↑	127	2,191
Physical & Sensory	333	↑	324	245	↑	239	5,081
Learning Disabilities	390	↑	388	322	↑	319	14,048
Older People	1,664	↓	1,682	1,178	↓	1,186	21,291
Substance Misuse	5	↓	6	5	↓	6	167
No Recourse to Public Funds	17	↔	17	11	↔	11	293
LBM own facility	134	↓	136	68	↑	65	0
TOTAL	2,690	↓	2,699	1,958	↑	1,953	43,071
Net Inc./(Decrease)	(9)			5			

The current projected overspend against placement budgets require a detail investigation which

is projected to be completed at the end of September 2016. Adult Social Care is carrying out a detailed review of the total list of customers funded to ensure that there are no inaccuracies which will take time to complete. Key areas for investigation are home care hours and the full year effect of commitments in the second half of 2015/16.

Challenges of Adult Social Care in 2016.17:-

Access and Assessment

Community and Housing will continue to face similar budget pressures in 2016/17 as they did in financial year 2015/16, the main pressures are:-

Complexity of care needs: There is a long term trend in complexity of care needs, whereby the amount of care required per client has increased. Examples of this are the number of older people requiring two carers to move them, higher demand for nursing care for people with dementia, and younger people with challenging behaviour in transition from children's services.

Price pressures: Nationally the market in social care has shown that providers are successfully demanding increases in fees. This means that to secure supply and sustain a viable market Merton had to negotiate new higher fees in 2015/16 and is facing similar challenges in 2016/17.

A number of placements uplifts have been recently agreed with providers of older people residential and nursing care services which has resulted in a £820k cost pressure. Some of these were prior year's commitments that were made to secure lower inflationary uplifts. Providers are aware of the lack of alternative supply thus the tactic has been to demand uplift or move your client knowing this cannot be done easily. Recent comparator data indicates that Merton has been paying less than the average for south west London when placing people in care homes. Given capacity shortfalls in key areas of the care home market, providers have been able to demand higher fees from Merton. There has also been a marked increase in home care hours in the first three months of the current financial year in comparison to 2015/16. An analysis has shown that between April to June 2015 home care hours increased by 4%, for the similar period in the current year it has increased by 9%. Current overspend in this area is partly due to the increase use of spot purchases to meet demand.

There are significant cost pressures in the home care market due to the London Living Wage, low margins leading to some providers recently exiting the market and a high demand for labour. Our contracted providers have been struggling to supply the level of carers needed, which has forced the council to spot purchase care, often at a higher price. Discussions are currently taking place about the potential to set a realistic framework price to encourage more on-contract activity and to stabilise the market, with a number of meetings with providers having taken place last week.

A major re-commissioning exercise is being undertaken this year that will seek to create a more sustainable supply of care, without the need to go off contract.

Savings

Adult Social Care has a savings target of £5m in 2016/17, of which £3m has been achieved to date. £2m remains to be achieved, of which £1.8m relates to the placement budgets of which £900k is expected at this stage to be achieved. These savings will largely be achieved through reviews, and a review programme is in place.

Learning Disabilities Rising 18, School and College Leavers

Learning Disabilities commitments also includes estimated costs for 2016/17 of £916k of which £415k has materialised into actual placements, which is an increase of £88k from the previous month.

Income

Part of the current income forecast was updated with data from the on going work on income. This area requires more work to particularly analyses the current year's income trends in the older people service area.

Deprivation of Liberty Assessment (Dols) (Cheshire West judgement)

In 2015/16 the Government provided £80k towards the cost of this increased responsibility but no funding has been made available for 2016/17. The actual spend on DOLS in 2015/16 was £537k net. Number of cases dealt with during 2015/16 was 651, an increase of more than tenfold since 2013/14. Apart from the need for social workers to complete these assessments, each assessment costs £200 in doctors' fees. Total cost of doctor's fees in 2015/16 was £162k. The estimated number of assessments for 2016/17 based on activity levels in recent years is 753. Management action has been taken to further prioritise the work and this estimate will therefore be subject to review. Adult Safeguarding is currently forecasting an over spend of £125k which is a reduction of £37k from amount forecasted in July 2016.

Commissioning under-spend £82k

In the Commissioning Service a current underspend is forecasted on the Supporting People contract, and planning sections. Under spend has increased due to the successful re-negotiations of various supporting people contracts.

Direct Provision - £37 under-spend

In previous months the Direct Provision service were forecasting and overspend for 16/17 but as of August 2016 it now expected to underspend in its Re-Ablement service provision.

Staffing costs have increased in this area due to Single Status settlements. One registered manager is responsible for both internal residential homes and it is expected that this will result in the reduction of staffing costs. The aim is to use employees across both internal residential sites where possible, therefore reducing the need for additional bank staff.

Libraries- £115k under-spend

Under spend is due to staff vacancies and reduced expenditure due to building works at the Donald Hope Library. The Art Council project at Wimbledon library has also generated additional income for Merton. There is also a new 'Shakespeare' project funded by the Arts Council.

There is however a reduction in schools buy-in income.

Merton Adult Education - £168k under-spend

Merton Adult Education (MAE) has moved to a commissioning model, with go live from 1st September 2016. Current underspend is due to forecasted underspend on staffing and other minor budgets. The current forecast is based on the smooth transfer to the new model

Housing - £ 318k over-spend

The Housing service is now forecasting to overspend by £318k in August which is an increase of £27k from July. This is due to an increase in the forecasted expenditure on rent deposits and temporary accommodation.

The accounting change in 2016/17 is to reflect the true cost of temporary accommodation, all related costs and budgets were transferred to Housing Services from Corporate Services in June 2016. An annual budget of £321k was transferred against a forecast commitment of £867k, which has now increased to £931k in August resulting in a net forecast increase in costs to housing of £546k.

Public Health

Public Health is currently forecasting £114k underspend as at August 2016. This is due to forecasted underspends on staffing, NHS Health check which is based on 2015/16 uptake data and substance misuse.

Public Health	2016/17 Current Budget £000	Full year forecast (Aug) £000	Forecast Variance (Aug) £000	Forecast Variance (July) £000	2015/16 Variance @ Yearend £000
PH - Directorate	558	558	0	0	(116)
PH - Admin	26	22	(4)	(4)	0
PH - Contraception	748	748	0	0	(41)
PH - GUM	2,136	2,136	0	0	(27)
PH-Sexual Health Advice	137	125	(12)	(12)	(9)
PH-NHS Health check	493	483	(10)	(15)	(78)
PH-Falls Prevention	177	177	0	0	0
PH - Obesity	415	415	0	0	(200)
PH - Projects	10	10	0	0	0
PH - Smoking	0	(7)	(7)	(7)	(16)
PH-Substance Misuse	1,846	1,776	(70)	(7)	(32)
PH - School Nursing	633	633	0	0	(16)
PH-Infectious Diseases	0	0	0	0	(10)
PH - Determinants	338	327	(11)	(14)	(83)
PH-Community	0	0	0	0	(1)
PH-New Investments	20	20	0	0	2
PH-Health Visiting	3,338	3,338	0	0	(15)
Sub-Total Public Health	10,875	10,761	(114)	(59)	(642)
PH - Main Grant	(8,046)	(7,932)	114	0	642
PH-Health Visiting Gant	(2,952)	(2,952)	0	0	0
Grand Total	(123)	(123)	0	0	0

Corporate Items

The details comparing actual expenditure up to 31 August 2016 against budget are contained in Appendix 2. The main areas of variance as at 31 August 2016 are:-

Corporate Items	Current Budget 2016/17 £000s	Full Year Forecast (August) £000s	Forecast Variance at year end (August) £000s	Forecast Variance at year end (July) £000s	2015/16 Year end Variance £000s
Cost of borrowing	13,643	13,649	6	6	49
Use for Capital Programme	0	0	0	0	0
Impact of Capital on revenue budget	13,643	13,649	6	6	49
Investment Income	(739)	(1,150)	(411)	(411)	(613)
Pension Fund	5,232	4,732	(500)	(500)	(616)
Pay and Price Inflation	752	320	(432)	0	(654)
Contingencies and provisions	4,406	2,655	(1,751)	(1,291)	(2,716)
Income Items	(948)	(1,048)	(100)	0	(667)
Appropriations/Transfers	231	231	0	0	1,727
Central Items	8,934	5,740	(3,194)	(2,202)	(3,539)
Levies	928	928	0	0	0
Depreciation and Impairment	(17,638)	(17,638)	0	0	0
TOTAL CORPORATE PROVISIONS	5,867	2,679	(3,188)	(2,196)	(3,491)

In light of the forecast overspend in service departments there has been a rigorous review of all corporate items. The changes since July are:-

- There is currently a balance of £432k on the provision for excess inflation which is not earmarked. This will be set aside to offset against the overspend
- With respect to the Contingency and Provisions budget, the final bill from HMRC for late payment was £440k, an increase of £40k to that previously forecast.
- Also with respect to the Contingency and Provisions budget, the forecast loss of income arising from the P3/P4 site has reduced by £100k to £100k as the P4 site is expected to remain open as a car park longer than expected.
- Again with respect to the Contingency and Provisions budget, it is anticipated that there will be an underspend in the RCCO/Revenuisation budget of £400k.
- With respect to income items, it is anticipated that there will be an underspend of £100k in specific and special grants/overheads in non general fund budgets.

The Contingencies and Provisions budget also includes £600k for the cost of redundancies in Merton Adult Education. This is not expected to be required in 2016/17 and it is intended to create an earmarked reserve for this budget so that the money is available for 2017/18 if the grant is significantly reduced.

4. CAPITAL PROGRAMME 2016-20

4.1 The Table below shows the movement in the 2016/20 corporate capital programme since the July monitoring report:

Depts	Current Budget 16/17	Variance	Revised Budget 16/17	Current Budget 17/18	Variance	Revised Budget 17/18	Revised Budget 18/19	Variance	Revised Budget 18/19	Revised Budget 19/20	Variance	Revised Budget 19/20
C&H	2,080	0	2,080	1,205	0	1,205	629	0	629	280	0	280
CS	10,941	(1,262)	9,679	6,231	275	6,506	3,052	(200)	2,852	2,605	(75)	2,530
CSF	16,457	(789)	15,668	14,722	550	15,272	11,415	0	11,415	9,934	0	9,934
E&R	17,668	11	17,679	20,208	200	20,408	15,294	0	15,294	4,437	0	4,437
TOTAL	47,146	(2,040)	45,106	42,365	1,025	43,390	30,389	(200)	30,189	17,256	(75)	17,181

4.2 The table below summarises the position in respect of the Capital Programme as at July 2016 the detail is shown in Appendix 5a

Merton Summary Capital Report - August 2016 Monitoring

Department	Revised Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance
Community and Housing	2,079,650	118,995	181,050	(62,055)	1,536,480	(543,170)
Corporate Services	9,679,460	568,201	789,938	(221,737)	6,307,160	(3,372,300)
Children Schools and Families	15,668,210	2,031,966	1,725,913	306,053	15,652,301	(15,909)
Environment and Regeneration	17,678,870	4,343,354	4,862,616	(519,263)	17,678,757	(113)
Total Capital	45,106,190	7,062,516	7,559,517	(497,002)	41,174,698	(3,931,492)

- Community and Housing – The projected £543k underspend is on one scheme – Disabled Facilities Grants. Officers are currently projecting the maximum projected spend £500k on the scheme.
- Corporate Services – The projected underspend is caused by two major corporate schemes which are the Acquisition Fund £1,533k, Bidding Fund £1,839k. All other schemes are projecting a full spend at year end in 2016/17. Considerable work has been undertaken reviewing and reducing in-year schemes and re-profiling multi-year schemes.
- Environment and Regeneration – Officers are currently projecting full spend on all schemes. Two schemes has been added for Bus Stop Compliance, this will be fully funded by Transport for London and Mitcham Clock Tower £9k funded by Lottery Funding. Considerable work has been undertaken reviewing the in-year and multi-year spend on schemes
- Children, Schools and Families – Officers are currently projecting a £16k underspend on the Schools Capital Maintenance and Accessibility Programme as this is being held as a small contingency. Officers have also spent considerable time reviewing the in-years and multi-year profile of the programme.

4.3 Appendix 5b details the adjustments being made to the Capital Programme this month the Table below summarises the items requiring Cabinet Approval:

Scheme	2016/17 Budget	Adjustment	Revised 2016/17 Budget
	£	£	£
Bus Stop Compliance	0	134,000	134,000

4.4 Appendix 5c details the impact of all the adjustments to the Capital Programme have on the funding of the programme in 2016/17 and 2017/18. The table below summarises the movement in 2016/17 funding since approval in March 2016:

Depts.	Original Budget 16/17	Net Slippage 2015/16	Adjustments	New External Funding	New Internal Funding	Re-profiling	Revised Budget 16/17
Community & Housing	2,074	271	0	0	(115)	(150)	2,080
Corporate Services	7,565	4,065	(1,319)	341	137	(1,110)	9,679
Children Schools & Families	13,998	141	(239)	368	247	1,153	15,668
Environment and Regeneration	15,658	2,176	(20)	452	201	(788)	17,679
Total	39,295	6,653	(1,578)	1,161	470	(895)	45,106

4.5 The table below compares capital expenditure (£000s) to August 2016 to that achieved over the last few years:

Depts.	Spend To August 2012	Spend To August 2013	Spend To August 2014	Spend To August 2015	Spend To August 2016	Variance 2012 to 2016	Variance 2013 to 2016	Variance 2014 to 2016	Variance 2015 to 2016
C&H	404	777	109	23	119	(285)	(658)	10	96
CS	1,006	1,049	216	431	568	(438)	(481)	352	138
CSF	10,044	2,851	5,854	6,719	2,032	(8,012)	(819)	(3,823)	(4,687)
E&R	3,854	3,404	1,396	1,889	4,343	489	939	2,947	2,454
Total Capital	15,308	8,081	7,576	9,062	7,063	(8,246)	(1,019)	(513)	(1,999)

Outturn £000s	40,487	31,564	36,869	29,327	
Budget £000s					45,106
Projected Spend August 2016 £000s					41,175
Percentage Spend to Budget					15.66%
% Spend to Outturn/Projection	37.81%	25.60%	20.55%	30.90%	17.15%
Monthly Spend to Achieve Projected Outturn £					4,873

4.6 August is five months into the financial year; departments have spent less of their budget than compared to previous financial years. To achieve a projected spend of £41.2m officers will need to spend just over £4.87 million each month. The table over the page shows that officers spent just over £2.5 million in August 2016.

Spend During August 2016

Department	Spend To July 2016 £000s	Spend To August 2016 £000s	Increase £000s
C&H	65	119	54
CS	242	568	326
CSF	1,167	2,032	865
E&R	3,074	4,343	1,269
Total Capital	4,549	7,063	2,514

4.7 Based on current spend patterns the capital programme for financial years 2016/17 to 2018/19 remains too high, budget managers will continue to be challenged to reduce the programme to a more realistic level.

5. DELIVERY OF SAVINGS FOR 2016/17

5.1

Department	Target Savings 2016/17	Projected Savings 2016/17	Period 5 Forecast Shortfall	Period 5 Forecast Shortfall	Period 4 Forecast Shortfall	Period 4 Forecast Shortfall
	£000's	£000's	£000's	%	£000's	%
Corporate Services	2,316	2,028	(288)	(12.4)%	(288)	(12.4)%
Children Schools and Families	2,191	2,191	0	0.0%	0	0.0%
Community and Housing	5,379	3,188	(2,191)	(40.7)%	(2,191)	(40.7)%
Environment and Regeneration	4,771	4,204	(567)	(11.9)%	(397)	(8.3)%
Total	14,657	11,611	(3,046)	(20.8)%	(2,876)	(19.6)%

Appendix 6 details the progress on savings for 2016/17 by department.

Progress on savings 2015/16

Department	Target Savings 2015/16	2015/16 shortfall	2016/17 projected shortfall
	£000's	£000's	£000's
Corporate Services	1,170	0	0
Children Schools and Families	781	0	0
Community and Housing	2,154	(14)	(14)
Environment and Regeneration	4,192	(3,493)	(28)
Total	8,297	(3,507)	(42)

Appendix 7 details progress on savings for 2015/16. Details of savings achieved and the expected full year affect of these savings in 2016/17 are provided.

Progress on savings 2014/15

Department	Target Savings 2014/15	2014/15 shortfall	2015/16 shortfall	2016/17 projected shortfall
	£000's	£000's	£000's	%
Corporate Services	1,650	0	0	0
Children Schools and Families	860	40	0	0
Community and Housing	2,465	1,585	1,585	1,080
Environment and Regeneration	3,338	129	125	125
Total	8,313	1,754	1,710	1,205

Appendix 8 details progress on savings for 2014/15. Details of savings achieved and the expected full year affect of these savings in 2016/17 are provided.

6. CONSULTATION UNDERTAKEN OR PROPOSED

6.1 All relevant bodies have been consulted.

7. TIMETABLE

7.1 In accordance with current financial reporting timetables.

8. FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

8.1 All relevant implications have been addressed in the report.

9. LEGAL AND STATUTORY IMPLICATIONS

9.1 All relevant implications have been addressed in the report.

10. HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

10.1 Not applicable

11. CRIME AND DISORDER IMPLICATIONS

11.1 Not applicable

12. RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

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

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

- Appendix 1- Detailed position table
- Appendix 2 – Detailed Corporate Items table
- Appendix 3 – Pay and Price Inflation
- Appendix 4 – Treasury Management: Outlook
- Appendix 5a – Current Capital Programme 2016/17
- Appendix 5b – Adjustments to the Current Capital Programme 2016/17
- Appendix 5c – Funding Current Capital Programme 2016/17 & 2017/18
- Appendix 6 – Progress on savings 2016/17
- Appendix 7 - Progress on savings 2015/16
- Appendix 8 - Progress on savings 2014/15
- Appendix 9 - Customer/Client receipts

14. BACKGROUND PAPERS

- 14.1 Budgetary Control files held in the Corporate Services department.

