

Financial Monitoring Task Group

Date: 29th October 2013

Subject: Financial Report 2013/14 – September 2013

Lead officer: Paul Dale

Lead member: Mark Allison

Recommendations:

- A. That the Financial Task Group discuss and comment on the financial reporting data relating to revenue budgetary control, showing a forecast underspend at year end of £954k (which is 0.58% of the gross Council Budget) after allowing for a £418k transfer to the Capital Programme and consider any relevant action they may wish to take in respect of variations
- B. The Task Group discuss and comment on the four schemes being re-profiled detailed in Appendix 5b and the Current Capital Programme as detailed in Appendix 5a.
- C. The Task Group discuss and comment on current progress to date on savings.
- D. The Task Group discuss and comment on the update to the use of reserves
- E. The Task Group discuss and comment on the update to Customer and Client Receipts
- F. The Task Group discuss and comment on the Cash Flow Statement
- G. The Task Group discuss and comment on the Key Strategic Risk Register as at September 2013 and Cabinet approve the removal of the following four items:
 - KSR 51 – Supply Chain Failure - One of Merton's key delivery partners or sponsor goes in to administration – Risk Ranked as 2
 - KSR 52 - Data quality of management information - Failure to provide accurate performance data – Risk Ranked as 2
 - KSR 57 - Agency staff - Use of agency staff following changes to employment rights – Risk Ranked as 2
 - KSR 59 - Business rates - Localism agenda - review of business rates Inc. discretionary reliefs – Risk Ranked as 2

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 This is the regular financial monitoring report for 2013/14 presented to the Financial Monitoring Task Group in line with the financial reporting timetable. It is based on expenditure and income as at the half year to 30th September 2013.

This financial monitoring report provides:-

- The latest budgetary control information on revenue expenditure and income, forecasting a year end underspend of £0.954m (£1.07.m underspend reported last month);
- An update on the capital programme and detailed monitoring information;
- An update on Corporate Items in the budget 2013/14;
- Progress on the delivery of the 2013/14 revenue savings
- An update on the use of reserves
- An update on customer and client receipts
- The key strategic risk register as at September 2013

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

2.1 **Executive summary** - As at September, the forecast is expected to be a net £0.954m underspend compared to the current budget.

Summary Position as at 30th September 2013

	Current Budget 2013/14 £000s	Full Year Forecast (Sep.) £000s	Forecast Variance at year end (Sep.) £000s	Forecast Variance at year end (Aug.) £000s
Department				
3A. Corporate Services	11,942	10,883	(1,059)	(670)
3B. Children, Schools and Families	50,880	51,853	972	602
3C. Community and Housing	63,568	63,711	142	(385)
3D. Public Health	0	(42)	(42)	(52)
3E. Environment & Regeneration	26,072	25,917	(155)	248
NET SERVICE EXPENDITURE	152,463	152,322	(140)	(257)
3E. Corporate Items				
Impact of Capital on revenue budget	13,878	13,878	0	0
Central budgets	(2,993)	(3,807)	(814)	(814)
Levies	914	914	0	0
TOTAL CORPORATE PROVISIONS	11,799	10,985	(814)	(814)
TOTAL GENERAL FUND	164,262	163,307	(954)	(1,071)
FUNDING				
Revenue Support Grant	(47,221)	(47,221)	0	0
Business Rates	(32,020)	(32,020)	0	0
Other Grants	(8,356)	(8,356)	0	0
Council Tax and Collection Fund	(76,664)	(76,664)	0	0
FUNDING	(164,262)	(164,261)	0	0

A detailed table is provided as Appendix 1.

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

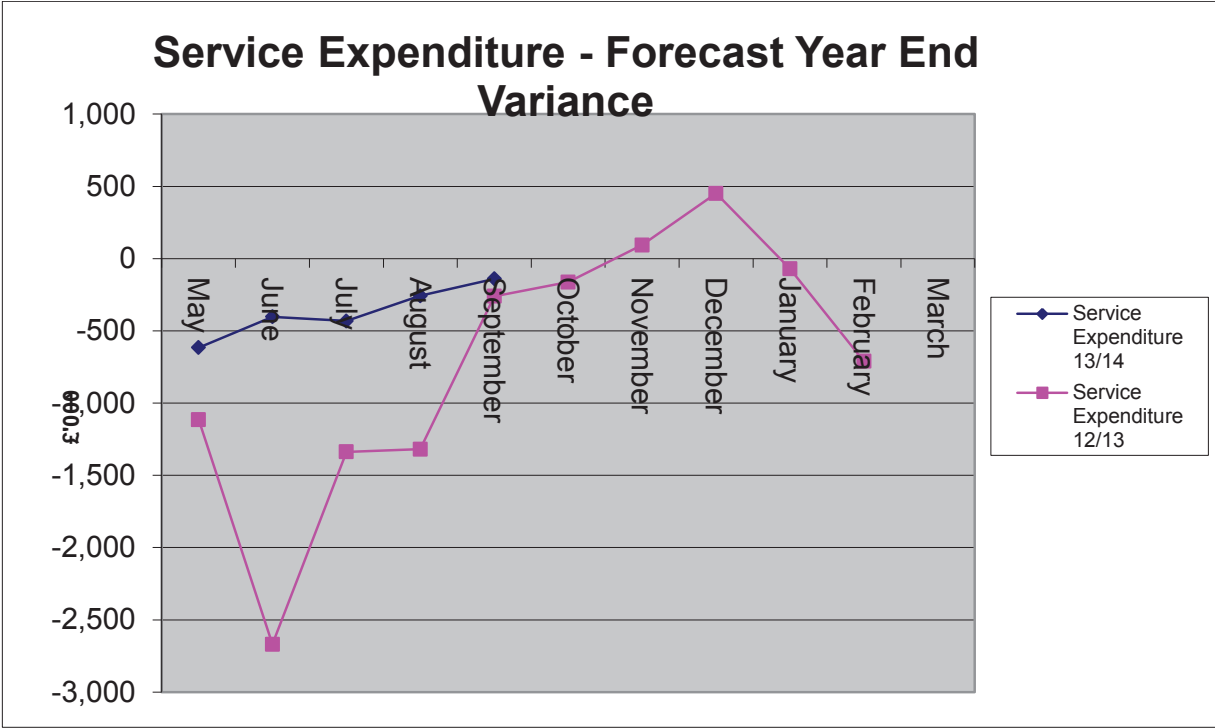
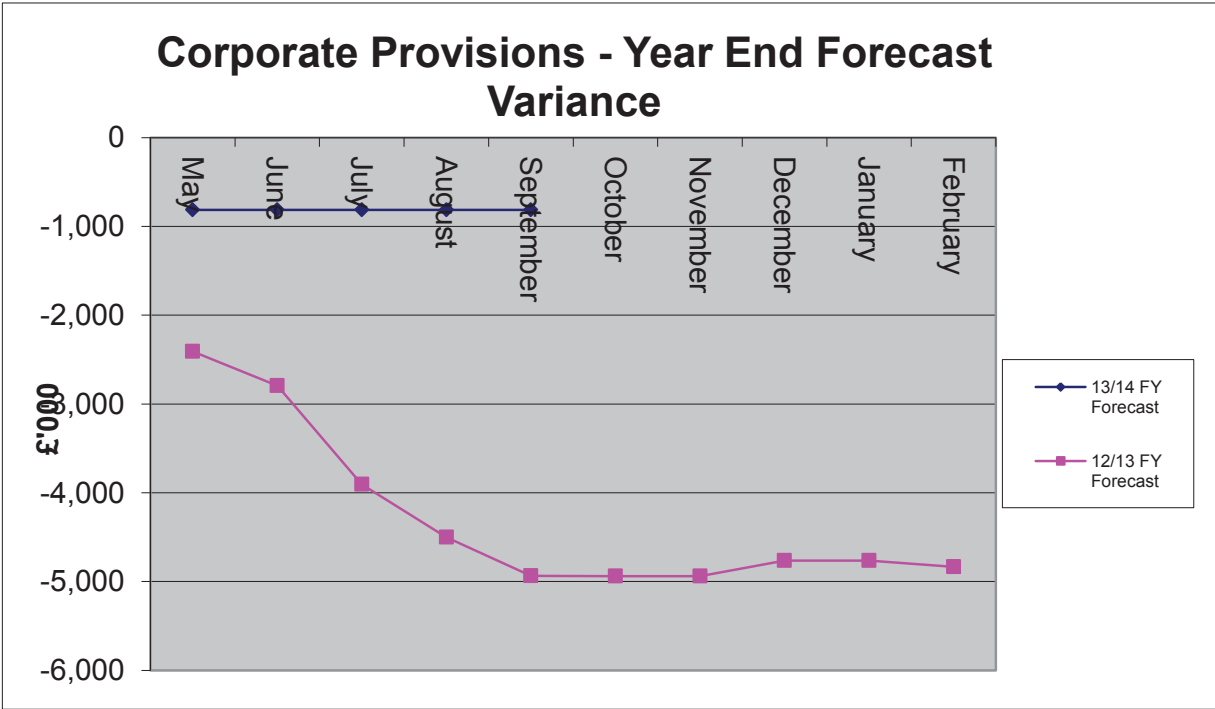


Chart 2 shows the forecast year end variance for corporate provisions with a comparison against 2012/13.



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

	Current Budget 2013/14	Full Year Forecast (Sep)	Forecast Variance at year end (Sep)
Expenditure	£000	£000	£000
Employees	90,894	91,767	873
Premises Related Expenditure	9,709	9,061	(648)
Transport Related Expenditure	13,171	12,495	(676)
Supplies and Services	161,751	162,112	361
Third Party Payments	87,650	87,080	(570)
Transfer Payments	95,946	108,568	12,622
Support Services	32,417	32,417	(0)
Depreciation and Impairment Losses	13,783	13,783	0
Corporate Provisions	11,799	10,985	(814)
GROSS EXPENDITURE	517,119	528,267	11,148
Income			
Government Grants	(242,551)	(255,342)	(12,791)
Other Grants, Reimbursements and Contribs	(18,584)	(18,822)	(238)
Customer and Client Receipts	(53,654)	(52,749)	905
Interest	(44)	(24)	20
Recharges	(34,296)	(34,295)	1
Balances	(3,729)	(3,729)	0
GROSS INCOME	(352,857)	(364,960)	(12,103)
NET EXPENDITURE	164,262	163,307	(954)

3. DEPARTMENTAL SUMMARY OF CURRENT POSITION

i) Corporate Services Department

	2013/14 Current Budget	Full year Forecast September	Forecast variance at year end (Sept)	Forecast variance at year end (Aug)	2012/13 Variance at year end
	£000	£000	£000	£000	£000
Business Improvement	2,249	2,222	(27)	(18)	4
Infrastructure & Transactions	8,961	8,747	(214)	(189)	20
Resources	7,511	7,316	(196)	(96)	(141)
Human Resources	2,175	2,247	72	82	253
Corporate Governance	4,513	4,417	(96)	(95)	(195)
Customer Services	2,302	1,662	(639)	(404)	460
Corporate Items including redundancy costs	1,326	1,367	41	50	(9)
Total (controllable)	29,036	27,977	(1,059)	(670)	393

Overview

At period 6 (September) the Corporate Services department is forecasting an underspend of £1,059k.

The main variances are summarised in the table below.

<u>13/14</u>	<u>Budget</u> <u>£000</u>	<u>Sept</u> <u>forecast</u> <u>variance</u> <u>£000</u>	<u>13/14</u> <u>Savings</u> <u>£000</u>
<u>Human Resources</u>			
School's SLA	(376)	42	
Other costs	2,202	30	
Total Human Resources	2,175	72	
<u>Resources</u>			
Audit Fee	422	(172)	
Other costs	7,077	(24)	
Total Resources	7,511	(196)	
<u>Customer Services</u>			
Corporate Communications Income	(203)	155	
Shared Bailiff's service with LB Sutton	(150)	115	£150k income target
Local welfare support programme funding	(367)	(295)	
CHAS	0	(232)	
Other costs	3,022	(382)	
Total Customer Services	2,302	(639)	

Human Resources (HR) – forecast overspend £72k

The Schools payroll SLA is forecast to underachieve the income target by £42k. The competition from external payroll providers puts this income budget under pressure for future years.

Customer Services – forecast underspend £639k

The Local Welfare Support discretionary scheme was set up in response to localise the Department of Works and Pensions, Social Fund. The authority has been allocated £367k of programme funding in the current year. The number of claims to date is significantly lower than anticipated and this is similar across London. Based on year to date claims this budget is expected to underspend by £295k, but the scheme is being kept under review.

There is a forecast underspend of £170k due to vacant posts within the division.

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

The Contractors Health and Safety Assessment Scheme (CHAS) commenced trading as CHAS 2013 Limited t/a CHAS on 3rd June 2013. CHAS has been removed from the Customer services budget to reflect the company trading as a limited company. The surplus generated up to the commencement of trading of £232k remains in Customer services.

Resources – forecast underspend £196k

The audit fee saving for future years has been captured early in the current year.

Infrastructure and Transactions – forecast underspend £214k

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

Management Action

Finance staff continue to work closely with budget managers to make forecasting more robust and accurate.

3B. Children Schools and Families

Children, Schools and Families	2013/14 Current Budget £000	Full year Forecast (Sep) £000	Forecast Variance at year end (Sep) £000	Forecast Variance at year end (Aug) £000	2012/13 Variance at year end £000
Commissioning, Strategy and Performance	9,368	9,943	575	415	548
Education	15,995	16,544	549	262	144
Social Care and Youth Inclusion	11,748	11,600	(148)	(71)	(521)
PFI	7,070	7,066	(4)	(4)	68
Redundancy costs	2,042	2,042	0	0	(51)
Total (controllable)	46,223	47,195	972	602	188

Overview

At the end of period 6 (September) Children Schools and Families is forecasting a net overspend of £972k on local authority funded services

Local Authority Funded Services

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

Description	Budget £000	Sept £000	Aug £000
Independent fostering and residential placements (ART)	4,926	473	346
Legal fees	519	49	49
Other small over and underspends	3,923	53	20
Subtotal Commissioning, Strategy and Performance	9,368	575	415
Children with Disabilities staff cover	409	172	121
Children with Disabilities personal support	148	233	102
Early Years	548	(39)	(75)
Statement support team staff cover	337	52	89
SEN Transport	2,912	113	0
Other small over and underspends	11,912	18	25
Subtotal Education	16,266	549	262
Central Social Work	876	87	133
CAMHS	290	(118)	0
Family support	444	(118)	(118)
Section 17	159	142	0
Recruitment	121	(80)	0
Serious case reviews	75	(75)	(75)
Other small over and underspends	9,783	14	(11)
Subtotal Children's Social Care and Youth Inclusion	11,748	(148)	(71)
Subtotal PFI	7,070	(4)	(4)
Subtotal Redundancy cost	2,042	0	0
Grand total Children, Schools and Families	46,057	972	602

Commissioning, Strategy and Performance Division

- Pressure on fostering and residential placement costs continues due to a combination of increased number of children looked after and complex placement needs. The estimated £473k overspend position includes on-going pressures in independent agency fostering, in-house fostering budgets, the cost of remand which now fall to the Council and residential placement budgets. There have been a number of court required placements in mother and baby units which the council has had to comply with.
- The legal budget is expected to overspend by £49k due to additional support required from legal services, including specialist commissioned legal support not available within the council.
- There are various other small over and underspends predicted across the division netting to a £53k overspend. This, combine with the items described above, equals the reported divisional overspend forecast of £575k.

Education Division

- Due to staff changes and the need to enhance social worker management capacity in the Children with Disability section, agency cover was recruited (3 social workers and 2 manager's). A net overspend of £172k is expected. Recruitment of permanent post holders is on-going.
- The Children with Disability section is also forecasting a £233k overspend on their personal support budgets due to increased numbers of clients reflecting rising numbers of children with complex needs being supported in this way. These payments often prevent higher cost interventions being required, e.g. residential out of borough care placements.
- The Early Years section is expected to underspend by £39k due to vacancies held in their provider support and workforce development services.
- The statement support team salary budget is estimated to overspend by £52k due to agency staff covering permanent vacancies.
- SEN and FE transport cost are expected to overspend by £113k due to the increased number of service users. Work continues to ensure the most cost effective routing for individual young people.
- There are various other small over and underspends predicted across the division netting to a £18k overspend. This, combine with the items described above, equals the reported divisional overspend forecast of £549k.