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**Summary Position as at 31st August
2016**

APPENDIX 1

	Original Budget 2016/17	Current Budget 2016/17	Year to Date Budget (August)	Year to Date Actual (August)	Full Year Forecast (August)	Forecast Variance at year end (August)	Forecast Variance at year end (July)	Outturn Variance 2015/16
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000
Department	-	-	-	-	-	-	-	-
3A. Corporate Services	11,357	11,679	11,772	11,624	11,542	-137	(161)	-373
3B. Children, Schools and Families	50,183	50,777	5,759	4,427	52,629	1,852	1,648	-7
3C. Community and Housing	-	-	-	-	-	-	-	0
Adult Social Care	51,413	51,575	19,541	23,058	58,949	7,373	7,246	1,437
Libraries & Adult Education	2,796	2,846	1,442	1,632	2,562	-284	(304)	41
Housing General Fund	2,009	2,343	811	1,066	2,661	318	291	-538
3D. Public Health	417	43	-950	-2,781	44	0	(59)	-7
3E. Environment & Regeneration	21,230	22,482	4,262	1,779	22,720	238	98	3,632
Overheads	0	0	0	0	0	0	0	272
NET SERVICE EXPENDITURE	139,405	141,746	42,638	40,804	151,106	9,360	8,759	4,457
3E. Corporate Items	-	-	-	-	-	-	-	-
Impact of Capital on revenue budget	13,643	13,643	2,790	1,845	13,649	6	6	49
Other Central items	-5,962	-8,704	3,352	3,537	-11,897	-3,194	-2,202	-2,846
Levies	928	928	391	391	928	0	0	0
TOTAL CORPORATE PROVISIONS	8,608	5,867	6,533	5,773	2,679	-3,188	-2,196	-2,797
TOTAL GENERAL FUND	148,013	147,613	49,171	46,577	153,786	6,173	6,563	1,660
- Funding	-	-	-	-	-	-	-	-
- Business Rates	(34,230)	(34,230)	(3,479)	(3,479)	(34,230)	0	0	0
- RSG	(23,156)	(23,156)	(10,176)	(10,176)	(23,156)	0	0	0
- Council Tax Freeze Grant 2014/15	0	0	0	0	0	0	0	(6)
- Section 31 Grant	(822)	(822)	(193)	(193)	(898)	(76)	(76)	83
- New Homes Bonus	(4,192)	(4,192)	(2,405)	(2,405)	(4,658)	(466)	(466)	(1,037)
- PFI Grant	(4,797)	(4,797)	(1,199)	(1,199)	(4,797)	0	0	0
Grants	(67,198)	(67,198)	(17,451)	(17,451)	(67,740)	(542)	(542)	(960)
Collection Fund - Council Tax Surplus(-)/Deficit	(3,200)	(3,200)	0	0	(3,200)	0	0	0
Collection Fund - Business Rates Surplus(-)/Deficit	1,721	1,721	0	0	1,721	0	0	(0)
Council Tax	-	-	-	-	-	-	-	0
- General	(78,620)	(78,620)	0	0	(78,620)	0	0	(0)
- WPCC	(300)	(300)	0	0	(300)	0	0	(0)
Council Tax and Collection Fund	(80,399)	(80,399)	0	0	(80,399)	0	0	(0)
FUNDING	(147,597)	(147,597)	(17,451)	(17,451)	(148,139)	(542)	(542)	(961)
NET	417	17	31,719	29,126	5,647	5,631	6,021	699
Appropriation from reserves	-418				(665)	(665)	(665)	
NET	(1)	17	31,719	29,126	4,982	4,966	5,356	699

	Current Budget 2016/17	Year to Date Budget (Aug)	Year to Date Actual (Aug)	Full Year Forecast at (Aug)	Forecast Variance at year end (Aug)	Full Year Forecast at (July)	Forecast Variance at year end (July)
Expenditure	£000	£000	£000	£000	£000	£000	£000
Employees	93,219	38,788	39,681	94,587	1,368	94,077	1,397
Premises Related Expenditure	8,290	4,368	3,219	8,040	-250	7,919	-315
Transport Related Expenditure	14,535	5,998	5,941	15,273	738	15,036	761
Supplies and Services	167,958	62,629	59,921	167,062	-896	166,853	-2,014
Third Party Payments	88,965	35,657	32,248	99,168	10,204	93,903	8,945
Transfer Payments	104,224	41,742	32,663	93,128	-11,096	92,712	-7,904
Support Services	32,153	0	0	32,154	0	32,154	1
Depreciation and Impairment Losses	17,638	7	0	17,637	-0	17,637	-0
GROSS EXPENDITURE	526,981	189,190	173,673	527,049	68	520,291	870
Income							
Government Grants	-266,780	-115,003	-102,646	-256,643	10,137	-255,684	8,175
Other Grants, Reimbursements and Contribs	-22,252	-6,847	-5,738	-23,813	-1,560	-23,678	-1,630
Customer and Client Receipts	-63,377	-24,561	-24,462	-62,579	799	-61,885	1,178
Interest	-46	-19	0	-23	23	-23	23
Recharges	-32,518	0	0	-32,519	-0	-32,519	-0
Balances	-261	-122	-23	-367	-106	-1	143
GROSS INCOME	-385,235	-146,552	-132,870	-375,943	9,292	-373,789	7,888
NET EXPENDITURE	141,746	42,638	40,804	151,106	9,360	146,502	8,759

Appendix 2

3E. Corporate Items	Council 2016/17 £000s	Original Budget 2016/17 £000s	Current Budget 2016/17 £000s	Year to Date Budget (August) £000s	Year to Date Actual (August) £000s	Full Year Forecast (August) £000s	Forecast Variance at year end (August) £000s	Forecast Variance at year end (July) £000s
Cost of Borrowing Use for Capital Programme	13,643	13,643	13,643	2,790	1,845	13,649	6 0	6 0
Impact of Capital on revenue budget	13,643	13,643	13,643	2,790	1,845	13,649	6	6
Investment Income	(739)	(739)	(739)	(308)	(495)	(1,150)	(411)	(411)
Pension Fund	5,232	5,232	5,232	4,395	4,595	4,732	(500)	(500)
Corporate Provision for Pay Award	883	883	0	0	0	0	0	0
Provision for excess inflation	540	540	452	0	0	20	(432)	0
Utilities Inflation Provision	300	300	300	0	0	300	0	0
Pay and Price Inflation	1,723	1,723	752	0	0	320	(432)	0
Contingency	1,500	1,500	1,391	0	0	440	(951)	(991)
Single Status/Equal Pay	100	100	100	0	15	0	(100)	(100)
Bad Debt Provision	500	500	500	0	0	500	0	0
Loss of income arising from P3/P4	400	400	400	0	0	100	(300)	(200)
Loss of HB Admin grant	200	200	200	0	0	200	0	0
MAE 1st year redundancies	600	600	600	0	0	600	0	0
Revenuisation and miscellaneous	1,414	1,414	1,215	0	0	815	(400)	0
Contingencies and provisions	4,714	4,714	4,406	0	15	2,655	(1,751)	(1,291)
Local Services Support Grant	204	204	204	68	0	104	(100)	0
Other	(1,152)	(1,152)	(1,152)	0	(2)	(1,152)	0	0
Income items	(948)	(948)	(948)	68	(2)	(1,048)	(100)	0
Appropriations: CS Reserves	(1,371)	(1,371)	(1,883)	0	0	(1,883)	0	0
Appropriations: E&R Reserves	(520)	(520)	(1,372)	(715)	(715)	(1,372)	0	0
Appropriations: CSF Reserves	44	44	(16)	(60)	166	(16)	0	0
Appropriations: C&H Reserves	1,146	1,146	1,146	0	0	1,146	0	0
Appropriations: Public Health Reserves	0	0	(28)	(28)	(28)	(28)	0	0
Appropriations: Corporate Reserves	2,394	2,394	2,385	0	0	2,385	0	0
Appropriations/Transfers	1,693	1,693	231	(803)	(577)	231	0	0
Depreciation and Impairment	(17,638)	(17,638)	(17,638)	0	0	(17,638)	0	0
Central Items	7,681	7,681	4,939	6,142	5,383	1,752	(3,188)	(2,196)
Levies	928	928	928	391	391	928	0	0
TOTAL CORPORATE PROVISIONS	8,608	8,608	5,867	6,533	5,773	2,679	(3,188)	(2,196)

Pay and Price Inflation as at August 2016

In 2016/17, the budget includes 1% for increases in pay and 0.5% for increases in general prices, with an additional amount of £0.540m which is held to assist services that may experience price increases greatly in excess of the inflation allowance provided when setting the budget. There have been a number of requests to call on this budget which are being reviewed. Any balance on this budget will be used to offset the forecast overspend on services

Pay:

The local government pay award for 2016/17 has been agreed and will cover the two years from April 2016. For the lowest paid (those on spinal points 6-17) this means a pay rise of between 6.6% and 1.01% in the first year, and between 3.4% and 1.3% in the second. Those on spinal points 18-49 will receive 1% in year one and the same again the following year. The offer also includes a joint review of the NJC pay spine and term-time working for school support staff. The budget has now been reallocated to services.

Prices:

The Consumer Prices Index (CPI) rose by 0.6% in the year to August 2016, unchanged from July. The main upward contributors to the change in the rate were rising food prices and air fares, and a smaller fall in the price of motor fuels than a year ago.

These upward pressures were offset by falls in hotel accommodation prices, in addition to smaller rises in the prices of alcohol, and clothing and footwear than a year ago.

CPIH, a measure of UK consumer price inflation that includes owner occupiers' housing costs, rose by 0.9% in the year to August 2016, unchanged from July.

The RPI 12-month rate for August 2016 stood at 1.8%, down from 1.9% in July 2016.

Outlook for inflation:

The Bank of England's Monetary Policy Committee (MPC) sets monetary policy to meet the 2% inflation target and in a way that helps to sustain growth and employment. At its meeting ending on 14 September 2016, the MPC voted unanimously to keep the Bank Base Rate at 0.25%. It also voted unanimously to continue with the programme of sterling non-financial investment-grade corporate bond purchases totalling up to £10 billion, financed by the issuance of central bank reserves and also voted unanimously to continue with the programme of £60 billion of UK government bond purchases to take the total stock of these purchases to £435 billion, financed by the issuance of central bank reserves.

Twelve-month CPI inflation remained at 0.6% in August, lower than projected at the time of the August Inflation Report, and well below the 2% inflation target. The MPC

believe that “as the unusually large drags from energy and food prices attenuate, CPI inflation is expected to rise to around its 2% target in the first half of 2017, consistent with the August Inflation Report, albeit with the projection a little lower over the remainder of 2016 than had been anticipated in August.”

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 (September 2016)			
	Lowest %	Highest %	Average %
2016 (Quarter 4)			
CPI	0.6	3.0	1.3
RPI	1.5	3.4	2.2
LFS Unemployment Rate	4.9	5.7	5.2
2017 (Quarter 4)	Lowest %	Highest %	Average %
CPI	1.5	3.8	2.5
RPI	2.3	4.4	3.1
LFS Unemployment Rate	4.6	6.6	5.6

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 2016 to 2020 are summarised in the following table:-

Source: HM Treasury - Forecasts for the UK Economy (August 2016)					
	2016	2017	2018	2019	2020
	%	%	%	%	%
CPI	0.7	2.3	2.3	2.0	2.0
RPI	1.7	2.8	3.0	3.1	3.3
LFS Unemployment Rate	5.1	5.5	5.9	5.9	5.8

Treasury Management: Outlook

At its meeting ending on 14 September 2016, the MPC voted unanimously to maintain Bank Rate at 0.25% and to continue with the programme of sterling non-financial investment-grade corporate bond purchases totalling up to £10 billion, financed by the issuance of central bank reserves. The Committee also voted unanimously to continue with the programme of £60 billion of UK government bond purchases to take the total stock of these purchases to £435 billion, financed by the issuance of central bank reserves.

The MPC is encouraged by the evidence on the initial impact of the policy package since it has “led to a greater than anticipated boost to UK asset prices. Short and long-term market interest rates fell notably following the announcement; corporate bond spreads narrowed, and issuance was strong; and equity prices rose. Since then, some of the falls in yields have reversed, driven by somewhat stronger-than-expected UK data and a generalised rise in global yields. “

The August Inflation Report set out the most recent detailed assessment of the UK’s economic outlook. The MPC will continue to monitor closely changes in asset prices and in interest rates facing households and firms and their effect on economic activity. It advised that it will assess that it will assess available news, “along with other forthcoming indicators, during its November forecast round. If, in light of that full updated assessment, the outlook at that time is judged to be broadly consistent with the August Inflation Report projections, a majority of members expect to support a further cut in Bank Rate to its effective lower bound at one of the MPC’s forthcoming meetings during the course of this year. The MPC currently judges this bound to be close to, but a little above, zero.”

The MPC’s forecasts of Bank Base Rate in recent Quarterly Inflation Reports which were made pre-Brexit up to May 2016 are summarised in the following table:-

	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	End Q.4 2018	End Q.1 2019	End Q.2 2019	End Q.2 2019
Aug.'16	0.3	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2
May '16	0.4	0.4	0.4	0.5	0.5	0.5	0.6	0.6	0.6	0.7	0.7	0.8	
Feb. '16	0.5	0.5	0.5	0.6	0.7	0.8	0.8	0.9	1.0	1.0	1.1		
Nov '15	0.6	0.6	0.7	0.8	0.9	1.0	1.1	1.1	1.2	1.3			
Aug.'15	0.9	1.0	1.2	1.3	1.4	1.5	1.6	1.7	1.7				
May '15	0.8	0.9	1.0	1.1	1.2	1.3	1.3	1.4					
Feb.'15	0.7	0.8	0.9	1.0	1.0	1.1	1.1						
Nov '14	1.2	1.4	1.5	1.5	1.7	1.7							
Aug.'14	1.9	2.0	2.1	2.2	2.3								

Source: Bank of England Inflation Reports

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.

Appendix 5a

Community & Housing Summary Capital Report - August 2016 Monitoring

Scheme Description	Revised Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance
Adult Social Care						
The Gables Mitcham	0	(26,765)	0	(26,765)	0	0
Adult Social Care IT Projects	131,510	26,635	558	26,077	131,510	0
Libraries						
Library Self Service	94,970	(23,303)	40,000	(63,303)	94,970	0
Colliers Wood Library Re-Fit	50,000	0	0	0	50,000	0
Housing						
8 Wilton Road	0	(4,371)	0	(4,371)	0	0
Western Road	760,000	0	0	0	760,000	0
Disabled Facilities	1,043,170	146,799	140,492	6,307	500,000	(543,170)
Community and Housing Total	2,079,650	118,995	181,050	(62,055)	1,536,480	(543,170)

Corporate Services Summary Capital Report - August 2016 Monitoring

Scheme Description	Revised Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance
Business Improvement	2,451,020	80,500	80,500	0	2,451,020	0
Corporate Items	3,372,300	0	0	0	0	(3,372,300)
Facilities Management	1,822,020	151,621	277,940	(126,319)	1,822,020	0
IT Total	1,558,020	267,405	361,498	(94,093)	1,558,020	0
Resources	476,100	68,675	70,000	(1,325)	476,100	0
IT Transformation Unallocated	0	0	0	0	0	0
Corporate Services Total	9,679,460	568,201	789,938	(221,737)	6,307,160	(3,372,300)

Children, Schools & Families Summary Capital Report - August 2016 Monitoring

Scheme Description	Revised Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance
Aragon expansion*	0	(11,083)	(11,083)	0	0	0
Joseph Hood Permanent Expansn	3,720	1,000	0	1,000	3,720	0
St Mary's expansion*	0	(23,722)	(23,722)	0	0	0
Hillcross School Expansion*	3,090	(69,767)	(69,767)	0	3,090	0
Merton Abbey Temp Accomodation*	0	(23,684)	(23,684)	0	0	0
Pelham School Expansion*	10,660	(8,117)	(8,117)	0	10,660	0
Dundonald expansion	2,694,410	1,520,259	1,277,000	243,259	2,694,410	0
Poplar Permanent Expansion*	1,000	(49,144)	(49,144)	0	1,000	0
Singlegate expansion	1,014,020	812,479	736,210	76,269	1,014,020	0
Primary School Exp. Overspen Provision*	61,490	(344,131)	(344,131)	0	61,481	(9)
Wimbledon Park expansion*	0	(27,000)	(27,000)	0	0	0
Primary Expansion	3,788,390	1,777,090	1,456,562	320,528	3,788,381	(9)

CSF department has undertaken a number of major school expansion projects over the past few years. Under the contract terms the council holds back a retention sum which is only paid at least a year after the building project is completed, and then only when we are satisfied that all minor defects on the building are completed satisfactorily. This can frequently take a considerable period and the cumulative effect is that there are a series of accruals from the end of the 2015/16 financial year where the money has not been spent in 2016/17. It is not in the council's interests to spend this money until we are absolutely sure the building is defect free.

Appendix 5a

Children, Schools & Families Summary Capital Report - August 2016 Monitoring Continued ...