Children's Social Care and Youth Inclusion

- Due to agency cover and other staff cost pressures, the Children's Central Social Work Service is expecting to overspend by £87k.
- The Children and Adolescent Mental Health Service (CAMHS) is expecting to underspend by £118k due to vacancies.
- Due to staff vacancies, the Family Support service is forecasting a £118k underspend for the year.
- The Section 17 and "no recourse to public funds" (NRTPF) budgets are forecast to overspend by £142k for the current financial year. The council has to respond to recent case law regarding housing families with no recourse to public funds (Zambrano & Clue cases). The family's presenting needs are housing.
- Recruitment cost is expected to underspend by £80k.
- The serious case review budget is expected to underspend by £75k because there has been no further need to commission reviews during the current financial year.
- There are various other small over and underspends predicted across the division netting to a £14k overspend. This, combine with the items described above, equals the reported divisional underspend forecast of (£148k).

- There is one particular new client with full year costs of over £400,000 that has increased the overspend. The approx. split of the costs are - £250k children with disability personal support, £120k SEN Transport and the balance within DSG education. This prompts the need for a discussion of options around delivering the highest cost cases including appropriate funds for health via the CCG.

Dedicated Schools Grant

DSG funded services are expected to underspend but these budgets are not within the council's general fund and such underspends cannot be offset against overspends on local authority funded budgets. Any underspend at year-end will be added to the DSG reserve and applied as agreed by the Schools Forum.

Based on current client costs, the independent residential SEN placements are expected to underspend. The current client costs do however not build in any contingencies for new assessments during the year or new starters from September. This assessment does include the impact of leavers. As in previous years, more work will be done to forecast this demand and quantify the resulting cost which will show the overall expected underspend in readiness for the October monitoring.

Due to changes introduced by central government, Merton is responsible for funding post 16 pupils with Special Education Needs attending FE colleges and Independent Specialist Providers from September 2013. The funding received from the Education Funding Agency to meet the cost of committed placements is not sufficient. Officers are currently working on putting procedures in place to pay these providers and will report on cost pressures later in the financial year.

Management Action

Managers across CSF are working to reduce spend where possible to address cost pressures that arise throughout the year. The Director and AD CSC&YI have reviewed all LAC placements to ensure the council's threshold for care is being met consistently. There is a continued rise in older children 15+ becoming LAC including an increase in Unaccompanied Asylum Seekers (who are allocated to London boroughs), young people who are homeless and an increase in children with disabilities who trigger LAC status due to the length of placements.

At the other end of the spectrum we have had an unusual number of relinquished babies to accommodate.

Safer Schools Police Officers virement

The Council is entering into an agreement with the Mayor of London for the provision of Safer Schools Police Officers for Secondary Schools in Merton at a cost of £200,000 in total for the Academic years 2013-14 and 2014-15. Through this route LA's are able to purchase officers at a reduced cost. Schools will be invoiced annually for the cost incurred. . CMT / Cabinet are asked to approve the virement of £100,000 per year to fund the Safer Schools Police Officers.

c) Community and Housing

As at the end of period 6 (Sep), C&H is forecast to over-spend by £146k

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Community and Housing	2013/14 Current Budget	Full Year Forecast (Sep)	Forecast Variance (Sep)	Forecast Variance (Aug)	2012/13 Variance at year end
	£000	£000	£000	£000	£000
Access and Assessment	43,493	43,364	(129)	(361)	(1,380)
Commissioning	5,089	5,278	189	(173)	(324)
Direct Provision	4,772	4,888	116	224	48
Directorate	889	900	11	(7)	81
Adult Social Care	54,243	54,430	187	(317)	(1,575)
Libraries and Heritage	2,511	2,503	(8)	5	4
Merton Adult Education	(103)	17	120	0	(3)
Housing General Fund	1,737	1,584	(153)	(73)	(230)
Total (controllable)	58,388	58,534	146	(385)	(1,804)

Access and Assessment - £129k under-spend

Access and Assessment	Forecast Variance
	£000
Miles Re-ablement	(295)
Other A&A underspend	(312)
Gross Placements overspend	2,141
Sub-total Net over-spend	1,534
Net over-achievement of Income	
Over achievement of Client Contribution	(100)
Over achievement of CCG Contribution	(886)
NHS Social Care Transfer Income	(677)
Sub-Total over-achievement of Income	(1,663)
Total A&A Forecast under-spend	(129)

Commissioning - £189k over-spend

Employee under-spend in the commissioning teams £192k

Supporting People Grant £114k overspend and Voluntary organisations contracts £33k underspend. £300k additional Transition funding approved to voluntary organisations is included in the forecast.

Direct Provision £116k overspend

Mainly arises due to increase in staff levels recruited above budget. Clients are not being promptly be financially assessed due to delays in agreeing support hours for each client with the Access & Assessment team, It is estimated that £70k of client contribution will be invoiced and this is included

in the figures above. In addition delays in Assessing client contributions will result in clients receiving large bills to clear the arrears.

Decision is yet to be made to either back-date charges to April 2013 or continue from the date when the client is assessed. Carers will be notified as soon as decision is made.

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

Zero based budgets have been produced for the service to identify staffing levels now required at all the Supported Living sites. There is an urgent need to agree with Access and Assessment how this is to be funded. The funding needs to be put in place by the end of period 8 to ensure that it is reflected in the 2014/15 base budget . The placements budget will be reduced .

There is also loss of client contribution income for a client

Libraries – £8k underspend.

£8k underspend predicted. Underachievement in income is being covered through underspends on staffing and stock

MAE is forecast to over-spend by £120k

Due to loss of fee income as a result of the implementation of the student 24+ loan application for the Level 3 & 4 courses .

Under achieving against the 2013/14 savings due to delayed implementation of the new commercial structure.

An action plan is required for the next monitoring report to identify how these issues are to be dealt with in the current year and to ensure that they are fully eliminated for the 2014/15 budget

Housing is forecast to under-spend by £153k

In previous months Housing has been forecasting a low underspend that is consistent with previous years. The reported underspend has more than doubled from £73,000 to £153,000 since last month which is much closer to the historic position.

The Temporary accommodation budget is forecast to under-spend by £81k ,
Housing needs and supply and development is forecast to under-spend by £120k
Housing advice and options staff -£54k overspend.

Placements

The total gross placement budget for 2013-14 is £37.478m; this includes £1m net growth allocated in setting the budget and savings of £2.282m.

The Gross placements budget is forecast to over-spend by £2.141m.

The impact of the savings on the budget position for 2013-14 and future years are being monitored closely. There is a potential risk that £872k savings proposals relating to placements may not be achieved. Alternative proposals are being considered.

The table below identifies the movement in care package numbers:

	No of Care Packages as at October 2012 (budget setting)	No of Care Packages as at Sep 2013	Increase/ (decrease) since Budget Setting	Total Yearly Commitment @ Sep 13 £000
Activity Data – Care Package Numbers				
Service Area				
Mental Health	175	160	(15)	£1,660
Physical and Sensory	275	287	12	£3,941
Learning Disabilities	375	366	(9)	£12,536
Older People	1,634	1,626	(8)	£20,502
Substance Misuse	10	7	(3)	£204
No recourse to public funds	21	13	(8)	£183
Other Placement Expenditure				593
TOTAL Gross placement expenditure	2,490	2,459	(31)	£39,619

Income

The income budget has been increased by £800k to balance the 2013/14 budget and correct historic under provision in this area.

The current net estimated over-achievement of Income is £986k.

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

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

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

Public Health

The allocation of the Public Health budget are detailed below

Description	2013/14 Current budget £000	Full Year Forecast (Sept) £000	Forecast Variance (Sept) £000	Forecast Variance (Aug) £000
PH - Directorate	626	568	(58)	(63)
PH- Contraception*	582	590	8	24
PH - STI Testing and Treatment (GUM)*	2,025	2,025	0	(4)
PH - SH Advice, Prevent and Promotion*	334	317	(17)	(9)
PH - NHS Health check*	226	226	0	0
PH - Falls Prevention	64	56	(8)	0
PH - Obesity	339	372	33	0
PH - Community Development and Health Course	6	6	0	0
PH – Livewell (including smoking cessation)	346	346	0	0
PH - Health Promotion Resources	16	16	0	0
PH - Substance Misuse (drugs and alcohol)	2,086	2,086	0	0
PH - School Nursing (including National Child Measurement programme)*	611	611	0	0
PH - Surveillance and Control of Infectious Diseases	63	63	0	0
PH - Community Services Contract Estates	186	365	179	179
PH - New Investments	1,378	1,199	(179)	(179)
Total (Controllable)	8,888	8,848	(42)	

The Public Health service faces the following financial risks: the Community Services Contract (which includes an element for estates) regarding which discussions are underway with the CCG; and uncertainty around funding of the NHS.