Scheme Description	Revised Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance
Secondary School expansion	30,000	0	0	0	30,000	0
St Marks Expansion	0	0	0	0	0	0
New School	7,450,000	0	0	0	7,450,000	0
Harris Merton Expansion	2,225,110	87,298	170,000	(82,702)	2,225,110	0
Harris Morden Expansion	50,000	0	0	0	50,000	0
Secondary Expansion	9,755,110	87,298	170,000	(82,702)	9,755,110	0
Cricket Green Site*	1,560	(1,200)	(1,200)	0	1,560	0
Primary school autism unit*	70,730	(34,783)	(34,783)	0	70,730	0
Perseid*	201,930	(140,805)	(140,805)	0	201,930	0
Secondary School Autism Unit	50,000	0	0	0	50,000	0
Futher SEN Units	295,320	0	0	0	295,320	0
SEN Expansion	619,540	(176,788)	(176,788)	0	619,540	0
Devolved Formula Capital	367,820	153,265	153,265	0	367,820	0
Free School Meals*	0	(24,126)	(24,126)	0	0	0
B698 St Catherines Fields Fencing	47,000	0	0	0	47,000	0
Schs Cap Maint & Accessibility	985,900	215,227	147,000	68,227	970,000	(15,900)
Schools Equipment Loans	104,450	0	0	0	104,450	0
Other	1,505,170	344,366	276,139	68,227	1,489,270	(15,900)
Children Schools and Families	15,668,210	2,031,966	1,725,913	306,053	15,652,301	(15,909)

Environment & Regeneration Summary Capital Report - August 2016 Monitoring

Scheme Description	Revised Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance
Footways Planned Works	1,000,000	560,916	300,000	260,916	1,000,000	0
Greenspaces	886,350	151,580	318,656	(167,076)	886,350	0
Highways General Planned Works	435,860	64,749	138,750	(74,001)	435,860	0
Highways Planned Road Works	1,500,000	836,997	745,000	91,997	1,500,000	0
Leisure Centres	4,946,140	453,135	601,882	(148,748)	4,946,140	0
Other E&R	243,240	59,242	33,334	25,908	243,127	(113)
On and Off Street Parking	9,900	0	0	0	9,900	0
Regeneration Partnerships	3,341,170	650,297	653,782	(3,485)	3,341,170	0
Street Lighting	662,000	365,639	370,896	(5,257)	662,000	0
Street Scene	105,950	47,742	68,750	(21,008)	105,950	0
Transport for London	2,436,620	605,068	803,000	(197,932)	2,436,620	0
Traffic and Parking Management	1,394,540	423,050	484,275	(61,225)	1,394,540	0
Transport and Plant	541,600	112,477	295,334	(182,857)	541,600	0
Waste Operations	175,500	12,462	48,957	(36,495)	175,500	0
Environment and Regeneration	17,678,870	4,343,354	4,862,616	(519,263)	17,678,757	(113)

Virement, Re-profiling and New Funding - August 2016

Appendix 5b

	2016/17 Budget	Virements	Adjusted & New Funding	Reprofiling	Revised 2016/17 Budget	2017/18 Budget	Adjustment	Revised 2017/18 Budget	Narrative
	£	£	£	£	£	£		£	
Corporate Services									
Invest to Save Schemes	1,315,110		(330,000)		985,110	0		0	Relinquished Budget
Asbestos Safety Works	250,000		(170,000)		80,000	0		0	Relinquished Budget
Schools PV&Energy conservation	500,000		(500,000)		0	0		0	Relinquished Budget
Disaster Recovery	217,540		(20,540)		197,000	0		0	Relinquished Budget
Planned Replacement Programme	1,175,650		(156,500)		1,019,150	0		0	Relinquished Budget
Stability Networks	200,000		(84,800)		115,200	0		0	Relinquished Budget
Civic Centre Staff Entrance Improvements	0				0	0	200,000	200,000	Re-profiled from 2018/19
Civic Centre Block Paving	0				0	0	75,000	75,000	Re-profiled from 2019/20
Children, Schools and Families									
Secondary School Autism Unit	300,000			(250,000)	50,000	860,000	250,000	1,110,000	Re-profile 250k to 17/18
Harris Morden	300,000			(250,000)	50,000	1,543,560	250,000	1,793,560	Re-profile 250k to 17/18
S-Marks	50,000			(50,000)	0	1,061,800	50,000	1,111,800	Re-profile 50k to 17/18
Primary Expansion Contingency	300,330		(238,840)		61,490			0	Released Contingency based on updated information
Environment & Regeneration									
Morden Leisure Centre	4,643,860			(200,300)	4,443,560	5,492,160	200,300	5,692,460	Re-profiled to 17/18 to reflect revised spend profile
Rediscover Mitcham	37,040		68,430		105,470	0		0	Section 106 Funded Scheme
Mitcham Clock Tower	0		9,020		9,020	0		0	Lottery Funded Scheme
Bus Stop Compliance (1)	0		134,000		134,000	0		0	Capital allocation from TfL for further bus stop accessibility improvements.
Total	9,289,530	0	(1,289,230)	(750,300)	7,250,000	8,957,520	1,025,300	9,982,820	

1) Requires Cabinet Approval

Virement, Re-profiling and New Funding - August 2016

Appendix 5b

	2018/19 Budget	Reprofiling	Revised 2018/19 Budget	2019/20 Budget	Reprofiling	Revised 2019/20 Budget	Narrative
	£	£	£	£	£	£	
Corporate services							
Civic Centre Staff Entrance Improvements	200,000	(200,000)	0	0		0	Reprofiled to 2017/18
Civic Centre Block Paving	0		0	75,000	(75,000)	0	Reprofiled to 2017/18
Total	200,000	(200,000)	0	75,000	(75,000)	0	

Capital Programme Funding Summary 2016/17

	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
Cabinet - September - July 2016 Mon.	32,594	14,552	47,146
<u>Children, Schools and Families</u>			
Secondary School Autism Unit	(250)	0	(250)
Harris Morden 2fe	(250)	0	(250)
St Marks	(50)	0	(50)
Primary Expansion Contingency	(239)	0	(239)
<u>Corporate Services</u>			
Invest to Save Schemes	(330)	0	(330)
Asbestos Safety Works	(170)	0	(170)
Schools PV&Energy conservation	(500)	0	(500)
Disaster Recovery	(21)	0	(21)
Planned Replacement Programme	(157)	0	(157)
Stability Networks	(85)	0	(85)
<u>Environment & Regeneration</u>			
Morden Leisure Centre	(200)	0	(200)
Mitcham Clock Tower	0	9	9
Rediscover Mitcham	0	68	68
Bus Stop Compliance	0	134	134
Cabinet - October - August 2016 Mon.	30,343	14,763	45,106

Capital Programme Funding Summary 2017/18

	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
Cabinet - September - July 2016 Mon.	26,036	16,329	42,365
<u>Corporate Services</u>			
Civic Centre Staff Entrance Improvements	200	0	200
Civic Centre Block Paving	75	0	75
<u>Children, Schools and Families</u>			
Secondary School Autism Unit	250	0	250
Harris Morden	250	0	250
St Marks	50		50
<u>Environment & Regeneration</u>			
Morden Leisure Centre	200	0	200
Cabinet - October - August 2016 Mon.	27,061	16,329	43,390

DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2016/17- Aug'2016

Ref	Description of Saving	2016/17 Savings Required £000	2016/17 Expected Savings £000	Shortfall £000	RAG	2017/18 Savings Expected £000	2017/18 Expected Shortfall £000	17/18 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend ? Y/N
	Adult Social Care										
CH02	Promoting Independence - Public Value Review - Efficiencies to be found in hospital discharge process and by enabling customers to regain and maintain independence	100	0	100	R	100	0	G	David Slark	Residential / nursing	Y
CH29	Older People - Managing Crisis (including hospital discharge) admissions to residential care. This would include a number of activities designed to reduce admissions to residential care placements. We would be looking to families to continue to support people at home for longer. This would fit in with our overall approach to enable independence.	125	0	125	R	125	0	R	Kim Carey	We continue to manage to target the number of admissions to residential care, but this is having a knock-on to the cost of care in the home. Arrangements are now in place to mitigate the cost of double handed care using proactive OT engagement in these packages.	Y
CH34	Substance Misuse Placements - Actively manage throughput in residential rehab placements - A reduction in the placements available for Substance misuse clients	6	6	0	G	6	0	G	Henrietta Brown		Y
CH05	Realise benefits of new prevention programme in terms of reduced demand for statutory services, or alternatively if these benefits have not occurred then to reduce investment in the prevention programme through reduced grants to Voluntary Organisations. -Reduced demand for statutory services or reduced level of preventative services. In the latter case people would lose some of the services which make their life fuller.	500	500	0	G	500	0	G	Richard Ellis		Y
CH04	Reduce Management costs and reduction in staffing costs Access & Assessment- Staffing restructure to deliver efficient processes, and building on planned shift of some customers to manage their own processes.	100	75	25	R	100	0	G	Kim Carey	Due to the delays in submitting the staff re-structure Business Case and subsequent staff consultation this saving will not be fully realised.	Y
CH20	Access and Assessment Employees - Staff Savings 12 FTE to be deleted in 2016/17 12 FTE in 17/18, 12 FTE in 18/19 - These savings will come from across Access and Assessment, covering all service areas. - Reduction in the ability to carry out assessments and reviews, social work support, safeguarding activities, DOLs responsibilities and financial assessments. (CH20)	511	468	43	A	511	0	G	Kim Carey	Due to the delays in submitting the staff re-structure Business Case and subsequent staff consultation this saving may not be fully realised in year.	Y

DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2016/17- Aug'2016

Ref	Description of Saving	2016/17 Savings Required £000	2016/17 Expected Savings £000	Shortfall £000	RAG	2017/18 Savings Expected £000	2017/18 Expected Shortfall £000	17/18 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend ? Y/N
CH58	Access and Assessment Employees - Staff Savings	700	700	0	A	700	0	G	Kim Carey		Y
CH22	Commissioning Employees- Staff Savings- 4 FTE to be deleted- Reduced capacity to monitor quality within provider services, reduced capacity to monitor performance within services and a reduced capacity to proactively work to sustain and develop a local provider market.	156	151	5	A	156	0	G	Richard Ellis	Due to the delays in submitting the staff re-structure Business Case and subsequent staff consultation this saving will not be fully realised.	Y
CH21	Direct Provision Employees - Staff Savings 11FTE to be deleted- Less activities available both at day centres and in the community. Clients would spend more time in larger congregated settings with less choice of activities. These savings would be made across the three LD and PD day centres.	274	274	0	A	274	0	G	Andy Ottaway-Searle		Y
CH59	Direct Provision Residential and supported living management -staff reductions- We would expect to keep front line support staff but reduce management. This would mean less resource to provide outreach and the emphasis would primarily on providing core services (Bring forward savings -CH37) 2 FTE's	100	100	0	A	100	0	G	Andy Ottaway-Searle		Y
CH23	Directorate- Staff Savings - 0.46 FTE to be deleted-None, post now funded by Public Health	21	21	0	G	21	0	G	Richard Ellis	Saving to be achieved as change of funding	Y
CH64	Directorate- Staff Savings - (Budget contribution to Joint Public Health consultant post to be deleted)-None, post now funded by Public Health	30	30	0	G	30	0	G	Richard Ellis	Saving to be achieved as change of funding	Y
CH24	Learning Disabilities- High Cost Packages - Review of High Cost Packages with a view to promoting independence This would be a holistic review of 17 identified high cost placements (i.e. those receiving packages of care over £1,500 per week and not health funded). We will use promoting Independence as the basis of these reviews. We are designing these figures based on a 6% reduction in support for the identified client group.	100	50	50	R	100	0	A	Kim Carey	Work is continuing on this but due to the lack of additional resources will not achieve as quickly as had been hoped. Discussions with health have taken place to progress some outstanding joint funding issues.	Y

DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2016/17- Aug'2016

Ref	Description of Saving	2016/17 Savings Required £000	2016/17 Expected Savings £000	Shortfall £000	RAG	2017/18 Savings Expected £000	2017/18 Expected Shortfall £000	17/18 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend ? Y/N
CH25	Learning Disabilities- Medium Cost Packages- Review of medium cost packages with a view of promoting independence -This would be a holistic review of identified medium cost placements of care of between £400 -£1,500 per week and not health funded). We will use the promoting independence model as the basis for these reviews. We are designing these figures based on a 10% reduction in support for the relevant clients within the identified group.	400	8	392	R	400	0	A	Kim Carey	As above in CH24, these cases are taking a lower priority due to the opportunity afforded by addressing the high cost packages first.	Y
CH26	Learning Disabilities - Direct Payments- Review of all Direct Payments in Learning Disabilities with a view to promoting independence .We will review the Direct Payments received by clients to assess whether it is still set at the appropriate level for their needs and whether the full payment is being utilised. We will use the promoting independence model as the basis of these reviews. We anticipate this being a reduction of 7% for the individual support packages within this client group. There are currently 98 packages in this group.	50	0	50	R	50	0	A	Kim Carey	This has stalled due to lack of capacity but will be given priority when other work has been finalised.	Y
CH27	Mental Health- Care Packages - Review of support packages within all areas of Mental Health services. - We anticipate this being a reduction of 5% across all support packages and will include a review of Direct Payments within this area. Options include less use of residential placements and quicker reviews as part of a recovery model.	76	0	76	R	76	0	G	Henrietta Brown	Pending finalisation of resources for the review team.	Y
CH28	Older People- Home Care Review of Home Care within support packages. There are currently 596 Older People within Merton receiving home care within their support packages. This represents an average reduction of 9% in home care support packages.	387	137	250	R	387	0	A	Kim Carey	These cases are being prioritised within the long term team. The lack of additional resource will mean that progress will now not be as quick as had been hoped.	Y
CH30	Older People - Review of Direct Payments support packages -Review of Direct Payments in Older People using the enablement model. We will review the Direct Payments received by clients to assess whether the full payment is being utilised. We will use the enablement model as the basis of these reviews. We anticipate this being an average reduction of 15% for individual support packages within this client group. There are currently 225 packages.	345	0	345	R	345	0	A	Kim Carey	These cases are being prioritised within the long term team. The lack of additional resource will mean that progress will now not be as quick as had been hoped.	Y

DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2016/17- Aug'2016

Ref	Description of Saving	2016/17 Savings Required £000	2016/17 Expected Savings £000	Shortfall £000	RAG	2017/18 Savings Expected £000	2017/18 Expected Shortfall £000	17/18 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend ? Y/N
CH31	Physical Disabilities- Review of all Direct Payments for clients with physical disabilities using promoting independence. -We will review the Direct Payments received by clients to assess whether it is still set at the appropriate level for their needs and whether the full payment is being utilised. We will use the promoting independence model as the basis of these reviews. We anticipate this being a reduction of 10% for the individual support packages within this client group. There are currently 150 packages in this group.	134	0	134	R	134	0	A	Kim Carey	These cases are being prioritised within the long term team. The lack of additional resource will mean that progress will now not be as quick as had been hoped.	Y
CH32	Physical Disabilities - Home Care -The saving would be delivered through a review of home care provision within support packages. There are currently 89 Physical Disabilities clients within Merton receiving home care within their support packages. The proposed savings represents an average reduction of 8% in home care for this group.	48	0	48	R	48	0	G	Kim Carey	These cases are being prioritised within the long term team. The lack of additional resource will mean that progress will now not be as quick as had been hoped.	Y
CH33	Physical Disabilities- High Cost Packages - Review of PD Residential and 1-1 packages. This saving would be delivered through a targeted review of a small number of PD customers in residential care. These reviews would look at renegotiating unit costs, transferring users to other types of accommodation in the community and reducing or removing 1-1 costs.	60	0	60	R	60	0	A	Kim Carey	These cases are being prioritised within the long term team. The lack of additional resource will mean that progress will now not be as quick as had been hoped.	Y
CH60	South Thames Crossroads : Decommission the crossroads service for carers. Replace with domiciliary care service/ Direct Payment offer and commissioned holistic carers support service from voluntary sector.	294	130	164	A	294	0	G	Richard Ellis		
CH61	Meals on Wheels (Sodexo): Decommissioning service and embed support within community, neighbourhood and voluntary support infrastructure	153	85	68	G	153	0	G	Richard Ellis	Service to be decommissioned from 31st July 2016	Y
CH62	Supported accommodation mental health : Decommission service as a result of Provider notice to cease service in Merton	106	106	0	G	106	0	G	Richard Ellis	The service has been decommissioned & saving achieved.	Y
CH63	Day support Imagine Independence : Decommission service and recommission cost effective peer led day opportunities for people with mental health	84	84	0	G	84	0	G	Richard Ellis	The tender has been awarded and will commence 4th July (which will achieve the saving)	Y
CH51	NHS Income :Negotiate extra NHS funding for extra costs of Hospital Discharges - Circa £150k on packages, £50k on staff.	200	0	200	R	0	(200)	R	Richard Ellis	Not achievable	Y
	Library & Heritage Service										

DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2016/17- Aug'2016

Ref	Description of Saving	2016/17 Savings Required £000	2016/17 Expected Savings £000	Shortfall £000	RAG	2017/18 Savings Expected £000	2017/18 Expected Shortfall £000	17/18 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend ? Y/N
CH44	Deletion of all administrative support (Deletion of 1 x FTE)	26	26	0	G	26	0	G	Anthony Hopkins	Reorganisation complete and individual has been slotted into a new post in the council.	Y
CH45	Reduction in activities programme	2	2	0	G	2	0	G	Anthony Hopkins	Budget re-profiled and savings delivered.	Y
CH46	Withdrawal from annual CIPFA public library user survey (PLUS)	3	3	0	G	3	0	G	Anthony Hopkins	New systems devised and saving achieved. New consultation exercise running in October 2016.	Y
CH47	Reduction in volunteering contract	20	20	0	G	20	0	G	Anthony Hopkins	Contract renegotiated and new arrangements in place from 1 April 2016	Y
CH48	Reduction in media fund	45	45	0	G	45	0	G	Anthony Hopkins	Budget reduction re-profiled to reflect new expenditure, savings on course to delivered.	Y
	<u>Merton Adult Education</u>										
CH15	MAE :Staffing cost reductions -Delivery utilising the use of Information Technology and other efficiencies	8	8	0	G	8	0	G	Anthony Hopkins	Saving built into new SFA funding profile	Y
	<u>Housing Needs & Enabling</u>										
CH38	Reduction of Homelessness Prevention Grant:	56	0	56	R	56	0	A	Steve Langley		Y
CH39	Rationalisation of admin budget :	30	30	0	G	30	0	G	Steve Langley	Savings achieved	Y
CH40	Housing Strategy officer - deletion of 1 FTE :	43	43	0	G	43	0	G	Steve Langley	Post vacant and will be deleted - saving will be achieved	Y
CH41	Environmental health Technical officer deletion of 1 FTE:	33	33	0	G	33	0	G	Steve Langley	Post vacant and will be deleted - saving will be achieved	Y
CH42	Housing options adviser deletion of 1.5 FTE :	53	53	0	G	53	0	G	Steve Langley	Post vacant and will be deleted - saving will be achieved	Y
	Total Community & Housing Department Savings for 2016/17	5,379	3,188	2,191		5,179	(200)				

DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES - PROGRESS ON SAVINGS 16-17

Ref	Description of Saving	2016/17 Savings Required £000	2016/17 Savings Expected £000	Shortfall	16/17 RAG	2017/18 Savings Expected £000	2017/18 Expected Shortfall £000	17/18 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Unders pend? Y/N
Commissioning, Strategy and Performance											
CSF2012-04	Reduce expenditure on LAC and SEN placements	50	50	0	R	50	0	A	Paul Ballatt	Although we expect to achieve the savings target, increased cost due to higher and more complex caseload is causing the service area to overspend. Placements are reviewed on a monthly basis and detailed analysis to back up the cost reduction in placement costs through negotiations with providers are reported to DMT every quarter. At the end of the first quarter, this equated to £438k.	Y
CSF2014-02	Reduce the post 16 LAC/CL accommodation.	50	50	0	R	50	0	A	Paul Ballatt	Although we expect to achieve the savings target, increased cost due to higher and more complex caseload is causing the service area to overspend. Placements are reviewed on a monthly basis and detailed analysis to back up the cost reduction in placement costs through negotiations with providers are reported to DMT every quarter. At the end of the first quarter, this equated to £438k.	Y
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.	40	40	0	G	40	0	G	Paul Ballatt		
CSF2014-05	Reduction in commissioning of early intervention and prevention services from the VCS.	300	300	0	G	300	0	G	Paul Ballatt		
Children Social Care											
CSF2012-07	Family and Adolescent Services Stream - Transforming Families (TF), Youth Offending Team (YOT) and in Education, Training and Employment (ETE). 2016/17 savings will be achieved by the closure of Insight and deletion of YJ management post.	100	100	0	R	100	0	G	Paul Angeli	Insight was not closed as we were not able to opt out of the lease early. This saving will be delivered in 2017/18 and the short for 2016/17 covered through reduced grant-funded and targeted intervention services.	
CSF2015-01	Serious Case Reviews	77	77	0	G	77	0	G	Paul Angeli		
Early Years											
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	17	17	0	G	17	0	G	Jane McSherry		

DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES - PROGRESS ON SAVINGS 16-17

Ref	Description of Saving	2016/17 Savings Required £000	2016/17 Savings Expected £000	Shortfall	16/17 RAG	2017/18 Savings Expected £000	2017/18 Expected Shortfall £000	17/18 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
CSF2014-09	We are working on the detailed proposals which will in essence reduce the service to paid-for childcare (parents and DSG) with a very limited targeted service for highly vulnerable families.	254	254	0	G	254	0	G	Jane McSherry		
	Youth Service										
CSF2014-06	Young people will be signposted to VCS youth provision. Work continues with RSLs and other possible funders to identify some residual funding.	480	480	0	G	480	0	G	Jane McSherry		
	Public Health										
CSF2014-07	Children's centres deliver the widest outcomes for under fives and getting a good start in life is key to narrowing inequalities in health outcomes.	400	400	0	G	400	0	G	Jane McSherry		
	Schools										
CSF2014-08	Increased income from schools and/or reduced LA service offer to schools.	400	400	0	G	400	0	G	Jane McSherry		
	Cross cutting										
CSF2015-02	Service management review across the CSF dept (2/3 FTE depending on grading of posts)	23	23	0	G	23	0	G	Paul Angeli		
	Total Children, Schools and Families Department Savings for 2015/16	2,191	2,191	0		2,191	0				

CSF2012-04 and CSF2014-02 is shown as amber because, although the savings are met, the overall budgets are overspending due to demographic pressures.

DEPARTMENT: CORPORATE SERVICES - PROGRESS ON SAVINGS 16-17

Ref	Description of Saving	2016/17 Savings Required £000	2016/17 Savings Expected £000	Shortfall	16/17 RAG	2017/18 Savings Expected £000	2017/18 Expected Shortfall £000	17/18 RAG
Customer Services								
CS13	Reduction in discretionary relief (replacement of CS12 and CS13 which had both been deferred until 2016/17)	81	81	0	G	81	0	G
CS36	Re tendering of Cash Collection Contract	10	10	0	G	10	0	G
CS39	Impact of Customer Service Review	30	0	30	R	30	0	A
CS61	Dividend income from CHAS 2013 Limited	58	58	0	G	58	0	G
CS62	Recharges to Public Health	70	70	0	G	70	0	G
CSD9	Ending of e-Capture Service	9	9	0	G	9	0	G
CSD10	Ending of Risk Based Verification	22	22	0	G	22	0	G
CSD11	Terminate the Experian trace and search system contract	10	10	0	G	10	0	G
CSD14	Reduction of 1 FTE Revenues Officer	30	30	0	G	30	0	G
CSD15	Increase in Court Costs (council tax) - Increase from £110.00 to £115.00	40	40	0	G	40	0	G
CSD16	Reduction in discretionary relief	231	231	0	G	231	0	G
CSD18	My Merton and staff reductions - Renegotiate supplier costs for My Merton	32	32	0	G	32	0	G
CSD19	My Merton and staff reductions - Delete 1 FTE - Communication Asisstant	25	25	0	G	25	0	G
Business Improvement								
CS5	Review and challenge of the procurement of Support & Maintenance & Licence Contracts	21	21	0	G	21	0	G
CS63	Reorganisation of systems development and support arrangements.	88	0	88	R	88	0	G
CSD37	PO Restructure	64	64	0	A	64	0	A
CSD38	Reduction in support budget	5	5	0	G	5	0	G
CSD39	Business Systems Team Restructure Phase 2	50	50	0	G	50	0	G
CSD40	Secure additional income generated through gazetteer maintenance and street naming and numbering	30	30	0	G	30	0	G
CSD41	Consolidation of systems support	20	20	0	A	20	0	A
IT Service Delivery								
CS5	Review and challenge of the procurement of Support & Maintenance & Licence Contracts	29	29	0	G	29	0	G
CS7	Reduction of costs through re-procurement of Mobile Telephones Contract against a number of revenue budgets spread across the Council	20	20	0	G	20	0	G
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	20	20	0	G	20	0	G
CS10	Outsourcing - Service Desk	20	0	20	R	20	0	G
CS12	Information Governance Vacant Post	37	37	0	G	37	0	G
CS16	Surrender of remainder of ITSD Overtime budget	35	35	0	G	35	0	G
CS23	Outsourcing - Building Services & Security Service	50	50	0	G	50	0	G
CS28	M&E Term Contract (Amalgamation) of Intruder Alarms	20	20	0	G	20	0	G
CSD2	Energy Savings (Subject to agreed investment of £1.5m)	150	0	150	R	150	0	G

DEPARTMENT: CORPORATE SERVICES - PROGRESS ON SAVINGS 16-17

Ref	Description of Saving	2016/17 Savings Required £000	2016/17 Savings Expected £000	Shortfall	16/17 RAG	2017/18 Savings Expected £000	2017/18 Expected Shortfall £000	17/18 RAG
CSD3	Rationalise IT Service Delivery support & maintenance contracts.	86	86	0	G	86	0	G
CSD4	Rationalise Facilities Management Building Repairs & Maintenance budgets	15	15	0	G	15	0	G
CSD5	Increase income generation from external bookings at Chaucer centre	40	40	0	G	40	0	G
CSD6	Reduction in the number of vehicles operated by Infrastructure & Transactions division from three to two	5	5	0	G	5	0	G
CSD8	Restructure IT Service Delivery section and delete 1 FTE post.	40	40	0	G	40	0	G
	Resources							
CS46	Resources -Deletion of 3 Posts within the Division	25	25	0	G	25	0	G
CS64	Reduction of treasury running costs through review, improvement and efficiency	20	20	0	G	20	0	G
CS65	Consolidation of various budgets within Resources division	66	66	0	G	66	0	G
CS67	Reduction in bank and giro charges	12	12	0	G	12	0	G
CSD20	Increased income	16	16	0	G	16	0	G
CSD21	Rephase existing Savings	42	42	0	G	42	0	G
CSD23	Cut running costs budgets	30	30	0	G	30	0	G
CSD24	Consultancy budget	100	100	0	G	100	0	G
CSD25	Increased charge to Pension Fund	20	20	0	G	20	0	G
CSD47	Delete 1 Policy post	50	50	0	G	50	0	G
	Human Resources							
CS49	Introduction of new application tracking system	10	10	0	G	10	0	G
CS50	Occupational Health & Employee Assistance programme	40	40	0	G	40	0	G
CS74	Review of L&D spend	69	69	0	G	69	0	G
CSD32	Review of HR business support (printing and stationery)	5	5	0	G	5	0	G
CSD35	Learning and Development Budget	18	18	0	G	18	0	G
	Corporate Governance							
CS73	Saving from 4 borough shared legal service	60	60	0	G	60	0	G
CSD44	Stop web casting meetings, remove scrutiny support fund and reduce other supplies and services	35	35	0	G	35	0	G
CSD45	Share audit and investigation service	60	60	0	G	60	0	G
	Other							
CSD48	CHAS Dividend	145	145	0	G	145	0	G
	Total Corporate Services Department Savings for 2016/17	2,316	2,028	288		2,316	0	

DEPARTMENT: ENVIRONMENT & REGENERATION SAVINGS PROGRESS: 2016-17

Ref	Description of Saving	2016/17 Savings Required £000	2016/17 Savings Expected £000	Shortfall	16/17 RAG	2017/18 Savings Expected £000	2017/18 Expected Shortfall £000	17/18 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
SUSTAINABLE COMMUNITIES											
ER23	Staff savings from 6th month review following the merger of the traffic and highways and the FutureMerton team in to one team and further budget savings/adjustments within the controllable expenditure budgets	130	130	0	G	130	0	G	James McGinlay		N
ER23	Restructure of team to provide more focus on property management and resilliance within the team.	52	52	0	R	52	0	G	James McGinlay	Saving will now be achieved by increasing the current rental income budget due to a combination of rent reviews and a continuing high occupancy rate.	Y
EN27	Reduction in the Lining Budget	10	10	0	G	10	0	G	James McGinlay		N
EN30	Reduction in supplies and Services Costs	20	20	0	G	20	0	G	James McGinlay		N
EN31	Reduction in energy costs	30	30	0	G	30	0	G	James McGinlay		N
EN32	Renegotiaition of J C Deceaux Contract	10	10	0	G	10	0	G	James McGinlay		N
EN35	Various Budgets - Increased Income through various charging increases where the service provided will still be purchased eg Increases % Commercial uplift from 30% to 50% per hr; increases in charges in halls and at watersports centre, etc	14	14	0	G	14	0	G	James McGinlay		N
EN36	Various Budgets - Increased Income through sale of advice & guidance from senior professional officers and sale of specialist arts & leisure developed service packages to groups and organisations e.g private care homes, etc	10	10	0	G	10	0	G	James McGinlay		N
EN37	Merton Active Plus - Increased Income	5	5	0	G	5	0	G	James McGinlay		N
EN42	Consultancy Income. This is based on an average daily rate of £300 per day (15/16 equates to 7 days per year for each chargeable member of staff and 16 days in 16/17) based on the consultancy project mangement working practices adopted by FutureMerton team.	50	50	0	G	50	0	G	James McGinlay	Income achieved via Estates Regeneration income from CHMP. However, income is not guaranteed for future years.	N
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.	13	0	13	R	13	0	G	James McGinlay	This saving is not currently being achieved. However, it forms part on the ongoing Phase C procurement exercise, and it is envisaged that the final agreement will result in this saving being met in full from 2017/18.	Y
E&R1	Arts Development - further reduce Polka Theatre core grant	5	5	0	G	5	0	G	James McGinlay		N
E&R2	Water sports Centre - Additional income from new business - Marine College & educational activities.	10	10	0	G	10	0	G	James McGinlay		N
E&R6	Reduced costs incurred as a result of sub-leasing Stouthall until 2024.	39	39	0	G	39	0	G	James McGinlay		N
E&R24	Reduction in current levels of staffing in the Greenspaces grounds maintenance and horticulture and sports teams.	130	0	130	R	130	0	G	James McGinlay	This saving Is not currently being achieved. However, it forms part on the ongoing Phase C procurement exercise, and it is envisaged that the final agreement will result in this saving being met in full from 2017/18.	Y
E&R26	Introduction of P&D within certain parks responding to demand for the management of parking and controlling excess demand for spaces/ commuter parking	60	10	50	R	60	0	A	James McGinlay	Due to a delay in implementation, this saving will not be achieved this year. It is currently expected to be implemented around January 2017.	Y
E&R27	Additional property rental income	44	0	44	R	44	0	A	James McGinlay	An alternative saving is being worked upon, and will be presented to Cabinet in due course.	N
E&R31	Senior management and support-Deletion of the 2 management support posts and absorption into existing resources.	70	70	0	G	70	0	G	Chris Lee		N
E&R32	Wifi Concessionary Contract-Income from wifi concessionary contract to be let from 2015/16	20	20	0	G	20	0	G	James McGinlay		N

DEPARTMENT: ENVIRONMENT & REGENERATION SAVINGS PROGRESS: 2016-17

Ref	Description of Saving	2016/17 Savings Required £000	2016/17 Savings Expected £000	Shortfall	16/17 RAG	2017/18 Savings Expected £000	2017/18 Expected Shortfall £000	17/18 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
E&R33	Various Budgets - Increase in income from commercialisation of services	250	180	70	R	250	0	A	James McGinlay/ Cormac Stokes	The £70k saving relating to the Live at Wimbledon Park event is not expected to be achieved this year.	Y
E&R35	Reduce street lighting contract costs	25	25	0	G	25	0	G	James McGinlay		N
E&R36	Reduction in reactive work budget	60	0	60	R	60	0	A	James McGinlay		Y
E&R38	Income from Section 278/Developers agreements where traffic works are required as part of development . Charging for work currently not charged for	50	50	0	G	50	0	G	James McGinlay	Being achieved from 20% developer admin fees for highway works required.	N
E&R39	Pre-application income. This is in addition to any previous pre-app savings proposal.	50	30	20	R	50	0	A	James McGinlay	Being achieved from 20% developer admin fees for highway works required. An alternative saving is being worked upon, and will be presented to Cabinet in due course.	Y
E&R40	Consultancy income. This is in addition to any previous savings proposal.	60	10	50	R	60	0	A	James McGinlay	Income achieved via Estates Regeneration income from CHMP. However, income is not guaranteed for future years. An alternative saving is being worked upon, and will be presented to Cabinet in due course.	Y
E&R42	Align Vestry Hall income budget with current levels of income being achieved.	20	20	0	G	20	0	G	James McGinlay		N
PUBLIC PROTECTION											
EN02	Introduction of unattended automatic number plate recognition CCTV parking enforcement cameras at fixed locations.	226	226	0	G	226	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	125	0	G	John Hill		N
E&R7	Due to additional requests from residents, the budget will be adjusted to reflect the demand for and ongoing expansion of Controlled Parking Zone coverage in the borough.	260	260	0	A	260	0	A	John Hill	The current estimates for new CPZ permit income is 170k. No estimates for PCN and P&D income have been made as we have not been advised on the hours of operation. We are also awaiting information on the increase in properties to CPZ extensions to GC, CW and MP1 zones. When we have received the numbers of properties and the hours of operation we will be in a position to provide a more accurate forecast.	N
E&R8	In response to residents concerns about traffic congestion, enforcement of moving traffic contraventions, following the Implementation of ANPR.	1,700	1,700	0	G	1700	0	G	John Hill		N
E&R9	Change in on-street bay suspension pricing structure.	500	250	250	R	500	0	G	John Hill	Due to elasticity of demand shortfall of £250k expected (will be offset by E&R11)	Y
E&R10	Back office reorganisation	80	80	0	G	80	0	G	John Hill		N
E&R11	Enforcement of pavement parking	60	310	-250	G	60	0	G	John Hill	Expected to exceed target by at least £250k and will be used to offset shortfall on E&R9.	Y
E&R12	End lease of Wycliffe Road	14	14	0	G	14	0	G	John Hill		N
E&R13	Increase income from discretionary fees & charges	50	50	0	A	50	0	A	John Hill	Work underway, but potential for slippage and subsequent failure to achieve full year effect.	N
E&R15	Alter funding of post dedicated to investigating potential recovery of funds under the POCA, to be funded from costs recovered.	50	50	0	A	50	0	A	John Hill	The next POCA payment is at the end of September and the service manager is optimistic of receiving a larger payment linked to the disposal of foreign property assets associated with one case. Other POCA cases are in the pipeline but financial awards are subject to the judicial process and this can become a protracted business.	N