Potential new investments are subject to assessments for value for money.

Attached figures and proposals are indicative only.

Public Health Potential Investments	£000
Children's Centres	45
Healthy Schools	45
Young People Drugs & Alcohol	83
Mental Health	50
ESOL	50
Outreach for Livewell	95
Weight management Tier 2	165
Settings – workplaces and housing estates	300
Staff (including health impact assessment)	300
Health Catering	60
GUM Contingency	100
Total PH Investments	1,343

(D). Environment & Regeneration

Environment & Regeneration	2013/14 Current Budget £000	Full year Forecast (Sept) £000	Forecast Variance at year end (Sept) £000	Forecast Variance at year end (August) £000	2012/13 Variance at year end £000
Public Protection & Development	(6,662)	(6,311)	351	270	229
Sustainable Communities	1,997	1,955	(42)	(57)	(190)
Traffic & Highways	8,347	8,506	158	518	728
Waste Services	16,651	15,992	(659)	(606)	(651)
Safer Merton	978	957	(22)	0	(77)
Other	(523)	(464)	58	123	(76)
Total (Controllable)	20,790	20,635	(155)	248	(37)

Description	2013/14 Current Budget £000	Forecast Variance at year end (Sept) £000	Forecast Variance at year end (August) £000
Shortfall in Building & Development Control (B&DC) income	(1,816)	206	218
General Supplies & Services underspend within B&DC	232	(53)	(65)
Employee underspend within Parking Services	2,404	(71)	(74)
Underachievement of Customer & Client Receipts in Parking Services	(11,775)	366	233
Employee overspend within EHTS&L	1,515	78	76
Other	2,595	(175)	(118)
Total for Public Protection & Development	(6,845)	351	270
Employee overspend within Greenspaces	2,263	105	89
Underachievement of Customer & Client Receipts in Greenspaces	(2,273)	162	156
General Supplies & Services underspend within Greenspaces	537	(38)	(54)
Premises related underspend within Property Management	407	(72)	(68)
Overachievement of property rental income	(4,046)	(38)	(32)
Employee overspend within FutureMerton	1,098	87	79
Employee underspend within Senior Mgmt & Support	766	(33)	(42)
Other	3,245	(215)	(269)
Total for Sustainable Communities	1,997	(42)	(57)
Employee overspend within Waste Services	7,337	723	673
Reduced SLWP related costs	8,520	(1,338)	(1,346)
Transport related underspend within Waste Services	2,004	(248)	(157)
Shortfall in Waste Services income – principally Commercial Waste	(2,527)	304	310
Reduction in ability to Capitalise expenditure	(691)	449	449
Overspend on highways maintenance contract reactive works	640	200	200
Underachievement of Customer & Client Receipts in Traffic & Highways	(1,444)	75	111
Transport Services	(542)	59	124
Other	10,950	(666)	(329)
Total for Street Scene & Waste	24,233	(442)	35
Employee related underspend	970	(51)	(69)
Other	8	49	69
Total for Safer Merton	978	(22)	(1)
Total Excluding Overheads	20,790	(155)	248

Overview

The department is currently forecasting an underspend of £155k at year end

The three main areas of variance are Traffic & Highways, Parking Services and Building & Development Control that are forecasting overspends whilst Waste Services is forecasting an underspend.

Pressures

Public Protection & Development

Building & Development Control

The section is currently forecasting an overspend of £118k due to the recent and further anticipated changes in permitted development rights. This will impact on the section's fee income, as well as potentially the New Homes Bonus and S106 contributions for affordable housing received by the Council. Work is currently being undertaken to assess the extent of the impact on income arising from the permitted development changes and to explore ways to counter this shortfall. However, it is important to note that a 'bedding-in' period of 3-4 months is necessary before we can properly assess trends and impact on income. Similarly, the section's building control market share is subject to further analysis involving the development of a commercialisation strategy designed to increase market share and, by association, income levels.

Parking Services

The section is currently forecasting an overspend of £256k mainly as a result of PCN income being lower than estimated, which is being partially offset by an employee underspend. In addition, due to the implementation timing of the proposed new CPZ's, the associated income of £250k will not be fully achieved in the current year (Cabinet virement of 16th September 2013).

Sustainable Communities

Greenspaces

An overspend of £110k is being forecast, mainly due to a shortfall in internment income of £82k based on current estimates, and an employee overspend of £105k due to a combination of staffing the authority's paddling pools, ad hoc overtime incurred to maintain service standards, and overtime in relation to litter picking within the borough's parks.

Street Scene & Waste

Traffic & Highways

The section is forecasting an overspend of £158k, a reduction of £360k from the previous month's forecast overspend of £518k.

The main reasons are:

- 1) A one-off income (approx. £140k) made up of £20k expected from the WiFi project and £120k rebate due to overpayments on energy.
- 2) A £180k reduction in spend on works to part contain the overspend.
- 3) An increase in expected income of £40k from Street Works charges and highway licencing.

Waste Services

The section is currently forecasting an underspend of £659k, which is mainly due to renegotiating the SLWP contract costs, and a reduction in the volume of residual waste being taken to landfill.

However, there are a few notable pressures. The first notable pressure relates to Commercial Waste, which is forecasting an income shortfall of around £411k. This compares to a shortfall of £245k in 2012/13. However, an agreed saving of £150k has been implemented for 2013/14. A review of the commercial waste business has been carried out and an action plan is being delivered to address issues around future growth of the business together with improved efficiencies and cost control. A proper trading account for this service is required as part of the 2014/15 budget.

In addition, the section is currently projecting an employee related over spend. This is as a result of a combination of issues, including contractual and non-contractual overtime, and agency cover for sick leave absences. Action is being taken in order to reduce this overspend, including an ongoing action plan successfully reducing the level of sick leave absence, and not covering absences with agency staff where this does not impact on service delivery.

Contractual issues at the re-use and recycling centre, where the previous contractor departed at short notice, may affect this forecast, but work to remedy this is continuing.

Transport Services

The section is forecasting an overspend of £59k, a reduction of £65k from the previous month's forecast overspend of £124k. A review of the section's budgets, cost model, and pricing mechanism is currently taking place, which may have an impact on service departments in Community and Housing and Children, Schools and Families.

Management Action

Work is currently underway regarding the 2012/13 outturn variances in order to ascertain the extent to which they continue in this financial year.

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

(E) **Corporate Items**

The details comparing actual expenditure up to 30 September 2013 against budget are contained in Appendix 2. The main areas of variance as at 30 September 2013 are:-

Corporate Items	Current Budget 2013/14 £000s	Full Year Forecast (Sep.) £000s	Forecast Variance at year end (Sep.) £000s	Forecast Variance at year end (Aug.) £000s
Cost of borrowing	14,261	14,097	-164	-45
Investment Income	-383	-637	-254	-254
Use for Capital Programme	0	418	418	299
Impact of Capital on revenue budget	13,878	13,878	0	0
Pension Fund	5,087	5,087	0	0
Pay and Price Inflation	1,548	1,234	-314	-314
Contingencies and provisions	4,064	3,564	-500	-500
Depreciation and Impairment	-13,692	-13,692	0	0
Income Items	0	0	0	0
Central Items	10,885	10,071	-814	-814
Levies	914	914	0	0
TOTAL CORPORATE PROVISIONS	11,799	10,985	-814	-814

The only change in September from the position reported in August is to the capital financing costs of the capital programme. The net reduction of £119,000 will be used for future investment in the capital programme.

There have been no other significant changes in September from the position reported in August.

4. CAPITAL PROGRAMME 2013-17

4.1 Capital Expenditure

4.1.1 Over the past two financial years considerable work has been undertaken to reduce the Capital Programme to levels that can be delivered with our current staffing complement. Historically this has been shown to be around £40 million per annum. In September 2013, the budgeted capital programme is almost £46 million.

Comparison of Spend to September between 2012/13 and 2013/14

Department	Spend To September 2011	Spend To September 2012	Spend To September 2013	Variance 2011 to 2013	Variance 2012 to 2013
Community and Housing	487	365	786	299	421
Corporate Services	2,132	1,069	1,372	(760)	303
Children Schools and Families	8,863	16,318	4,724	(4,139)	(11,594)
Environment and Regeneration	9,065	4,115	4,140	(4,925)	25
Total Capital	20,547	21,867	11,022	(9,525)	(10,845)

Outturn £000s	42,300	40,487	
Budget £000s			44,538
Projected Spend August 2013 £000s			37,051
Percentage Spend to Budget			24.75%
Percentage Spend to Outturn/Projection	48.57%	54.01%	29.75%

4.1.3 September is half way through the financial year and departments have only spent 24.8% of their budget compared to approximately 50% in previous financial years. To achieve a projected spend of £37 million officers will need to spend over £4 million per month over each of the next 6 months. The table below shows that in September 2013 they managed to spend just over £2 million.

Department	Spend To August 2013	Spend To September 2013	Variance
Community and Housing	784,953	785,709	756
Corporate Services	1,048,937	1,372,220	323,283
Children Schools and Families	2,851,302	4,724,006	1,872,704
Environment and Regeneration	3,396,062	4,140,495	744,433
Total Capital	8,081,254	11,022,430	2,941,176

4.2 Capital Programme 2013/14

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

Department	August Cabinet	Increase/ (Decrease)	Total Budget
Community and Housing	2,883,780	(779,850)	2,103,930
Corporate Services	8,209,750	(236,720)	7,973,030
Children Schools and Families	20,103,510	0	20,103,510
Environment and Regeneration	14,357,310	0	14,357,310
Total Capital	45,554,350	(1,016,570)	44,537,780

- (a) Corporate Services – This is due to the re-profiling of £236,700 into 2014/15 of the improving financial information systems budget.
- (a) Community and Housing – this change is due to three adjustments:
- (i) Western Road Housing Scheme £760,000 has been re-profiled into 2014/15.
 - (ii) Captive e-learning £5,850 re-profiled into 2014/15, and
 - (iii) CareFirst Report Development £14,000 re-profiled into 2014/15.

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

Dept.	Approved Cabinet March 2013	Slippage from 2012/13	Re-profiling	Revenuisation / Relinquished	Clawed Back for Overspend 2012/13	Additional External Funding	New Internally Funded	Schools Contributions	August 2013 Cabinet Report	Increase / (Decrease)	Sept. Monitoring Report
C&H	1,535	303	(971)		0	2,017	0		2,884	(780)	2,104
CS	7,252	186	280	0	0		491		8,209	(237)	7,972
CSF	28,428	2,836	(10,853)	(718)	(175)	362	0	224	20,104	0	20,104
E&R	12,860	1,685	(1,055)	(124)	(361)	1,056	297		14,358	0	14,358
Total	50,075	5,010	(12,599)	(842)	(536)	3,435	788	224	45,555	(1,017)	44,538

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

Merton - September 2013 - Summary Departmental Capital Monitoring Information

Scheme Description	Total Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance	%
Community and Housing	2,103,930	785,709	1,101,530	(315,821)	1,714,923	(389,007)	(18.5)
Corporate Services	7,973,030	1,372,220	2,963,048	(1,590,828)	6,311,025	(1,662,005)	(20.8)
Children Schools and Families	20,103,510	4,724,006	7,358,032	(2,634,026)	16,486,898	(3,616,612)	(18.0)
Environment and Regeneration	14,357,310	4,140,495	5,621,907	(1,481,412)	12,537,839	(1,819,471)	(12.7)
Total Capital	44,537,780	11,022,430	17,044,517	(6,022,087)	37,050,685	(7,487,095)	(17.6)

- a) Community and Housing's the main cause is 8 Wilton Road showing a £271k underspend against budget.
- b) Corporate Services – there are two major projected variances in this department:
 a. The Acquisitions Budget £970k projected underspend, and
 b. IT Transformation £690k underspend.
- c) Children, Schools and Families – Nearly ninety per cent of the programme is for major school expansion projects, with the majority of the spend being on seven projects approved to contract by Cabinet on 1 July, and all of which started enabling and most disruptive works over the summer period to ensure sufficient classrooms for September. Partly due to extra time required to negotiate final contract sums within the available capital programme, the programmes on some of the schemes have changed resulting in less spending in 2013/14 and more in 2014/15 and a full appraisal of the current position and achievement of value for money is underway to ensure sufficient classrooms will be available in September 2014.
- d) Regeneration Partnerships – The main cause of this projected underspend is Colliers Wood Regeneration Fund (£1,563k), this scheme will be re-profiled into 2014/15 when signed confirmation is received from central government.

4.3 Capital Programme 2013/17

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

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

Dept	March Budget 2013/14	Changes	Revised Budget 2013/14	Original Budget 2014/15	Changes	Starting Budget 2014/15	Original Budget 2015/16	Changes	Revised Budget 2015/16	Original Budget 2016/17	Changes	Revised Budget 2016/17
	(1)	(2)	(1+2)= (3)	(4)	(5)	(4+5)= (6)	(7)	(8)	(7+8)= (9)	(10)	(11)	(10+11)= (12)
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
C&H	2,884	(780)	2,104	971	780	1,751	0	0	0	550	0	550
CS	8,210	(237)	7,973	5,329	237	5,566	2,084	0	2,084	3,162	0	3,162
CSF	20,104	0	20,104	21,255	0	21,255	8,920	0	8,920	22,087	0	22,087
E&R	14,357	0	14,357	12,729	0	12,729	21,143	0	21,143	6,723	0	6,723
Total	45,554	(1,017)	44,538	40,284	1,017	41,301	32,147	0	32,147	32,522	0	32,522

5. DELIVERY OF SAVINGS FOR 2013/14

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

SAVINGS	Proposed 2013/14 £000	Red £000	Amber £000	Green £000	Expected 2013/14 £000
Corporate Services	524	220	0	304	358
Children, Schools and Families	822	230	50	542	822
Environment and Regeneration	1,652	775	0	877	1,225
Community and Housing	6,317	962	732	4,623	5,150
TOTAL	9,315	2,187	782	6,346	7,555

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

6. KEY STRATEGIC RISK REGISTER AS AT SEPTEMBER 2013

6.1 Attached as Appendix 10 is the Key Strategic Risk Register as at September 2013. Members are asked to approve the removal of four risks from the register as their risk rating has reduced sufficiently for them to be removed from the register. These risks will continue to be monitored on Departmental Risk Registers. These risks are:

KSR 51 – Supply Chain Failure - One of Merton's key delivery partners or sponsor goes in to administration – Risk Ranked as 2

KSR 52 - Data quality of management information - Failure to provide accurate performance data – Risk Ranked as 2

KSR 57 - Agency staff - Use of agency staff following changes to employment rights – Risk Ranked as 2

KSR 59 - Business rates - Localism agenda - review of business rates Inc. discretionary reliefs – Risk Ranked as 2

7. CONSULTATION UNDERTAKEN OR PROPOSED

7.1 All relevant bodies have been consulted.

8. TIMETABLE

8.1 In accordance with current financial reporting timetables.

9. FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

9.1 All relevant implications have been addressed in the report.

10. LEGAL AND STATUTORY IMPLICATIONS

10.1 All relevant implications have been addressed in the report.

11. HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

11.1 Not applicable

12. CRIME AND DISORDER IMPLICATIONS

12.1 Not applicable

13. RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

13.1 Attached as Appendix 5D is the Key Strategic Risk Register updated as at the end of December 2012. Directors are asked to review the information in the Appendix, comment as appropriate and approve the information.