DEPARTMENT: ENVIRONMENT & REGENERATION SAVINGS PROGRESS: 2016-17

Ref	Description of Saving	2016/17 Savings Required £000	2016/17 Savings Expected £000	Shortfall	16/17 RAG	2017/18 Savings Expected £000	2017/18 Expected Shortfall £000	17/18 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Unders pend? Y/N
STREET SCENE & WASTE											
E&R14	Mobile technology including GPS and in cab monitors. Once implemented will reduce back office staff numbers as a result of reducing reliance on paper schedules and in addition the GPS vehicle tracking system will lead to improved service and fuel efficiency.	100	0	100	R	100	0	G	Cormac Stokes	This saving is linked to new CRM project and Environmental asset Management Business case. GPS and vehicle tracking will not be delivered this year.	Y
E&R17	To reduce the costs of the service and maintain current standards of cleaning within Merton it is proposed to alter how we deploy our resources by reducing residential solo sweepers and alter the use of mechanical sweepers by investing in electric sweepers	157	157	0	G	157	0	G	Cormac Stokes		N
E&R18	Cease the distribution of food caddy liners	70	70	0	G	70	0	G	Cormac Stokes		N
E&R19	Align income budget to levels of income being generated from the sale of Textiles.	50	50	0	G	50	0	G	Cormac Stokes		N
E&R20	To contribute to a cleaner borough, enforcement of litter dropping under EPA/ ASB legislation with FPN fines for contraventions.	20	20	0	G	20	0	G	Cormac Stokes		N
E&R21	HRRC Site operations procured to external provider. Contractual savings.	30	0	30	R	30	0	A	Cormac Stokes	Although procurement led to significant cost reduction, it was not sufficient enough to reduce below existing budget level. Therefore, an alternative saving will be presented to Cabinet in due course.	Y
E&R22	Removal of borough wide dog bins including Parks	42	42	0	G	42	0	G	Cormac Stokes		N
Total Environment and Regeneration Savings 2014/15		4,771	4,204	567							

Aug'2016							APPENDIX 7		
DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2015/16									
Ref	Description of Saving	2015/16 Savings Required £000	2015/16 Savings Achieved £000	Shortfall £000	RAG	16/17 RAG	Responsible Officer	Comments	Budget Manager Comments
	<u>Libraries</u>								
	<u>Merton Adult Education</u>			0					
CH15	Increased income and some staff reductions	14	0	14	R	R	Yvonne Tomlin		
	<u>Housing</u>			0					
	Total Community & Housing Department Savings for 2015/16	14	0	14					
Scrutiny Panels									
	C&YP		Income - increase in current level of charges						
	HC&OP		Income - increase arising from expansion of existing service/new service						
	SC		Staffing: reduction in costs due to efficiency						
	O&SC		Staffing: reduction in costs due to deletion/reduction in service						
			Non - Staffing: reduction in costs due to efficiency						
			Non - Staffing: reduction in costs due to deletion/reduction in service						
			Procurement / Third Party arrangements - efficiency						
			Grants: Existing service funded by new grant						
			Grants: Improved Efficiency of existing service currently funded by unringfenced grant						
			Reduction in Property related costs						

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	15/16 RAG	2016/17 Savings Expected £000	2016/17 Expected Shortfall £000	16/17 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
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All savings for 2015/16 achieved

DEPARTMENT: ENVIRONMENT & REGENERATION SAVINGS PROGRESS: 2015-16

Ref		2015/16 Savings Required £000	2015/16 Savings Achieved £000	Shortfall	15/16 RAG	2016/17 Savings Expected £000	2016/17 Expected Shortfall £000	16/17 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Unders pend? Y/N
ER10	Merton & Richmond shared regulatory services.	230	89	141	R	230	0	G	John Hill	New structure commenced in October 2015, so only a part-year effect saving was achieved in 2015/16. The shortfall is not expected to repeat in 2016/17.	N
EN29	Re-Structure of Traffic and Highway Services	252	146	106	R	252	0	G	James McGinlay	Due to delay in implementation, the full effect of this saving was not realised in 2015/16.	N
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	11	28	R	11	28	R	James McGinlay	This saving forms part on the ongoing Phase C procurement exercise, and it is envisaged that the final agreement will result in this saving being met in full from 2017/18.	Y
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	0	4	R	4	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	3,214	0	A	John Hill	The implementation phase of the contract is under way with a start date of early July 2016.	N
Total Environment and Regeneration Savings 2015/16		3,739	246	3,493		3,711	28				

DEPARTMENT: Corporate Services - PROGRESS ON SAVINGS 15-16

Ref	Description of Saving	2015/16 Savings Required £000	2015/16 Savings Expected £000	Shortfall	15/16 RAG	Responsible Officer	Comments
All savings for 2015/16 achieved							

DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2014/15

Ref	Description of Saving	2014/15 Savings Required £000	2014/15 Actuals Savings £000	2014/15 Shortfall £000	2015/16 Savings Achieved £000	2015/16 Shortfall £000	RAG	2016/17 Savings Expected £000	2016/17 Expected Shortfall £000	RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
Adult Social Care													
ASC13/ASC34	Brokerage Efficiencies	300	118	182	118	182	R	187	113	R	Julie McCauley	Negotiations are on-going with existing service providers, however savings are dependent on market pressures and the current market is that prices are increasing, making negotiating reductions more difficult.	Y
ASC8	Optimising the use of block and spot contracts-OP&LD	300	141	159	141	159	R	141	159	R	David Slark	Negotiations are on-going with existing service providers, however savings are dependent on market pressures and the current market is that prices are increasing, making negotiating reductions more difficult.	Y
Page 55 ASC54	Reduction in Mental Health Placement	50	0	50	0	50	R	0	50	R	Henrietta Brown	There was an increase in customers with higher needs, which led to a greater expense of placements. In addition, there were not sufficient opportunities for people to move to a lower level of support, so savings were not achieved.	Y
CH12	Remove day care costs from residential customers	250	0	250	0	250	R	0	250	R	Andy Ottaway-Searle	Due to the small number of residential customers this target was not able to be achieved.	Y
CH14	All Saints Respite extension	36	0	36	0	36	R	0	36	R	Julie McCauley	Building work not started to accommodate suitable environment for customers with physical disabilities, therefore savings not achieved.	Y
CH15	Assistive Technology	70	0	70	0	70	R	70	0	A	Andy Ottaway-Searle	Assisted technology used with new customers but tracking cost avoidance is difficult to demonstrate as previously these customers have not incurred costs. Work needed to review existing customers to identify if any savings can be made.	Y

Ref	Description of Saving	2014/15 Savings Required £000	2014/15 Actuals Savings £000	2014/15 Shortfall £000	2015/16 Savings Achieved £000	2015/16 Shortfall £000	RAG	2016/17 Savings Expected £000	2016/17 Expected Shortfall £000	RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
CH6	Voluntary Organisation- SLA reduction	150	0	150	0	150	R	150	0	A	Simon Williams	Work on-going with voluntary sector to review funding to meet savings targets.	Y
ASC53	Meals on wheels contract	50	0	50	0	50	R	0	50	R	Simon Williams	Meals on Wheels contract will not be renewed, however the saving on the contract cost is a 16/17 saving.	Y
ASC6/ASC 49/ CH8	Transport	246	0	246	0	246	R	0	246	R	Andy Ottaway-Searle	Use of LBM transport has been reduced through using day centre staff driving and escorting on leased vans to save money. However as Transport costs are re-apportioned this saving has not been met.	Y
ASC6/CH	Staffing savings in Direct Provision	216	0	216	0	216	A	216	0	A	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
	Merton Adult Education Increase income from commercial courses and café, reduction in staff. Admin & marketing cost.	176	0	176	0	176	R	0	176	R	Yvonne Tomlin	Saving not delivered due to changes in SFA funding	
	Total Community & Housing Dep't Savings for 2014/15	1,844	259	1,585	259	1,585		764	1,080				

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

Ref	Description of Saving	2014/15 Savings Required £000	2014/15 Savings Achieved £000	2014/15 Shortfall £000	2015/16 Savings Achieved £000	2015/16 Shortfall £000	RAG	2016/17 Savings Expected £000	2016/17 Expected Shortfall £000	RAG	Responsible officer	Comments	R /A Included in Forecast Over/Under spend? 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	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 £108k was saved from ITT (£63k in the current year to date) and £111k from PB (£6k in the current year to date). The overall transport budget is expected to overspend due to complexity of caseloads and increased prices. A transport board has been set up to review the various cost reduction actions being implemented.	N

DEPARTMENT: ENVIRONMENT & REGENERATION SAVINGS PROGRESS: 2014-15

Ref		2014/15 Savings Required £000	2014/15 Savings Achieved £000	2014/15 Shortfall £000	2015/16 Savings Achieved £000	2015/16 Shortfall £000	RAG	2016/17 Savings Expected £000	2016/17 Expected Shortfall £000	RAG	Responsible Officer	Comments	R/A Included in Forecast Over/Unders pend? Y/N
EN45	Further commercialisation and development of sports and allied parks services	96	67	29	71	25	R	71	25	R	James McGinlay	This saving forms part on the ongoing Phase C procurement exercise, and it is envisaged that the final agreement will result in this saving being met in full from 2017/18.	Y
EN15	Improved performance management and implementation of the Council's new sickness policy resulting in a reduction in agency staff usage.	100	0	100	0	100	R	0	100	R	Cormac Stokes	Improved management of the sickness monitoring is in place. All LTA being seen by HofS. The technical establishment is expected to be signed off soon. Once done so, it will be reconciled to the use of temporary staff to confirm if this saving has been met.	Y
Total Environment and Regeneration Savings 2014/15		196	67	129	71	125		71	125				

DEPARTMENT: Corporate Services - PROGRESS ON SAVINGS 14-15

Ref	Description of Saving	2014/15 Savings Required £000	2014/15 Savings Expected £000	Shortfall	14/15 RAG	Responsible Officer	Comments
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All savings for 2014/15 achieved

Customer & Client Receipts - £000's		2016/17							
Department	Division/Service	Total Budget	Year to Date Actual (P5)	Year to Date Budget (P5)	Year to Date Over (under) Spend	Latest Forecast	Forecast Variance	Internal Receipts Forecast	External Receipts Forecast
Childrens Schools & Families	Schools Buy Back	-1,167	-636	-405	-231	-1,192	-25	0	-1,192
	Early Years & Childrens Centres	-1,358	-606	-566	-40	-1,284	74	0	-1,284
	Other	-282	-148	-106	-42	-316	-35	0	-316
	CSF Total	-2,807	-1,390	-1,077	-313	-2,793	15	0	-2,793
Corporate Services	Business Improvement	-114	-123	-47	-76	-282	-168	-203	-79
	Corporate Governance	-3,097	-1,367	-1,218	-148	-3,336	-239	-3,319	-18
	Customer Services	-2,268	-738	-940	203	-2,182	87	-2,072	-110
	CS Resources	-726	-303	-303	-1	-820	-94	-819	-1
	Human Resources	-560	-143	-202	58	-595	-35	-416	-178
	Infrastructure & Transactions	-2,584	-754	-1,084	330	-2,631	-47	-1,050	-1,581
	Corporate Items	0	-3	0	0	0	0	0	0
CS Total	-9,349	-3,431	-3,794	366	-9,845	-496	-7,878	-1,967	
Environment & Regeneration	Street Scene & Waste	-11,388	-5,098	-4,766	-332	-11,597	-209	-9,019	-2,578
	Public Protection	-17,618	-5,590	-6,129	539	-17,871	-253	-85	-17,786
	Sustainable Communities	-10,719	-5,248	-4,801	-447	-10,643	76	-477	-10,166
	E&R Total	-39,725	-15,936	-15,696	-240	-40,111	-386	-9,581	-30,530
Community & Housing	Adult Social Care - Client Contribution & Other Cont	-10,157	-3,376	-3,473	97	-9,046	1,112	0	-9,046
	MAE & Libraries	-1,151	-214	-452	238	-419	732	-44	-375
	Housing	-178	-115	-73	-42	-364	-186	0	-364
	C&H Total	-11,486	-3,705	-3,998	293	-9,829	1,658	-44	-9,785
Grand Total		-63,368	-24,462	-24,566	107	-62,577	790	-17,503	-45,074

Cabinet

Date: 12 October 2016

Subject: Draft Business Plan 2017-21

Lead officer: Caroline Holland – Director of Corporate Services

Lead member: Councillor Mark Allison – Deputy Leader and Cabinet Member
for Finance

Contact Officer: Paul Dale

Urgent report:

Reason for urgency: The chairman has approved the submission of this report as a matter of urgency as it provides the latest available information on the Business Plan and Budget 2017/18 and requires consideration of issues relating to the Budget process and Medium Term Financial Strategy 2017-2021. It is important that this consideration is not delayed in order that the Council can work towards a balanced budget at its meeting on 1 March 2017 and set a Council Tax as appropriate for 2017/18.

Recommendations:

1. That Cabinet agree the proposed amendments to savings set out in Appendix 1 and incorporate the financial implications into the draft MTFs 2017-21.
 2. That Cabinet agrees the latest draft Capital Programme 2017-21 detailed in Appendix 3 for consideration by scrutiny in November and notes the indicative programme for 2022-26.
-

1. Purpose of report and executive summary

- 1.1 This report provides an update on progress towards preparing the Business Plan 2017-21 and requests Cabinet to consider and agree some proposed amendments to savings, including replacement savings, which have been approved previously and are incorporated into the current MTFs.
- 1.3 The report also provides details of the latest capital programme, including new bids and an indicative programme for 2021- 2025

Details

2. Medium Term Financial Strategy 2017-21

- 2.1 At its meeting on 19 September 2016 Cabinet considered a report which updated the Business Plan 2017-21. At the meeting it was resolved that Cabinet:-

1. That Cabinet notes the rolled forward MTFS for 2017 - 21.
2. That Cabinet confirm the latest position with regards to savings already in the MTFS.
3. That Cabinet agrees the approach to setting a balanced budget using weighted controllable expenditure for each department as the basis for the setting of targets.
4. That Cabinet agrees the proposed departmental targets to be met from savings and income.
5. That Cabinet review the targets and the MTFS at the next meeting in light of the actions identified in response to the monitoring report recommendations set out elsewhere on this agenda.
6. That Cabinet agrees the timetable for the Business Plan 2017-21 including the revenue budget 2017/18, the MTFS 2017-21 and the Capital Programme for 2017-21.
7. That Cabinet note the process for the Service Plan 2017-21 and the progress made so far.
8. That Cabinet consider and review the draft Efficiency Plan at Appendix 3 and request officers to submit a final version to the DCLG by the deadline of 14 October 2016 in order to qualify for the four year funding offer.

2.2 In the September Cabinet report, the following budget gap was identified before identifying any new savings and income proposals:-

	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Budget Gap in MTFS	0	0	2,224	17,267

2.3 The September Cabinet report set out initial targets, based on controllable spend and shortfalls in previously identified targets, to balance the MTFS agreed by Council in March 2016 to 2019/20 at this stage for each department as follows:-

SERVICE DEPARTMENT'S SAVINGS TARGETS FOR 2017-2021 BUSINESS PLANNING PROCESS	Total £000
Corporate Services	586
Children, Schools & Families	912
Environment & Regeneration	1,659
Community & Housing	312
Total Savings/Income Proposals	3,469

3. Proposed Amendments to Previously Agreed Savings

- 3.1 In recent years, the introduction of multi-year financial planning has resulted in savings agreed in a particular financial year having an impact on future years. These have been incorporated into the Council's Medium Term Financial Strategy. The full year effect of savings in the current MTFS from 2017/18 onwards is shown in the following table:-

	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	Total £000
Corporate Services	1,679	1,563	0	0	3,242
Children, Schools & Families	1,050	516	0	0	1,566
Environment & Regeneration	4,000	537	0	0	4,537
Community & Housing	2,700	3,128	0	0	5,828
Total	9,429	5,744	0	0	15,173
Cumulative total	9,429	15,173	15,173	15,173	

- 3.2 Monitoring of the delivery of savings is important and it is essential to recognise as quickly as possible where circumstances change and savings previously agreed are either not achievable in full or in part or are delayed. The following changes to agreed savings are proposed in this report:-

3.2.1 Corporate Services

There are a number of savings that it is proposed to reprofile from 2017/18 to 2018/19 and a replacement which ensures that there is no overall impact on the MTFS.

3.2.2 Children, Schools and Families

Savings in Commissioning, Strategy, and Performance totalling £485k are proposed to be replaced by alternative savings which total £719k. The balance of £234k will be applied as part of savings proposals to meet the CSF target as set out in the table in paragraph 2.3.

3.2.3 Environment and Regeneration

There is a replacement saving proposed for saving E&R43 in 2017/18 which is for £70k. There is no overall financial impact arising from this change.

3.2.4 Community and Housing

There is a replacement saving proposed for libraries which results in a net shortfall of £27k.

- 3.2.5 Further details of the proposed amendments to previously agreed savings are provided in Appendix 1.

3.3 Summary

The overall effect of the proposed amendments is set out in the following table:-

SUMMARY (cumulative)	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	Total £000
Corporate Services	0	0	0	0	0
Children, Schools & Families	(60)	27	(201)	0	(234)*
Environment & Regeneration	0	0	0	0	0
Community & Housing	27	0	0	0	27**
Total	(33)	27	(201)	0	(207)
Net Cumulative total	(33)	(6)	(207)	0	(207)

* The net increase in savings will be applied against the CSF target set out in paragraph 2.3.

** The net shortfall in savings will be added to C&H Savings Target to be found from savings still to be identified

4. **Capital Programme for 2017-21**

4.1 The report to Cabinet in September 2016 provided information on the capital financing costs of the Capital Programme based on the July monitoring position and assumed the maximum use of capital receipts.

4.2 In this report, the draft Capital Programme 2017-21 is discussed. It includes the latest information based on August monitoring information and also includes the addition of new schemes commencing in 2020/21. An indicative programme for 2022-26 is also provided. The draft programme is set out in Appendix 3.

4.3 The bidding process for 2020/21 was launched on 27 June 2016.

4.4 The current capital provision and associated revenue implications in the currently approved capital programme, based on August 2016 monitoring information, are as follows:-

	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Capital Programme	45,897	26,690	15,494	8,475
Revenue Implications	12,543	11,503	12,439	12,873

4.5 The change in the capital programme since that reported to Cabinet on 19 September 2016, based on July 2015 monitoring information, is summarised in the following table:-

	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Capital Programme:				
- Cabinet 19 September 2016	45,651	32,795	17,502	14,731
- Revised Position with Slippage revisions and new schemes	45,897	26,690	15,494	8,475
Change	246	(6,105)	(2,008)	(6,256)
Revenue impact				
Cabinet 19 September 2016	12,686	11,765	12,800	13,318
Revised	12,543	11,503	12,439	12,873
Change	(143)	(262)	(361)	(445)

- 4.6 The programme has been rigorously reviewed and reduced where appropriate. The changes made to the programme are detailed within Appendix 3, along with movements when compared to the current programme. This review is continuing and it is envisaged that further information will be presented to December 2016 Cabinet.

5. Update to MTFS 2017-21

- 5.1 If the changes outlined in this report are agreed the forecast budget gap over the MTFS period is:-

	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Budget Gap in MTFS	0	0	1,386	16,615

- 5.2 A more detailed MTFS is included as Appendix 2.
- 5.3 It is anticipated that new revenue savings/income proposals and revisions to the capital programme will continue to be identified during the business planning process and these will be included in future reports to Cabinet in accordance with the agreed timetable and these will go onto Overview and Scrutiny Panels and the Commission in January 2017.

6. Alternative Options

- 6.1 The range of options available to the Council relating to the Business Plan 2017-21 and for setting a balanced revenue budget and fully financed capital programme will be presented in reports to Cabinet and Council in accordance with the agreed timetable.

7. Consultation Undertaken or Proposed

7.1 All relevant bodies have been consulted.

7.2 The details in this report will be considered by the Overview and Scrutiny Panels and Commission on the following dates:-

Sustainable Communities	1 November 2016
Healthier Communities and Older People	8 November 2016
Children and Younger People	9 November 2016
Overview and Scrutiny Commission	15 November 2016

7.3 As for 2016/17, it is proposed that a savings proposals consultation pack will be prepared and distributed to all councillors at the end of December 2016 that can be brought to all Scrutiny and Cabinet meetings from 9 January 2017 onwards and to Budget Council. This was an improvement introduced last year for both councillors and officers – it was more manageable for councillors and ensures that only one version of those documents is available so referring to page numbers at meetings is easier. It considerably reduces printing costs and reduces the amount of printing that needs to take place immediately prior to Budget Council.

7.4 The pack will include:

- Savings proposals
- Equality impact assessment for each saving proposal
- Service plans (these will also be printed in A3 to lay round at scrutiny meetings)

7.5 The Council launched a consultation with residents on council tax and council spending on 9 September 2016. Residents have until 4 November 2016 to respond and the outcome will be used to inform the decisions made with respect to the council tax and MTFS for 2017-21 as part of the Business Planning Process.

8. Timetable

8.1 In accordance with current financial reporting timetables.

8.2 The proposed timetable for developing the business plan and service plans was approved by Cabinet on 19 September 2016.

9. Financial, resource and property implications

9.1 As contained in the body of the report.

9.2 The Chancellor of the has announced that there will be an Autumn Statement published on 23 November 2016. Overall funding allocations for local government will be notified in the review but details of provisional funding

allocations for each local authority will not be known until the provisional Local Government Finance Settlement is published in mid/late December 2015.

10. Legal and statutory implications

10.1 As outlined in the report.

11. Human rights, equalities and community cohesion implications

11.1 None for the purposes of this report, these will be dealt with as the budget is developed for 2017 – 2021.

11.2 Equalities Assessments for replacement savings are provided in Appendix 4.

12. Crime and Disorder Implications

12.1 Not applicable.

13. Risk Management and health and safety implications

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

14. Appendices – The following documents are to be published with this Report and form part of the Report.

Appendix 1 – Proposed Amendments to previously agreed savings

Appendix 2 – Latest draft MTFS 2017-21

Appendix 3 – Draft Capital Programme 2017-21

Appendix 4 - Equalities analyses for new and replacement savings

15. Background Papers

15.1 The following documents have been relied on in drawing up this report but do not form part of the report:

Budgetary Control and Final Accounts Working Papers in the Corporate Services Department.

Budget Monitoring working papers

MTFS working papers

16. REPORT AUTHOR

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CORPORATE SERVICES SAVINGS - Original Savings

	Ref	Description of Saving		Baseline Budget £000	2017/18 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	CS71	Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	<u>Infrastructure & Transactions</u> Delete two in house trainers posts None 2 posts None None None		85	Low	Low	SS2
	CS75	Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	<u>Human Resources</u> Review of COT team staffing in light of potential for 4-borough shared service opportunities Aims to improve efficiencies and economies of scale through a wider partnership approach Likely to be x1 FTE reduction arising from staffing review Need to ensure service standards are maintained Need to ensure that service standards are maintained in light of staffing reductions Given the profile of the workforce is mainly female this will have an equality impact	506	58	M	M	SS1

CORPORATE SERVICES SAVINGS - Original Savings

	Ref	Description of Saving	Baseline Budget £000	2017/18 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	CSD2	<p style="text-align: center;"><u>Infrastructure & Transactions</u></p> <p>Description Energy Savings (Subject to agreed investment of £1.5M)</p> <p>Service Implication None</p> <p>Staffing Implications None</p> <p>Business Plan implications Will contribute towards improving performance in respect to business plan targets for the reduction of CO2 emissions from the Councils buildings.</p> <p>Impact on other departments None</p> <p>Equalities Implications None</p>		150	M	L	SNS1

CORPORATE SERVICES SAVINGS - Original Savings

	Ref	Description of Saving		Baseline Budget £000	2017/18 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	CSD7	<u>Division</u> Description	<u>Infrastructure & Transactions</u> Restructure Post & Print section and delete 2 FTE posts.	382	47	L	L	SS2
		Service Implication	The reduction in resources will increase the time taken to process both incoming and outgoing items of post, which may become critical during peak periods such as Council Tax billing.					
		Staffing Implications	Delete 2 FTE posts which will result in two staff redundancies.					
		Business Plan implications	None					
		Impact on other departments	Reduction in current level of service may impact some time critical processes.					
		Equalities Implications	None					
	CSD30	<u>Division</u> Description	<u>Human Resources</u> Schools COT support (delivery of schools buy-back service)	425	152	H	H	SS2
		Service Implication	Removal of dedicated COT support for schools					
		Staffing Implications	Post reductions					
		Business Plan implications	No dedicated COT service					
		Impact on other departments	No dedicated COT service					
		Equalities Implications	Impacts on female workforce					
		Total			492			

CORPORATE SERVICES SAVINGS - Replacement Savings

	Ref	Description of Saving		Baseline Budget £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	CS71	Description	<u>Infrastructure & Transactions</u> Delete two in house trainers posts		(42)	(43)	Low	Low	SS2
		Service Implication	None						
		Staffing Implications	2 posts						
		Business Plan implications	None						
		Impact on other departments	None						
		Equalities Implications	None						
	CS75	Description	<u>Human Resources</u> Review of COT team	506		(58)	M	M	SS1
		Service Implication	Aims to improve efficiencies and economies of scale through a wider partnership approach						
		Staffing Implications	Likely to be x1 FTE reduction arising from staffing review						
		Business Plan implications	Need to ensure service standards are maintained						
		Impact on other departments	Need to ensure that service standards are maintained in light of staffing reductions						
		Equalities Implications	Given the profile of the workforce is mainly female this will have an equality impact						

CORPORATE SERVICES SAVINGS - Replacement Savings

	Ref	Description of Saving	Baseline Budget £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	CSD2	<p align="center">Infrastructure & Transactions</p> <p>Description Energy Savings (Subject to agreed investment of £1.5M)</p> <p>Service Implication None</p> <p>Staffing Implications None</p> <p>Business Plan implications Will contribute towards improving performance in respect to business plan targets for the reduction of CO2 emissions from the Councils buildings.</p> <p>Impact on other departments None</p> <p>Equalities Implications None</p>			(150)	M	L	SNS1
	CSD7	<p>Division Infrastructure & Transactions</p> <p>Description Restructure Post & Print section and delete 2 FTE posts.</p> <p>Service Implication The reduction in resources will increase the time taken to process both incoming and outgoing items of post, which may become critical during peak periods such as Council Tax billing.</p> <p>Staffing Implications Delete 2 FTE posts which will result in two staff redundancies.</p> <p>Business Plan implications None</p> <p>Impact on other departments Reduction in current level of service may impact some time critical processes.</p> <p>Equalities Implications None</p>	382		(47)	L	L	SS2

CORPORATE SERVICES SAVINGS - Replacement Savings

	Ref	Description of Saving		Baseline Budget £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	CSD30	Division Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	Human Resources Schools COT support (delivery of schools buy-back service) Removal of dedicated COT support for schools Post reductions No dedicated COT service No dedicated COT service Impacts on female workforce	425		(152)	H	H	SS2
	Replacement	Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	Review of balance sheet management None None To offset savings deferred to 2018/19 None None		(450)	450	M	L	SNS1
TOTAL					(492)	0			
ORIGINAL SAVINGS					492	0			
NET CHANGE					0	0			

Draft

DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES - SAVINGS TO BE REPLACED

Panel	Ref	Description of Saving		Baseline Budget £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact
C&YP	CSF2015-05	<u>Service Description</u>	<u>Commissioning, Strategy and Performance</u> Property and contracts service review.	451		55			Medium	Medium
C&YP	CSF2015-06	<u>Service Description</u>	<u>Cross Cutting</u> Data review & centralisation.	377	40				Medium	Low
C&YP	CSF2015-09	<u>Service Description</u>	<u>Cross Cutting</u> Review of CSF staffing structure beneath management level.	1,049	189	201			Medium	Low
Total Children, Schools and Families Savings						229	256	0	0	

DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES - REPLACEMENT SAVINGS

Panel	Ref	Description of Saving		Baseline Budget 16/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact
C&YP	CSF2015-05	<u>Service Description</u> <u>Service Implication</u> <u>Staffing Implications</u> <u>Business Plan implications</u> <u>Impact on other departments</u> <u>Equalities Implications</u> <u>TOM Implications</u>	<u>Commissioning, Strategy and Performance</u> Schools organisation and contracts service review. There will be a lower volume of capital works to expand school provision and fewer contracts to manage enabling a reduction in project and contract management capacity. 1 FTE project manager post out of 3. None specific None specific We will use the Council's agreed HR policies and procedures for restructuring and will complete EAs. The TOM refresh includes an increased focus on delivering the restructure as well as flexible working/SCIS. This proposal is in line with TOM drive to increase efficiency and value via ensuring functions operate with minimum capacity needed.	451	65				Medium	Medium

Draft

Panel	Ref	Description of Saving		Baseline Budget 16/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact
C&YP	CSF2015-06	<p><u>Service</u></p> <p>Description</p> <p>Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications</p> <p>Impact on other departments</p> <p>Equalities Implications</p> <p>TOM Implications</p>	<p><u>Cross Cutting</u></p> <p>Data review & centralisation.</p> <p>This saving will be achieved through i) centralising the residual data/performance monitoring capacity currently dispersed across operational divisions and ii) prioritising work to deliver statutory requirements only. Reduced capacity will impact on the deliverability of increased inspection burdens which is why the risk score for this saving has been revised.</p> <p>1 FTE staffing of overall pool of 8 posts.</p> <p>None</p> <p>We will focus on statutory returns which may impact on requests from other departments.</p> <p>We will use the Council's agreed HR policies and procedures for restructuring. An EA will be developed for the service change staffing proposals.</p> <p>The TOM refresh includes an increased focus on delivering the restructure as well as flexible working and the introduction of the SCIS. This saving is in line with TOM direction of travel to focus on statutory responsibilities and organisation layer strategy. Delivery of a functioning MOSAIC product is key to delivering this saving.</p>	377		40			Medium	Medium

Draft

Panel	Ref	Description of Saving		Baseline Budget 16/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact
C&YP	CSF2015-09	<u>Service</u>	<u>Cross Cutting</u>	1,049		189	201		High	Medium
		Description	Review of CSF staffing structure beneath management level.							
		Service Implication	Deliver for September 2018 so estimated full year effect of £390k split over two years. With changes to the structure of the department, the implementation of SCIS and a focus on minimal education and social care core functions we will redesign our workforce across the smaller department. We have reviewed our workforce following our strategy to reduce agency cost and changes to team management positions. Due to less experienced staff and increased inspection burdens, we revised the risk score for this saving.							
		Staffing Implications	Expect a reduction of 13 posts from a total of 65FTE.							
		Business Plan implications	We will prioritise our core statutory education and social care functions.							
		Impact on other departments	A smaller workforce will reduce our ability to work on cross cutting issues and new developments.							
		Equalities Implications	We will use the Council's agreed HR policies and procedures for restructuring. An EA will be developed for the service change staffing proposals.							
		TOM Implications	The TOM refresh includes an increased focus on delivering the restructure as well as flexible working and the introduction of the SCIS. The CSF workforce needs to be more highly skilled and flexible. Delivery of a functioning MOSAIC product is key to delivering this saving.							

Draft

Panel	Ref	Description of Saving		Baseline Budget 16/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact
C&YP	CSF2016-01	Service Description	Cross Cutting Deletion of Assistant Director, Service Manager and half an admin support posts as part of phased restructure of the department.	1,509	224				High	Medium
		Service Implication	The refocusing of our EY Service, minimal Youth offer and reduced commissioning budgets alongside our introduction of a department-wide case work system provide the imperatives to restructure the department. A phased approach across two years is proposed to enable a managed transition to a significantly downsized department.							
		Staffing Implications	2.5 FTE post reductions out of an establishment of 18 FTE in the Senior Leadership Team and 30+ wider management posts across CSF.							
		Business Plan implications	We will prioritise our core statutory education and social care functions however there will likely be reductions in volume and outcomes.							
		Impact on other departments	A smaller management team will reduce our ability to work on cross cutting issues and new developments. This will have an impact on management support for partnership working.							
		Equalities Implications	We will use the Council's agreed HR policies and procedures for restructuring. A single EIA will be developed for the service change staffing proposals.							
		TOM Implications	The TOM refresh will include an increased focus on delivering the restructure. The continued focus on LEAN processes and disciplined performance management will be critical. There are inter-dependencies to potential national policy development with regard to Adoption, Youth Justice and the Council's education duties which will impact on the deliverability of this saving.							
Total Children, Schools and Families Savings					289	229	201	0		

The net £234k increase in savings will be allocated towards the 2019/20 savings target for CSF

60 -27 201 0 234

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

Panel	Ref	Description of Saving		2017/18 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
2015/18	E&R43	Service/Section Description Service Implication	Safer Merton Reductions in staffing across Safer Merton Reduction of our Community Safety offer to a statutory minimum which would be ASB , Annual Strategic Assessment, some Domestic Violence work, and limited strategic / partnership activity.	70	High	High	SS2
		Staffing Implications	2-3 FTEs to be deleted				
		Business Plan	This is in line with the team's TOM.				
		Impact on other	Council wide				
		Equalities Implications	Crime affects all members of the Community . Higher levels of crime are reported in more deprived parts of the borough and any reduction in capacity would potentially affect these areas more .				
		TOM Implications	None				

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

Panel	Ref	Description of Saving		2017/18 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
2015/18	E&R43	Service/Section Description	Safer Merton Reprofiling how Safer Merton will achieve savings of £70,000 in 2017-18. The reprofiling will see staff levels maintained and budget reductions met through cutting back on non statutory budgetary spend.	70	High	High	SNS1
		Service Implication	By reviewing every single budget line within Safer Merton's full budget profile we have identified a range of efficiencies to be made. The service will operate only with essential spend requirements and we will remove large, non statutory service costs. By making savings from each cost line we will achieve budget reduction without the need to further reduce staffing levels				
		Staffing Implications	No reduction in staff				
		Business Plan implications	In line with the TOM				
		Impact on other departments	No additional impacts. Addressing crime and disorder remains a council wide responsibility				
		Equalities Implications	Crime affects all areas of the borough and all of the communities whom live within it. The partnerships response to these issues requires a strong Safer Merton service and as such not reducing staffing further is vital to achieving this outcome				
		TOM Implications	None				

**COMMUNITY AND HOUSING DEPARTMENT-Libraries
REPLACEMENT FOR PREVIOUSLY AGREED SAVINGS**

Original Savings			Revised Savings				Risk Analysis Deliverability	Risk Analysis Reputational Impact	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)	New Ref
Ref	Description of Saving	2017/18 £'000	Description of Saving	2016/17 £000	2017/18 £000	2018/19 £000						
CH67 2017/18	Library & Heritage Service-Shared Management Structure	130	<p><u>Libraries</u></p> <p>Description Additional staffing efficiencies and consolidation of branch managers</p> <p>Service Implications This proposal works in conjunction with the agreed savings of CH7 and CH49 and will further consolidate staffing across libraries whilst ensuring that all libraries remain open with current opening hours arrangements in place.</p> <p>Staffing Implications This proposal along with CH7 and CH49 will require an organisational restructure of the library service and a greater dependency on security services and volunteers. The overall FTE reduction is estimated at 10.65 FTE .</p> <p>Business Plan Implications A reduction in staffing capacity could lead to reductions in achievement against KPI's and some key projects but this is mitigated by ensuring that the focus remains on key business plan objectives including library redevelopments and the schools and libraries membership scheme.</p> <p>Impact on other departments Reduced capacity could lead to a reduction in customer support. This may have an impact on assisted digital support work but will be mitigated by reducing backroom processes and increasing voluntary support.</p> <p>Equalities Implications An Equalities Analysis has been completed and key actions identified will be implemented.</p>	0	63			H	H		SS2	CH70
CH67 2017/18	Library & Heritage Service-Shared Management Structure		<p>Description Reduction in People's Network costs</p> <p>Service Implications Reductions in line costs and contracts mean that current levels of service for public Internet computers and Wi-Fi can be delivered at a reduced cost.</p> <p>Staffing Implications Not applicable.</p> <p>Business Plan Implications Not applicable - no impact on service.</p> <p>Impact on other departments Reduction in budget will mean that there will be no budget available for any unplanned works or upgrades.</p> <p>Equalities Implications None identified.</p>	0	40			M	L		SNS1	CH71
Total: Community and Housing Replacement Savings				0	103	0	0					
Total: Community and Housing Deleted Savings				0	130	0	0					
Net Shortfall: Community and Housing Savings				0	27	0	0					