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

Appendix 1 – Detailed monthly position table
Appendix 2 – Detailed Corporate Items table
Appendix 3 – Pay and Price Inflation as at June 2013
Appendix 4 – Treasury Management: Outlook
Appendix 5a – Current Capital Programme 2013/14
Appendix 5b – Capital Adjustments
Appendix 5c - Capital Programme Funding summary
Appendix 6 – Progress on savings
Appendix 7 - Forecast year end variance by department
Appendix 8 – Customer/ Client receipts
Appendix 9 – Movement on reserves
Appendix 10 – Key Strategic Risk Register as at September 2013
Appendix 11 – Cashflow statement

15. BACKGROUND PAPERS

15.1 Budgetary Control files held in the Corporate Services department.

16. REPORT AUTHOR

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**Summary Position as at 30
September 2013**

APPENDIX 1

	Original Budget 2013/14 £000s	Current Budget 2013/14 £000s	Year to Date Budget (Sep) £000s	Year to Date Actual (Sep) £000s	Full Year Forecast (Sep) £000s	Forecast Variance at year end (Sep) £000s	Forecast Variance at year end (Aug) £000s
Department	-	-	-	-	-	-	-
3A. Corporate Services	10,529	11,942	13,861	11,642	10,883	(1,059)	(670)
3B. Children, Schools and Families	50,712	50,880	93,280	84,399	51,853	972	602
3C. Community and Housing	-	-	-	-	-	-	-
Adult Social Care	58,040	58,093	29,395	28,143	58,280	187	(318)
Libraries & Adult Education	3,476	3,509	1,912	1,969	3,618	109	5
Housing General Fund	1,957	1,967	1,305	443	1,813	(154)	(73)
3D. Public Health	-	0	(51)	(3,704)	(42)	(42)	(52)
3E. Environment & Regeneration	25,777	26,072	7,842	4,036	25,917	(155)	248
NET SERVICE EXPENDITURE	150,491	152,463	147,546	126,928	152,322	(140)	(257)
3E. Corporate Items	-	-	-	-	-	-	-
Impact of Capital on revenue budget	13,878	13,878	3,155	1,523	13,878	0	0
Other Central items	-1,022	-2,993	237	-1,346	-3,807	(814)	-814
Levies	914	914	496	496	914	0	0
TOTAL CORPORATE PROVISIONS	13,770	11,799	3,888	673	10,985	-814	-814
TOTAL GENERAL FUND	164,262	164,262	151,434	127,601	163,307	-954	-1,071

	Original Budget 2013/14	Current Budget 2013/14	Year to Date Budget (Sep)	Year to Date Actual (Sep)	Full Year Forecast (Sep)	Forecast Variance at year end (Sep)
Expenditure	£	£000	£000	£000	£000	£000
Employees	85,766	90,894	44,714	43,786	91,767	873
Premises Related Expenditure	8,153	9,709	5,788	3,370	9,061	(648)
Transport Related Expenditure	10,617	13,171	6,372	5,419	12,495	(676)
Supplies and Services	163,012	161,751	81,314	71,059	162,112	361
Third Party Payments	83,137	87,650	41,541	33,740	87,080	(570)
Transfer Payments	98,995	95,946	4,981	4,870	108,568	12,622
Support Services	34,317	32,417	40	2	32,417	(0)
Depreciation and Impairment Losses	13,990	13,783	(104)	0	13,783	0
Corporate Provisions	13,770	11,799	3,888	673	10,985	(814)
GROSS EXPENDITURE	511,757	517,119	188,535	162,918	528,267	11,148
Income						
Government Grants	(237,082)	(242,551)	(4,607)	(6,535)	(255,342)	(12,791)
Other Grants, Reimbursements and Contribs	(17,646)	(18,584)	(6,418)	(2,116)	(18,822)	(238)
Customer and Client Receipts	(55,695)	(53,654)	(24,086)	(24,065)	(52,749)	905
Interest	(44)	(44)	(22)	0	(24)	20
Recharges	(36,047)	(34,296)	0	(578)	(34,295)	1
Balances	(980)	(3,729)	(1,969)	(2,023)	(3,729)	0
GROSS INCOME	(347,494)	(352,857)	(37,102)	(35,317)	(364,960)	(12,103)
NET EXPENDITURE	164,262	164,262	151,435	127,601	163,307	(954)

Corporate Items	Original Budget 2013/14 £000s	Current Budget 2013/14 £000s	Year to Date Budget (Sep.) £000s	Year to Date Actual (Sep.) £000s	Full Year Forecast (Sep.) £000s	Forecast Variance at year end (Sep.) £000s	Forecast Variance at year end (Aug) £000s
Cost of Borrowing	14,221	14,261	3,346	1,788	14,097	-164	-45
Investment Inc.	-343	-383	-191	-265	-637	-254	-254
Use for Capital Programme	0	0	0	0	418	418	299
Impact of Capital on revenue budget	13,878	13,878	3,155	1,523	13,878	0	0
Pension Fund	5,087	5,087	0	0	5,087	0	0
Corporate Provision for Pay Award	790	234	0	0	234	0	0
Provision for inflation in excess of 1.5%	314	314	0	0	0	-314	-314
Utilities Inflation Provision	1,000	1,000	0	0	1,000	0	0
Pay and Price Inflation	2,104	1,548	0	0	1,234	-314	-314
Contingency	1,500	1,494	0	0	994	-500	-500
Single Status/Equal Pay	474	474	237	356	474	0	0
Bad Debt Provision	500	500	0	0	500	0	0
CHAS - change in basis	1,226	0	0	0	0	0	0
Cost of disposals - 4%	0	-52	0	0	-52	0	0
Revenuisation and miscellaneous	1,778	1,648	0	0	1,648	0	0
Contingencies and provisions	5,478	4,064	237	356	3,564	-500	-500
Local Services Support Grant	0	0	0	-59	0	0	0
Education Services Grant	0	0	0	-1,643	-3,344	-3,344	-3,344
Use for capital purposes(net of appropriate adjustment for new school becoming an academy)	0	0	0	0	3,344	3,344	3,344
VAT Savings	0	0	0	0	0	0	0
Income Items	0	0	0	-1,702	0	0	0
Depreciation and Impairment	-13,691	-13,692	0	0	-13,692	0	0
Central Items	12,856	10,885	3,392	177	10,071	-814	-814
Levies	914	914	496	496	914	0	0
Transfer to Closing the Gap Reserve	0	0	0	0	0	0	0
Transfer re Education Services Grant	0	0	0	0	0	0	0
Transfer to Capital financing reserve	0	0	0	0	0	0	0
TOTAL CORPORATE PROVISIONS	13,770	11,799	3,888	673	10,985	-814	-814

Pay and Price Inflation as at September 2013

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

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

Pay:

2013/14 – The MTFs approved by Council on the 7th March 2012 includes 1% for increases in pay. This equates to £0.790m and is held as a corporate provision.

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

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

Prices:

CPI annual inflation stands at 2.7% in September 2013, which is unchanged from August 2013. There were no significant changes but there was upward pressure from air fares but this was offset by a drop in petrol and diesel prices.

CPIH, the new measure of consumer price inflation including owner occupiers' housing costs, grew by 2.5% in the year to September 2013, the same as in August. Owner occupiers' housing costs increased by 0.1% between August and September 2013.

RPI annual inflation stands at 3.2% in September 2013, down from 3.3% in August 2013.

Outlook for inflation:

On 9 October 2013, the Bank of England's Monetary Policy Committee (MPC) voted to maintain the Bank Base Rate at 0.5%. The Committee also voted to continue with its programme of asset purchases totalling £375 billion, financed by the issuance of central bank reserves.

The latest inflation 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 2013)

Source: HM Treasury - Forecasts for the UK Economy (September 2013)			
	Lowest %	Highest %	Average %
2013 (Quarter 4)			
CPI	1.9	2.9	2.5
RPI	2.1	3.4	3.0
2014 (Quarter 4)			
CPI	1.6	3.6	2.5
RPI	2.1	4.1	3.1

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

Treasury Management: Outlook

The Bank Base Rate has been kept at its low of 0.5% since March 2009. The Bank of England's Monetary Policy Committee (MPC) on 9 October 2013 voted to maintain the official Bank Base Rate at 0.5%. The MPC also voted to maintain the level of Quantitative Easing (QE) at £375billion financed by the issuance of central bank reserves.

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

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

The decision to make no changes to monetary policy was expected and the policy is likely to remain the same for some time to come, barring problems in the USA over its debt ceiling. If the USA were to default on its debt it would result in severe global economic and financial market turmoil.

The UK economic outlook has improved recently which has reduced the likelihood of further Quantitative Easing in the foreseeable future.

The International Monetary Fund recently revised up Britain's economic growth prospects by the biggest amount of any advanced economy, forecasting growth of 1.4% this year and 1.9% for 2014.