DRAFT MTFS 2017-21:				
	2017/18	2018/19	2019/20	2020/21
	£000	£000	£000	£000
Departmental Base Budget 2016/17	139,982	139,982	139,982	139,982
Inflation (Pay, Prices)	3,122	6,244	9,366	12,488
Autoenrolment/Nat. ins changes	857	1,172	1,172	1,172
FYE – Previous Years Savings	(9,429)	(15,173)	(15,173)	(15,173)
Amendments to previously agreed savings	(33)	(33)	(6)	(207)
Change in Net Appropriations to/(from) Reserves	(1,281)	(1,767)	(1,478)	(1,981)
Taxi card/Concessionary Fares	450	901	1,351	1,801
Other	71	144	1,816	3,470
Re-Priced Departmental Budget	133,739	131,470	137,030	141,551
Treasury/Capital financing	12,543	11,503	12,439	12,873
Pensions	4,592	4,799	5,015	5,015
Other Corporate items	(13,171)	(12,824)	(13,175)	(13,175)
Levies	628	628	628	628
Sub-total: Corporate provisions	4,592	4,106	4,907	5,341
Sub-total: Repriced Departmental Budget + Corporate Provisions	138,331	135,576	141,937	146,892
Savings/Income Proposals 2017/18	0	0	0	0
Sub-total	138,331	135,576	141,937	146,892
Appropriation to/from departmental reserves	(719)	(233)	(522)	(19)
Appropriation to/from Balancing the Budget Reserve	1,852	(2,220)	(7,891)	0
BUDGET REQUIREMENT	139,464	133,123	133,524	146,873
Funded by:				
Revenue Support Grant	(15,520)	(10,071)	(5,076)	0
Business Rates (inc. Section 31 grant)	(34,847)	(35,553)	(36,295)	(36,952)
PFI Grant	(4,797)	(4,797)	(4,797)	(4,797)
New Homes Bonus	(4,763)	(2,993)	(2,871)	(2,000)
Council Tax inc. WPC	(79,313)	(79,708)	(83,098)	(86,509)
Collection Fund – (Surplus)/Deficit	(224)	0	0	0
TOTAL FUNDING	(139,464)	(133,123)	(132,137)	(130,258)
GAP including Use of Reserves (Cumulative)	0	0	1,386	16,615

Capital Programme as at August 2016 Monitoring - October 2016 Cabinet with Bids									
Department	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Community and Housing									
<u>Libraries</u>									
Library Self Service	0	0	0	350,000	0	0	0	0	350,000
Colliers Wood Re-Fit	150,000	0	0	0	0	0	0	0	0
West Barnes Library Re-Fit	200,000	0	0	0	0	0	0	0	0
Library Management System	100,000	0	0	0	0	0	0	0	0
<u>Housing</u>									
Disabled Facilities Grant	755,000	628,900	280,000	280,000	280,000	280,000	280,000	280,000	280,000
Total Community and Housing	1,205,000	628,900	280,000	630,000	280,000	280,000	280,000	280,000	630,000

Capital Programme as at August 2016 Monitoring - October 2016 Cabinet with Bids

Environment and Regeneration									
<u>Footways</u>									
Repairs to Footways	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
<u>Greenspaces</u>									
Parks investment	201,000	307,500	295,000	300,000	300,000	300,000	300,000	300,000	300,000
Parks Bins - Finance Lease	34,000	27,500	0	0	0	0	0	0	0
Pay & Display Machine	0	0	60,000	0	0	0	0	60,000	60,000
<u>Highways General Planned Works</u>									
Surface Drainage Water	69,000	72,000	77,000	77,000	77,000	77,000	77,000	77,000	77,000
Highways and Bridges Structures	260,000	260,000	260,000	260,000	260,000	260,000	260,000	260,000	260,000
Maintain AntiSkid and Coloured	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000
<u>Highways Planned Road Works</u>									
Borough Roads Maintenance	1,500,000	1,500,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
<u>Leisure Centres</u>									
Leisure Centre Plant and Machines	300,000	300,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Morden Leisure Centre	5,692,460	331,940	0	0	0	0	0	0	0
Wimbledon Park Lake De-Silting	250,000	1,250,000	0	0	0	0	0	0	0
<u>Other E&R</u>									
Replacing Handheld Computers	0	0	0	0	35,000	0	0	0	0
<u>On and Off Street Parking</u>									
Improved parking- shop parades	0	0	0	0	0	0	0	0	0
<u>Regeneration Partnerships</u>									
Mitcham Major Schemes - TfL	700,000	0	0	0	0	0	0	0	0
Industrial Estate Investment	450,000	0	0	0	0	0	0	0	0
Transportation Enhancements	0	1,000,000	3,000,000	1,000,000	0	0	0	0	0
<u>Street Lighting</u>									
Street Lighting	290,000	509,000	290,000	290,000	290,000	290,000	290,000	290,000	290,000
<u>Street Scene</u>									
B591b Shop Front Improvement	0	0	0	0	0	0	0	0	0
Street Tree Programme	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
<u>Transport for London</u>									
TfL Unallocated	1,844,800	1,864,800	0	0	0	0	0	0	0
Morden TfL	220,000	2,000,000	0	0	0	0	0	0	0
<u>Transport and Plant</u>									
Replacement Fleet Vehicles	400,000	400,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
SWLP Vehicles	3,956,000	0	0	0	0	0	0	0	3,956,000

Capital Programme as at August 2016 Monitoring - October 2016 Cabinet with Bids									
<u>Traffic and Parking Management</u>									
Traffic Schemes	156,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
<u>Waste Operations</u>									
Alley Gating	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Waste Bins - Finance Lease	5,500	5,500	0	0	0	0	0	0	0
SWLP IT	42,000	0	0	0	0	0	0	0	42,000
SWLP Depot	73,000	0	0	0	0	0	0	0	0
SWLP Wheelie Bins	2,674,000	0	0	0	0	0	0	0	0
Total Environment and Regeneratio	20,307,760	11,168,240	7,072,000	5,017,000	4,052,000	4,017,000	4,017,000	4,077,000	8,075,000

Capital Programme as at August 2016 Monitoring - October 2016 Cabinet with Bids

Children, Schools and Families									
<u>Primary Expansions</u>									
<u>Secondary Expansion</u>									
St Marks	1,111,800	511,800	4,681,000	0	0	0	0	0	0
New 6fe School	4,916,250	2,203,600	0	0	0	0	0	0	0
Harris merton	2,181,310	0	0	0	0	0	0	0	0
Harris Morden	1,793,560	1,200,000	0	0	0	0	0	0	0
Raynes Park	0	0	0	0	0	0	0	0	0
<u>SEN Expansion</u>									
Perseid	850,000	650,000	0	0	0	0	0	0	0
Secondary School Autism Unit	1,110,000	200,000	0	0	0	0	0	0	0
Further SEN	2,434,360	3,000,000	0	0	0	0	0	0	0
<u>Other CSF</u>									
Schools Capital Maintenance	670,000	650,000	650,000	650,000	650,000	650,000	650,000	650,000	650,000
School Loans	104,450	0	0	0	0	0	0	0	0
Admissions IT	0	0	105,000	0	0	0	105,000	0	0
Total Children, Schools and Families	15,171,730	8,415,400	5,436,000	650,000	650,000	650,000	755,000	650,000	650,000

Capital Programme as at August 2016 Monitoring - October 2016 Cabinet with Bids

Corporate Services										
<u>Business Improvement</u>										
Replacement Social Care System	200,000	350,000	0	0	0	0	2,100,000	0	0	
Planning&Public Protection Sys	0	510,000	0	0	0	0	0	0	550,000	
Revenue and Benefits	0	400,000	0	0	0	0	0	400,000	0	
Spectrum Spatial Analyst Replacemen	0	42,000	0	0	42,000	0	0	42,000	0	
Capita Housing	100,000	0	0	0	0	100,000	0	0	0	
Aligned Assets	0	75,000	0	0	0	0	75,000	0	0	
Replacement Document Management	0	0	0	0	0	0	900,000	0	0	
Electronic Asset Management	190,000	0	0	0	0	0	0	240,000	0	
Customer Contact	0	0	0	0	2,000,000	0	0	0	2,000,000	
<u>Corporate</u>										
<u>Facilities Management</u>										
Invest to Save Schemes	900,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Capital Works Facilities	300,000	300,000	650,000	650,000	650,000	650,000	650,000	650,000	650,000	650,000
Water Safety Works	150,000	100,000	0	0	0	0	0	0	0	0
Asbestos Safety Works	250,000	250,000	0	0	0	0	0	0	0	0
Schools PV&Energy conservation	2,000,000	0	0	0	0	0	0	0	0	0
Civic Centre Boilers	0	300,000	0	0	0	0	0	0	0	0
Civic Centre Staff Entrance Improveme	200,000	0	0	0	0	0	0	0	0	0
Civic Centre Lightning Upgrade	0	0	300,000	0	0	0	0	0	0	0
Civic Centre Block Paving	75,000	0	0	0	0	0	0	0	0	0
Multi-Function Device	75,000	0	600,000	0	0	0	0	600,000	0	
<u>Information Tecnology</u>										
Planned Replacement Programme	1,746,000	510,000	430,000	860,000	770,000	560,000	575,000	430,000	860,000	
IT Enhancements	200,000	275,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	
Data Centre Support Equipment	0	300,000	0	0	0	0	0	0	0	
<u>Resources</u>										
Improving Financial Systems	0	0	0	0	0	700,000	0	0	0	
Full EDRMS Invoice Solution SCIS/FIS	0	0	0	0	0	0	0	0	0	
Replacement of Civica Icon	0	0	0	125,000	0	0	0	0	0	
Total Corporate Services	6,386,000	3,712,000	2,480,000	2,135,000	3,962,000	2,510,000	4,800,000	2,862,000	4,560,000	
Total Merton	43,070,490	23,924,540	15,268,000	8,432,000	8,944,000	7,457,000	9,852,000	7,869,000	13,915,000	

Movement in the Revised Capital Programme 2017-26									
Department	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Community and Housing									
Libraries									
Library Self Service	0	0	0	0	0	0	0	0	350,000
Colliers Wood Re-Fit	0	0	0	0	0	0	0	0	0
West Barnes Library Re-Fit	0	0	0	0	0	0	0	0	0
Library Management System	0	0	0	0	0	0	0	0	0
Housing									
Disabled Facilities Grant	0	0	0	0	0	0	0	0	280,000
Total Community and Housing	0	0	0	0	0	0	0	0	630,000

Movement in the Revised Capital Programme 2017-26									
Environment and Regeneration									
<u>Footways</u>									
Repairs to Footways	0	0	0	0	0	0	0	0	1,000,000
<u>Greenspaces</u>									
Parks investment	0	0	0	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	300,000
Parks Bins - Finance Lease	0	0	0	0	0	0	0	0	0
Pay & Display Machine	0	0	0	0	0	0	0	0	60,000
<u>Highways General Planned Works</u>									
Surface Drainage Water	0	0	0	0	0	0	0	0	77,000
Highways and Bridges Structures	0	0	0	0	0	0	0	0	260,000
Maintain AntiSkid and Coloured	0	0	0	0	0	0	0	0	90,000
<u>Highways Planned Road Works</u>									
Borough Roads Maintenance	0	0	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	1,200,000
<u>Leisure Centres</u>									
Leisure Centre Plant and Machines	0	0	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	250,000
Morden Leisure Centre	0	0	0	0	0	0	0	0	0
Wimbledon Park Lake De-Silting	0	0	0	0	0	0	0	0	0
<u>Other E&R</u>									
Replacing Handheld Computers	0	0	0	0	0	0	0	0	0
<u>On and Off Street Parking</u>									
Improved parking- shop parades	0	0	0	0	0	0	0	0	0
<u>Regeneration Partnerships</u>									
Mitcham Major Schemes - TfL	0	0	0	0	0	0	0	0	0
Industrial Estate Investment	0	0	0	0	0	0	0	0	0
Transportation Enhancements	0	(4,000,000)	3,000,000	1,000,000	0	0	0	0	0
<u>Street Lighting</u>									
Street Lighting	0	0	0	0	0	0	0	0	290,000
<u>Street Scene</u>									
B591b Shop Front Improvement	0	0	0	0	0	0	0	0	0
Street Tree Programme	0	0	0	0	0	0	0	0	60,000
<u>Transport for London</u>									
TfL Unallocated	0	0	0	0	0	0	0	0	0
Morden TfL	0	0	0	0	0	0	0	0	0
<u>Transport and Plant</u>									
Replacement Fleet Vehicles	(100,000)	(100,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	300,000
SWLP Vehicles	0	0	0	0	0	0	0	0	3,956,000

Movement in the Revised Capital Programme 2017-26									
<u>Traffic and Parking Management</u>									
Traffic Schemes	0	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	150,000
<u>Waste Operations</u>									
Alley Gating	0	0	0	0	0	0	0	0	40,000
Waste Bins - Finance Lease	0	0	0	0	0	0	0	0	0
SWLP IT	0	0	0	0	0	0	0	0	42,000
SWLP Depot	0	0	0	0	0	0	0	0	0
SWLP Wheelie Bins	0	0	0	0	0	0	0	0	0
Total Environment and Regeneration	(100,000)	(4,125,000)	2,825,000	800,000	(200,000)	(200,000)	(200,000)	(200,000)	8,075,000

Movement in the Revised Capital Programme 2017-26									
Children, Schools and Families									
<u>Primary Expansions</u>									
<u>Secondary Expansion</u>									
St Marks	0	(2,169,200)	2,681,000	0	0	0	0	0	0
New 6fe School	0	0	(1,979,100)	(6,000,000)	(4,008,000)	0	0	0	0
Harris merton	0	0	0	0	0	0	0	0	0
Harris Morden	0	500,000	0	0	0	0	0	0	0
Raynes Park	(100,000)	(1,530,000)	(4,200,000)	0	0	0	0	0	0
<u>SEN Expansion</u>									
Perseid	0	0	0	0	0	0	0	0	0
Secondary School Autism Unit	0	200,000	0	0	0	0	0	0	0
Further SEN	0	0	(1,000,000)	0	0	0	0	0	0
<u>Other CSF</u>									
Schools Capital Maintenance	0	0	0	0	0	0	0	0	650,000
School Loans	0	0	0	0	0	0	0	0	0
Admissions IT	0	0	0	0	0	0	0	0	0
Total Children, Schools and Families	(100,000)	(2,999,200)	(4,498,100)	(6,000,000)	(4,008,000)	0	0	0	650,000

Movement in the Revised Capital Programme 2017-26									
Corporate Services									
Business Improvement									
Replacement Social Care System	200,000	350,000	0	(150,000)	(1,950,000)	0	2,100,000	0	0
Planning&Public Protection Sys	(510,000)	510,000	0	0	(550,000)	0	0	0	550,000
Revenue and Benefits	0	0	0	0	0	0	0	0	0
Spectrum Spatial Analyst Replacement	0	0	0	0	0	0	0	0	0
Capita Housing	0	0	0	0	0	0	0	0	0
Aligned Assets	0	0	0	0	0	(75,000)	75,000	0	0
Replacement Document Management	0	0	0	0	0	0	900,000	0	0
Electronic Asset Management	190,000	0	(190,000)	0	0	0	(190,000)	240,000	0
Customer Contact	0	0	0	(200,000)	200,000	0	0	0	2,000,000
Corporate									
Facilities Management									
Invest to Save Schemes	0	0	0	0	0	0	0	0	300,000
Capital Works Facilities	0	0	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	650,000
Water Safety Works	0	0	0	0	0	0	0	0	0
Asbestos Safety Works	0	0	0	0	0	0	0	0	0
Schools PV&Energy conservation	0	0	0	0	0	0	0	0	0
Civic Centre Boilers	0	0	0	0	0	0	0	0	0
Civic Centre Staff Entrance Improveme	0	0	0	0	0	0	0	0	0
Civic Centre Lightning Upgrade	0	0	0	0	0	0	0	0	0
Civic Centre Block Paving	0	0	0	0	0	0	0	0	0
Multi-Function Device	0	0	0	0	0	0	0	0	0
Information Tecnology									
Planned Replacement Programme	0	0	0	0	0	0	0	(145,000)	860,000
IT Enhancements	0	0	0	0	0	0	0	0	200,000
Data Centre Support Equipment	0	0	0	0	0	0	0	0	0
Resources									
Improving Financial Systems	0	0	0	(700,000)	0	700,000	0	0	0
Full EDMS Invoice Solution SCIS/FIS	0	0	0	0	0	0	0	0	0
Replacement of Civica Icon	0	0	0	0	0	0	0	0	0
Total Corporate Services	(120,000)	860,000	(240,000)	(1,100,000)	(2,350,000)	575,000	2,835,000	45,000	4,560,000
Total Merton	(320,000)	(6,264,200)	(1,913,100)	(6,300,000)	(6,558,000)	375,000	2,635,000	(155,000)	13,915,000

Equality Analysis

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

What are the proposals being assessed?	Review of management costs within CSF to deliver savings over 2016/18 – CSF 2015-07
Which Department/ Division has the responsibility for this?	CSF Cross cutting

Stage 1: Overview	
Name and job title of lead officer	Director of CSF
1. What are the aims, objectives and desired outcomes of your proposal? (Also explain proposals e.g. reduction/removal of service, deletion of posts, changing criteria etc)	In the light of the level of savings needed across CSF and the impact on the size and scope of the department to review service structures and to design new structures to enable the department to reduce management costs and remain fit for purpose. At this stage we expect this will require a reduction of 13 posts from a total of 268FTE. There will be a focus on core functions in education and social care and we will redesign our workforce across a smaller overall department.
2. How does this contribute to the council's corporate priorities?	CSF delivers the council's statutory education, children's social care, early years and youth justice and broader statutory functions relating to children schools and families. The department is down-sizing but must remain fit for purpose with appropriate spans of management to operate a safe and effective set of services within the reduced resources available. A smaller workforce will reduce our ability to work on cross cutting issues and new developments.
3. Who will be affected by this proposal? For example who are the external/internal customers, communities, partners, stakeholders, the workforce etc.	The leadership and management team of the department with be most affected and there will need to be consultation with staff and partners as we deliver integrated children's services through our Children's trust and MSCB partnerships
4. Is the responsibility shared with another department, authority or organisation? If so, who are the partners and who has overall responsibility?	This proposal cuts across CSF but will need to be considered by CMT and partners as it may impact on the department's ability to contribute to shared work and objectives internally and externally. We will use the Council's agreed HR policies and procedures for restructuring. An EA will be developed for the service change staffing proposals as and when we are able to be clearer about the exact number of staff reductions required, the affected divisions and services. We will require new systems to be embedded, primarily (MOSAIC) and to have embedded flexible working across the department. Work is already underway in terms of developing the CSF workforce to be more highly skilled and flexible, therefore, meeting the

increased demands with a reduced number of staff.

Stage 2: Collecting evidence/ data

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

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

CSF's workforce is diverse and the profile shows that BME staff and women are well represented at most layers in the organisation. We are below our target for employees with disabilities but have some evidence of colleagues with disabilities not identifying themselves formally out of choice. The development of proposals to reshape the department's management structures will be undertaken through the council's agreed processes and there will be particular consideration of the impact of any changes on protected groups. Detailed impact assessments will be undertaken as the project is initiated and throughout the process. HR will provide both advice and challenge to ensure impact is not disproportionately felt on protected groups. The council has statutory duties as an employer which it will also need to fulfil and will need to reconcile any competing requirements across these different legislative areas. During the review of our processes we will ensure they are LEAN.

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Stage 3: Assessing impact and analysis

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

Protected characteristic (equality group)	Tick which applies		Tick which applies		Reason Briefly explain what positive or negative impact has been identified
	Positive impact		Potential negative impact		
	Yes	No	Yes	No	
Age					At this stage of process it is not possible to evidence impact for the different characteristics, however, detailed assessments will be undertaken throughout the development and implementation stages to ensure impact does not fall disproportionately on particular protected groups (staff reductions are being realised via: deleting a vacant post in School Org and two members of the joint leadership team requesting VR).

Disability					See above
Gender Reassignment					See above
Marriage and Civil Partnership					See above
Pregnancy and Maternity					See above
Race					See above
Religion/ belief					See above
Sex (Gender)					See above
Sexual orientation					See above
Socio-economic status					See above

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

N/A

Stage 4: Conclusion of the Equality Analysis

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

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

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

Stage 5: Improvement Action Plan

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

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

Negative impact/ gap in information identified in the Equality Analysis	Action required to mitigate	How will you know this is achieved? e.g. performance measure/ target)	By when	Existing or additional resources ?	Lead Officer	Action added to divisional/ team plan?
To review proposals and implementation at key points to ensure EA is not disproportionate.	Undertake EA's at key stages of the process: design; implementation	EA's undertaken	To be determined as part of programme	Existing	CSF Business partner	

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

Stage 6: Reporting outcomes

10. Summary of the equality analysis

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

Programme management to include an overview and actions to mitigate any potential negative equalities implications, to be developed with HR Business Partner and DMT (CSF).

Stage 7: Sign off by Director/ Head of Service			
Assessment completed by	Carol Cammiss	Signature:	Date:
Improvement action plan signed off by Director/ Head of Service	Yvette Stanley	Signature:	Date:

Safer Merton Savings 2017-18 - Alternative for E&R 43

What are the proposals being assessed?	Re-profiling of Safer Merton savings for 2017-18
Which Department/ Division has the responsibility for this?	Environment and regeneration

Stage 1: Overview	
Name and job title of lead officer	Chris Lee, Director of E&R
1. What are the aims, objectives and desired outcomes of your proposal? (Also explain proposals e.g. reduction/removal of service, deletion of posts, changing criteria etc)	<p>The revised proposal will see Safer Merton achieve savings of £70,000 through refining non-essential spend rather than through staff reductions as previously proposed. The Safer Merton Manager has undertaken review of every single budget line within the services full budget profile and has identified a range of efficiencies to be made. The service will operate only with essential spend requirements and we will remove large, non-statutory service costs alongside trimming back on budgets which have previously been underspent against. By making savings from each cost line we will achieve budget reduction without the need to further reduce staffing levels</p> <p>This would mean that we can maintain our current offers in key business areas such as ASB, Domestic Violence and Abuse, Neighbourhood Watch, Integrated Offender Management and the partnerships analytical support</p>
2. How does this contribute to the council's corporate priorities?	This is a financially driven target to ensure that Safer Merton contributes to E&Rs, and in turn, the councils, saving targets
3. Who will be affected by this proposal? For example who are the external/internal customers, communities, partners, stakeholders, the workforce etc.	There will be minimal effect on our customers as the savings targets do not affect staffing. There may be some impact on campaigns, due to cuts in communications budgets, but actual service delivery is maintained.
4. Is the responsibility shared with another department, authority or organisation? If so, who are the partners and who has overall responsibility?	<p>The delivery of Community Safety functions are the statutory responsibility of all. Under the Crime and Disorder Act 1998, every service and partner needs to consider the impact of crime and ASB under all that they do</p> <p>This work is overseen and driven by the Safer Merton team whom co-ordinate the work</p>

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Stage 2: Collecting evidence/ data

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

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

Through the annual strategic assessment and through changes in the London Mayor we have identified that our previous savings proposals would have negatively impacted upon our residents, businesses and visitors within the borough. Merton is a safe borough and has been consistently. Further staff cuts could put this status at risk.

The re-profiling should allow the Safer Merton Partnership to maintain recent success and build on this moving in to the new financial year and subsequent electoral periods.

Stage 3: Assessing impact and analysis

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

Protected characteristic (equality group)	Tick which applies		Tick which applies		Reason Briefly explain what positive or negative impact has been identified
	Positive impact		Potential negative impact		
	Yes	No	Yes	No	
Age	X				If the proposals are agreed there are likely to be significant positive impacts on the community at large as we maintain our status as a safe borough
Disability	X				As above
Gender Reassignment	X				As above
Marriage and Civil Partnership	X				As above
Pregnancy and Maternity	X				As above
Race	X				As above
Religion/ belief	X				As above
Sex (Gender)	X				As above
Sexual orientation	X				As above
Socio-economic status	X				As above

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

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

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

Stage 4: Conclusion of the Equality Analysis

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


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

OUTCOME 1

OUTCOME 2

OUTCOME 3

OUTCOME 4

Stage 5: Sign off by Director/ Head of Service <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>			
Assessment completed by	Neil Thursday, Safer Merton Manager	Signature: 	Date: 19/09/19
Improvement action plan signed off by Director/ Head of Service	John Hill, Head of Public Protection	Signature:	Date:

Equality Analysis

Please refer to the guidance for carrying out an Equality Analysis.
 Text in blue is intended to provide guidance – you can delete this from your final version.

What are the proposals being assessed?	Introduction of self-service libraries at off peak times in branch libraries. Consolidation of managers at branch libraries and staff reductions at all library sites.
Which Department/ Division has the responsibility for this?	Community and Housing / Libraries

Stage 1: Overview	
Name and job title of lead officer	Annette Acquah – Libraries Transformation Manager
1. What are the aims, objectives and desired outcomes of your proposal? (Also explain proposals e.g. reduction/removal of service, deletion of posts, changing criteria etc)	<p>As part of the Medium Term Financial Strategy, libraries along with all services are required to deliver savings. This proposal will deliver a significant part of the libraries savings target whilst ensuring that all libraries remain open and current opening hours are maintained. There will however be some impact on the quality of service delivered.</p> <p>This proposal includes the introduction self-service libraries at branch sites during quiet periods, shared management roles across branch sites, staff reductions across all libraries. In order to achieve this staff roles will need to be redefined with an increased reliance on volunteers and security guards for the continued delivery of services. The alternative delivery model for libraries will deliver a total saving of £190,000.</p>
2. How does this contribute to the council’s corporate priorities?	<p>In the set of guiding priorities and principles adopted in July 2011, the council set out its commitment to provide a certain level of essential services for residents with the continued provision of everything that is statutory being the top priority of “must” services. The Council also highlights its commitment to doing all that it can to help residents who aspire. In particular it sets out keeping the borough as a good place for the young to grow as one of its priorities.</p> <p>Merton Library Service falls under the Public Libraries and Museums Act 1964 which places a statutory duty on all local authorities to provide a “free and efficient” library service to residents. Whilst library services must be provided with free access to membership, books and information, authorities can decide on how these services are to be delivered.</p> <p>This proposal enables the continued provision of a statutory library service. It sees libraries acting as an</p>

	<p>enabler through the development of partnerships to deliver added value services such as initiatives to help young people to develop their literacy skills and employability sessions to support the unemployed and those looking to improve their career prospects.</p> <p>The savings proposed will deliver a significant portion of the libraries savings target set as part of the Council's MTFS.</p>
<p>3. Who will be affected by this proposal? For example who are the external/internal customers, communities, partners, stakeholders, the workforce etc.</p>	<p>The library service is open to anyone living, working, learning or visiting the borough and is intended to benefit all. Some library users reside in neighbouring boroughs that are in close proximity to a Merton library. There are over 65,000 customers that regularly use libraries with over 124,000 registered library members. In 2015/16 there were approximately 1,150,000 visits to a Merton library and 232,472 customers accessed library services online.</p> <p>The service currently has a staffing workforce of 43.56 FTE with approximately 340 active volunteers supporting service delivery. Security guards are timetabled in to provide support and enable the continued delivery of services. All library staff, volunteers and security guards will be affected by the proposals.</p>
<p>4. Is the responsibility shared with another department, authority or organisation? If so, who are the partners and who has overall responsibility?</p>	<p>There are a number of partnerships in place to support and enable the delivery of library services. Key partners include:</p> <ul style="list-style-type: none"> - The London Libraries Consortium for the sharing of Library Management Systems and Stock procurement contracts across 18 local authorities - Merton Voluntary Services Council-for the delivery of the Home Visits Library Service and support with volunteering arrangements - Organisations such as the Alzheimer's Society, Next Steps Career Service, University of the Third Age and Explore Learning for the delivery of health, employability support, lifelong learning, children's activities and other added value services in libraries. - External contractors assigned to carry out cleaning, building maintenance, and other works in libraries.

Stage 2: Collecting evidence/ data

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

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

<p>Evidence reviewed:</p> <ul style="list-style-type: none"> - Outcome of previous consultation exercises including the Working Age and Older People Library Non-User Survey, Annual Residents Survey, Public Library User Surveys, Opening Hours Survey, Library Staff Surveys and staff consultation on the alternative delivery

model.

- Analysis of library customer profiles including breakdown by age, gender, ethnicity and disability.
- Service monitoring reports looking at volunteer and partner statistics as well as library usage data including visitor figures, self service usage, issue figures, active usage data etc.
- National and local statistics including Merton Observatory, census data and CIPFA benchmarking data
- Insight gathered from library managers, frontline staff, volunteers, partners, security guards, customers and other feedback.
- Quarterly complaints and comments reports.

Summary of key findings:

- High usage of libraries with 62% of Merton residents registered as library members and 32% of residents regularly using library services.
- Wimbledon, Morden and Mitcham Libraries accounted for 69% of all visits to a Merton library.
- There is a higher than average active use of libraries among people from a Black ethnic or mixed race background with 38% and 36% respectively of these populations actively using libraries.
- Usage is lowest among the white population with only 23% of this group actively using libraries. 45% of library users are from a white background.
- 32% of the Asian population actively use libraries, this is consistent with active usage across the entire Merton population.
- 2% of active users have registered a disability. 22% of active library users with a disability have a learning difficulty and 15% have a mental health condition. 0.3% of users have a mobility related disability.
- 42% of library users are male, 56% are female. The gender of 2% of active users is unknown.
- 98% of users rate opening hours as very good (54%), good (37%) or adequate (9%).
- Satisfaction is well above the London average with 82% of residents rating library services as good to excellent
- 96% of customer transactions are completed through self-service machines.
- 74% of all library transactions take place between 10am and 12pm and 1pm and 5pm on weekdays.
- Libraries were generally quiet over the lunch hour with transaction levels falling to three or less per hour on occasion in four of the seven libraries.
- Only 5% of transactions took place between 5 and 7pm across all libraries.
- Usage is highest among children aged 5-9. 84% of the Merton population aged 10-14 years and 37% of those aged 0-4 years actively use libraries.
- Usage of libraries progressively declines from the age of 15 years onwards with an average of 9% of those aged 75years + using libraries.

Stage 3: Assessing impact and analysis

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

Protected characteristic (equality group)	Tick which applies		Tick which applies		Reason Briefly explain what positive or negative impact has been identified
	Positive impact		Potential negative impact		
	Yes	No	Yes	No	
Age		x	x		<p>During self-service periods there will be a reduced staffing presence with lone working in place to safeguard the interests of young people and vulnerable adults.</p> <p>Termly library visits are arranged for all Merton school classes to encourage the habit of reading for pleasure from a very young age. A reduction in staffing capacity could restrict the ability to continue to deliver these.</p>
Disability			x		<p>During self -service periods there will be limited support for people with disabilities to access services.</p> <p>The majority of library customers with a disability have a mental health condition or a learning disability. Staff have been trained to support customers with a mental health problem and customer support will be reduced during self-service periods.</p>
Gender Reassignment		x		x	Limited data is held to ascertain whether there is any potential impact.
Marriage and Civil Partnership		x		x	Limited data is held to ascertain whether there is any potential impact.
Pregnancy and Maternity		x		x	
Race	x		x		<p>There are a wide range of social activities delivered in libraries to promote diversity and community cohesion. With a reduction in staffing levels it is expected that fewer activities and events will be offered.</p> <p>There will be an increased reliance on security guards and volunteers for service delivery. Having a volunteer force that reflect the diversity of the community served will help develop our understanding of the local residents served.</p>
Religion/ belief		x		x	
Sex (Gender)		x		x	
Sexual orientation		x		x	
Socio-economic status		x	x		Many services are currently offered to support those looking to enter into employment and/or progress their careers. A reduced staffing resource could impact on the capacity to continue to coordinate and deliver these.

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

- We will seek to maintain opening hours through the introduction of self service periods during quiet periods. A security guard and volunteer presence will be maintained at all times to provide support for all customers and in particular to safeguard the vulnerable and support people with disabilities.
- Ensure that all security guards have enhanced training in safeguarding and disability awareness.
- All staff and security guards will receive training in supporting people with a learning disability.
- All security guards will receive training in supporting customers with mental health problems
- Reduce school visit schedule whilst ensuring that all school children have a quality interaction with their library service over the course of an academic year. We will work with primary schools to develop new initiatives as well as browse and borrow sessions which will involve children accessing services with minimal staff input. Offering services that are less resource intensive will ensure that we continue to promote and encourage the active use of libraries with reduced capacity.
- We will proactively engage with community groups to develop services and activities that are well tailored to their needs.
- To seek to develop a volunteer force that further reflects the diversity of the community served.
- Further develop partner working relations with other organisations to offer a wide range of employability support services in libraries.

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Stage 4: Conclusion of the Equality Analysis

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

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

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

Stage 5: Improvement Action Pan

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

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

Negative impact/ gap in information identified in the Equality Analysis	Action required to mitigate	How will you know this is achieved? e.g. performance measure/ target)	By when	Existing or additional resources?	Lead Officer	Action added to divisional/ team plan?
Safeguarding young people and vulnerable adults	To ensure that a security guard presence is maintained in libraries at all times	Security guards in libraries during all opening hours.	End of March 17	Existing	DC	Yes
	To seek to recruit a team of volunteers to provide support in libraries during self-service periods.	Volunteer cover during self-service periods				
	To ensure that all security guards receive safe guarding training	100% of security guards receive safeguarding training				
Reduced capacity school activities	Work with schools to develop a consolidated library offer	40% reduction in the staff time spent coordinating school activities	June 2017	Existing	AA	Yes
	Develop and coordinate browse and borrow sessions for children	Maintenance of number of children actively using libraries				
Reduced support for people with mental health conditions	All security guards trained in supporting customers with mental health problems	All security guards trained to identify and support customers with mental health problems	End of March 2017	Existing	DC	Yes
Limited support for people with learning difficulties	All staff and security guards receive training in supporting customers with a learning difficulty	100% of security guards complete training. Mystery shopper exercises	End of March 2017	Existing	DC	Yes

		and customer feedback				
Restricted access to services for those with mobility issues	Awareness training for all security guards and select volunteers	Number of volunteers and security guards trained	End of March 2017		DC	Yes
Risk of reduced access to services for ethnic minority groups	Engagement workshops held with ethnic minority groups	2 workshops held to gather insight. Priority areas consolidated into service model	End of March 2018		AA/JI	Yes
Limited support for those seeking employment or to develop their career prospects	Identify and establish working relations with partners to provide employability support sessions in libraries.	Weekly employability support sessions available in libraries in the deprived wards of the borough and where there is a demand.	End of March 2017		AA	Yes

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

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10. Summary of the equality analysis

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

This Equality Analysis has resulted in an Outcome <u>2</u> Assessment
<p>The Equality Analysis in this assessment identifies any potential negative impact of these proposals. The Equality Analysis action plan will be managed by the Library, Heritage & Adult Education Service and reports will be provided to members and officers as and when required.</p> <p>This proposal will ensure that all libraries remain open and are accessible to all of the community but acknowledges that reduced capacity will mean that levels of support for customers and the breadth of community engagement will be reduced but focused on key groups.</p>

Stage 7: Sign off by Director/ Head of Service			
Assessment completed by	Annette Acquah Service Transformation Manager	Signature:	Date: 21 September 2016
Improvement action plan signed off by Director/ Head of Service	Anthony Hopkins Head of Libraries, Heritage and Adult Education Services	Signature:	Date: 22 September 2016