The MPC has agreed its intention not to raise Bank Rate from its current level of 0.5% or to reduce its stock of asset purchases at least until the Labour Force Survey (LFS) headline unemployment rate has fallen to a threshold of 7%, subject to three 'knockout' conditions. The number of unemployed in the UK fell by 18,000 in the June-August period to 2.49 million. The unemployment rate remains unchanged at 7.7% from the previous three months. The figures, from the Office for National Statistics (ONS), also show the number of people claiming Jobseeker's Allowance last month fell by 41,700 to 1.35 million. The Bank of England forecasts that the 7% threshold will not be reached before the third quarter of 2016. However, some analysts expect unemployment to fall much faster and therefore that there may be some changes to bank rate and QE levels towards the end of 2015.

The MPC minutes will be available on 23 October.

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

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

Community and Housing Capital Monitoring - September 2013

Scheme Description	Total Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance
Adult Social Care	781,290	27,698	268,474	(240,776)	663,283	(118,007)
Libraries	0	0	0	0	0	0
Adult Education and Community	0	(1,989)	0	(1,989)	0	0
Housing	1,322,640	760,000	833,056	(73,056)	1,051,640	(271,000)
Total Community and Housing	2,103,930	785,709	1,101,530	(315,821)	1,714,923	(389,007)

Corporate Services Capital Monitoring - September 2013

Scheme Description	Total Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance
Business Improvement	2,000	4,930	2,000	2,930	0	(2,000)
Corporate Items	1,000,000	3,000	0	3,000	30,000	(970,000)
Facilities Management	4,182,410	982,158	2,013,382	(1,031,224)	4,182,410	0
IT	2,053,620	382,132	933,980	(551,848)	2,053,615	(5)
Resources	45,000	0	13,686	(13,686)	45,000	0
IT Transformation	690,000	0	0	0	0	(690,000)
Corporate Services Total	7,973,030	1,372,220	2,963,048	(1,590,828)	6,311,025	(1,662,005)

Children, Schools & Families Capital Monitoring - September 2013

Scheme Description	Total Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance
Aragon Expansion	177,830	81,093	106,040	(24,947)	152,833	(24,997)
BENEDICT PRIMARY SCHOOL EXP	36,670	(39,183)	17,834	(57,017)	36,670	0
Cranmer Expansion	2,955,540	398,484	138,420	260,064	2,500,000	(455,540)
Temp classrooms for 5 schools	0	(543)	0	(543)	0	0
Hollymount Primary School Exp	30,000	16,566	54,090	(37,524)	30,000	0
Joseph Hood Primary School Exp	321,400	(110,924)	313,417	(424,341)	250,000	(71,400)
William Morris PCP	32,740	(7,714)	32,740	(40,454)	32,740	0
Holy Trinity Expansion	242,490	172,644	220,120	(47,476)	242,490	0
St Mary's expansion	1,453,370	341,242	355,003	(13,761)	1,430,665	(22,705)
Pupil Growth - Unallocated	0	55,703	0	55,703	0	0
All Saints/ South Wim YCC exp	169,940	132,199	134,628	(2,429)	194,940	25,000
Gorrington Park expansion	937,410	480,540	805,740	(325,200)	770,281	(167,129)
Hillcross School Expansion	2,542,030	114,640	357,054	(242,414)	2,179,962	(362,068)
Merton Abbey Temp Accommodation	1,501,130	305,748	624,525	(318,777)	1,316,414	(184,716)
Pelham School Expansion	1,184,850	291,707	282,910	8,797	1,001,761	(183,089)
Cricket Grn Exp-Chapel Orchard	39,650	30,435	31,960	(1,525)	39,650	0
Dundonald expansion	200,130	51,000	145,190	(94,190)	200,130	0
Poplar Permanent Expansion	1,063,190	416,057	446,884	(30,827)	846,775	(216,415)
Liberty expansion	76,190	11,726	41,122	(29,396)	76,187	(3)
Singlegate expansion	1,670,760	69,816	150,000	(80,184)	270,760	(1,400,000)
Wimbledon Park expansion	2,463,490	1,409,017	1,174,920	234,097	2,463,490	0
22 FE Primary School Expansion	0	0	0	0	0	0
St Ann's Primary Phase	339,430	47,871	135,772	(87,901)	200,000	(139,430)
23 FE School Expansion	0	0	0	0	0	0
Wimbledon Chase Expansion	78,220	0	67,853	(67,853)	78,220	0
Total Primary Expansion	17,516,460	4,268,124	5,636,222	(1,368,098)	14,313,968	(3,202,492)

Children, Schools & Families Capital Monitoring - September 2013

Scheme Description	Total Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance
Devolved Formula Capital	466,310	208,012	186,524	21,488	466,310	0
SEN Centre of Excellence	0	(18,109)	0	(18,109)	0	0
Early Years	0	(59,158)	0	(59,158)	0	0
Garden PCP	289,320	172,606	261,510	(88,904)	309,320	20,000
Schools Access Initiative Inc	34,750	(8,000)	13,900	(21,900)	34,750	0
Bishop Gilpin New Classroom	0	(6,250)	0	(6,250)	0	0
SS Peter & Paul PCP	20,000	0	0	0	0	(20,000)
School kitchens/dining areas	0	(1,901)	0	(1,901)	0	0
Behaviour Unit	3,910	0	3,910	(3,910)	3,910	0
Primary school autism unit	50,000	0	50,000	(50,000)	20,000	(30,000)
Short Breaks Disabled Children	89,540	39,123	35,816	3,307	89,540	0
Primary Capital Improvements	417,990	131,194	186,730	(55,536)	425,680	7,690
Play Spaces	0	0	0	0	0	0
Former Royal Sun Alliance SG	103,420	(33,068)	103,420	(136,488)	103,420	0
Secondary Expansion	0	29,100	0	29,100	0	0
Schools Loans	372,800	0	180,000	(180,000)	0	(372,800)
Ursuline School Loan	600,000	0	600,000	(600,000)	600,000	0
Youth Centres	139,010	2,333	100,000	(97,667)	120,000	(19,010)
Total Other	2,587,050	455,882	1,721,810	(1,265,928)	2,172,930	(414,120)
Total Children, Schools and Families	20,103,510	4,724,006	7,358,032	(2,634,026)	16,486,898	(3,616,612)

Environment and Regeneration Capital Monitoring - September 2013

Scheme Description	Total Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance
Footways Planned Works	886,090	366,595	446,090	(79,495)	986,090	100,000
Greenspaces	904,450	223,420	320,538	(97,118)	905,930	1,480
Highways General Planned Works	684,540	327,239	82,800	244,439	505,440	(179,100)
Highways Planned Road Works	1,850,000	282,047	615,000	(332,953)	1,700,000	(150,000)
Leisure Centres	300,000	10,597	50,000	(39,403)	300,190	190
Other E&R	1,348,550	907,814	1,213,550	(305,736)	1,317,550	(31,000)
On and Off Street Parking	115,000	40,786	100,000	(59,214)	115,000	0
Plans and Projects	74,090	67,632	54,090	13,542	71,530	(2,560)
Regeneration Partnerships	2,657,520	113,192	224,480	(111,288)	817,084	(1,840,436)
Street Lighting	534,580	195,607	94,580	101,027	534,580	0
Street Scene	346,450	126,861	214,290	(87,429)	471,450	125,000
Transport for London	2,758,410	656,643	1,434,059	(777,416)	2,739,929	(18,481)
Traffic and Parking Management	137,290	14,829	157,340	(142,511)	282,340	145,050
Transport and Plant	395,200	46,166	165,800	(119,634)	372,396	(22,804)
Safer Merton - CCTV & ASB	0	5,818	0	5,818	30,000	30,000
Environmental Health	1,076,810	744,665	261,960	482,705	1,080,000	3,190
Waste Operations	288,330	10,584	187,330	(176,746)	308,330	20,000
Environment and Regeneration	14,357,310	4,140,495	5,621,907	(1,481,412)	12,537,839	(1,819,471)

CAPITAL VIREMENTS AND REPROFILING-SEPTEMBER 2013 MONITORING

	2013/14 Budget	Adjustments	Virements	Reprofiling	Revised 2013/14 Budget	2014/15 Budget	Adjustments	Virements	Reprofiling	Revised 2014/15 Budget
	£			£	£	£			£	£
Community and Housing	14,000	0	0	(14,000)	0	0			14,000	14,000
CareFirst report Development	9,510	0	0	(5,850)	3,660	0			5,850	5,850
Captive E-Learning CareFirst	1,520,000	0	0	(760,000)	760,000	0			760,000	760,000
Western Road										
Total Community and Housing	1,543,510	0	0	(779,850)	763,660	0	0	0	779,850	779,850

	2013/14 Budget	Adjustments	Virements	Reprofiling	Revised 2013/14 Budget	2014/15 Budget	Adjustments	Virements	Reprofiling	Revised 2014/15 Budget
	£			£	£	£			£	£
Corporate Services	281,700	0	0	(236,700)	45,000	280,000	0	0	236,700	516,700
Improving Financial Information Systems										
Total Corporate Services	281,700	0	0	(236,700)	45,000	280,000	0	0	236,700	516,700

CAPITAL PROGRAMME FUNDING SUMMARY 2013/14

	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
Revised - Cabinet September 2013	23,081	22,477	45,555
Corporate Services			
Improving Financial Information Systems	(237)	0	(237)
Community and Housing			
Western Road		(760)	(760)
Carefirst Report Development	0	(14)	(14)
Capitive E-learning Carefirst	0	(6)	(6)
Revised - Cabinet October 2013	22,844	21,697	44,538

DEPARTMENT: CORPORATE SERVICES - PROGRESS ON SAVINGS 13-14

Panel	Ref	Description of Saving	Type of Saving (see key)	2013/14 Savings Required £000	2013/14 Savings Expected £000	RAG	Comments	R/A Included in Forecast Over/Under spend? Y/N
		<u>Customer Services - Bailiffs</u>	Service					Y
O&SC	CS7	Joint service with Sutton for the end of 12/13 & 13/14.	Description	150	35	R	Charges have been reviewed following a complaint made to the Local Government Ombudsman, resulting in a reduced level of fees	
O&SC	CS22	<u>Infrastructure & Transactions - IT Service Delivery</u> Reduction of 2 FTE's	Service Description	72	72	G		
		<u>Infrastructure & Transactions - Facilities Management</u>	Service				Saving will be found elsewhere within the department	Y
O&SC	CS37	Introduce a charge for the Archive Service Facility	Description	15	0	R		
O&SC	CS39	<u>Infrastructure & Transactions - Facilities Management</u> Close Worsfold House and relocate service to Civic Centre.	Service Description	13	13	G		
O&SC	CS43	<u>Infrastructure & Transactions - Transactional Services</u> Recovery of overpayments and other VAT recovery.	Service Description	(50)	(50)	G		
O&SC	CS44	<u>Human Resources - L&D</u> Centralisation of L&D spend	Service Description	230	230	G		
O&SC	CS51	<u>Human Resources - Employee Relations</u> Staff side	Service Description	20	9	R		Y
		<u>Human Resources - Employee Relations</u>	Service				Different delivery model to be implemented in December, full year saving will not be achieved in current year	Y
O&SC	CS52	Review Employee Relations team	Description	35	10	R		
O&SC	CS54	<u>Corporate Governance - Democracy Services</u> Delete Deputy Head of Service or a Democratic Services Officer post	Service Description	24	24	G		
O&SC	CS56	<u>Corporate Governance - Democracy Services</u> Reduction in overtime payments to staff in Mayor's Office.	Service Description	1	1	G		
O&SC	CS59	<u>Corporate Governance - Contingencies budget</u> Within the public duties budget is the contingency sums for additional payments to staff who are used during an emergency situation such as the Riots and gas supply loss situations. This contingency covers payments not covered under departmental budgets as well as payments for external third party organisations initiated by the borough.	Service Savings Description	14	14	G		
		Total Corporate Services Department Savings for 2011-2015		524	358			

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

APPENDIX 6

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

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

APPENDIX 6

DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS

Ref	Description of Saving	Type of Saving (see key)	2013/14 Savings Required £000	2013/14 Savings Expected £000	RAG	Comments
ASC17	Service Description Adult Social Care		200	0	R	One LD customer identified to move so far - suspended because of family objection. Project is unlikely to achieve the savings target for 2013-14
ASC7	Service Description Adult Social Care		600	600	G	
ASC8 / ASC38	Service Description Adult Social Care		600	150	R	Circa £100k achieved to date through releasing voids; further re-negotiations on-going; unlikely to meet full year target
ASC18	Service Description Adult Social Care		154	154	G	
ASC36	Service Description Adult Social Care		100	100	G	
ASC13 & ASC34	Service Description Adult Social Care		200	157	G	
ASC14	Service Description Adult Social Care		233	310	G	
ASC35	Service Description Adult Social Care		350	220	A	There is a risk that the full saving will not be met as the current forecast is £114k overspend. Monitored as part of monthly budgetary control
ASC43	Service Description Adult Social Care		42	18	G	
ASC39	Service Description Adult Social Care		110	58	A	Circa £58k savings achieved to date; 3 month review post hospital discharge not yielding as many gains as first thought - reviews continue - there is a risk this project may not meet the full target
ASC37	Service Description Adult Social Care		50	50	G	
ASC16	Service Description Adult Social Care		25	0	G	
ASC19 & ASC40	Service Description Adult Social Care		75	35	A	Circa £31k projected to date - further reviews being identified

Ref	Description of Saving		Type of Saving (see key)	2013/14 Savings Required £000	2013/14 Savings Expected £000	RAG	Comments
ASC6	Service Description	Adult Social Care Transport		112	0	R	Budget manager is in discussion with transport services for Core routes for Day centres
ASC10	Service Description	Adult Social Care Optimise telecare usage		165	50	A	It is suggested that telecare for new customers is cost avoidance - not savings against current customers - it is unlikely this project will meet the savings target for 2013-14
ASC41	Service Description	Adult Social Care Staffing savings in Direct Provision		114	114	G	
ASC42	Service Description	Adult Social Care Reduction in Mental Health Placement		32	32	G	
ASC23	Service Description	Adult Social Care Partnerships :The health and social care system . Reablement		3,000	3,000	G	
	Service Description	Merton Adult Education Increase income from commercial courses and cafe		50	6	R	Due to delayed implementation of the new commercial structure generating the target profit is unlikely to happen. New roles have been recruited to and will work on making up time.
	Service Description	Merton Adult Education Reduce administrative and marketing costs		18	36	G	The slowing pace of enrolments has required increased marketing activity and intervention . However re-structure has resulted in saving target being achieved
	Service Description	Merton Adult Education Close Canons House site and seek alternative venues without incurring costs		32	5	A	Closure of canons house occurred at the end of July
	Service Description	Libraries Completion of changes to opening hours, rationalisation of a number of small contracts and increase in income.		13	13	G	
	Service Description	Housing Deletion of 1x Strategy Officer post.		42	42	G	
	Total Community & Housing Department Savings for 2013-14			6,317	5,150		

Appendix 6

DEPARTMENT: ENVIRONMENT & REGENERATION SAVINGS PROGRESS: 2013-2014

Ref	Description of Saving	Type of Saving (see key)	2013/14 Savings Required £000	2013/14 Savings Expected £000	RAG	Comments
ER01	Service Description Parks, Greenspaces & Cemeteries Reduction x 1 cemetery supervisor, fee/income increases, 10k reduction in grant to Michtham Common Conservators		89	89	G	
ER04	Service Description Leisure & Culture Reductions in supplies & services budgets, reduction of a total of 0.7 fte, reduction of theatres grant & removal of olympics budget.		55	55	G	
ER05	Service Description Leisure & Culture Delete 3 fte Leisure & Arts Development Officers leaving, cease London Youth Games funding, delete post of Leisure & Business Projects Officer (0.7 fte) & increase income through multi use games room at Cannons Leisure.		103	103	G	
ER06	Service Description Greenspaces A phased reduction in the grant to Deen City Farm of fifteen thousand per year for the next three years.		15	15	G	
ER07	Service Description Development & Building Control Changes in fee regulation		(200)	(200)	G	

Appendix 6

DEPARTMENT: ENVIRONMENT & REGENERATION SAVINGS PROGRESS: 2013-2014

Ref	Service Description	Description of Saving	Type of Saving (see key)	2013/14 Savings Required £000	2013/14 Savings Expected £000	RAG	Comments
ER14	<p>Parking Services</p> <p>Enforcement of moving traffic offences, reduce car park costs due to removal of car park and stream line tariffs, channel Migration, reduce phone calls, reduce CEO sickness and gain CEO efficiencies.</p>			380	145	R	<p>Reduce Car park costs - This saving was based upon the disposal of Kenley Rd Car Park, which cannot now be achieved as the authority needs to keep this car park due to the loss of Morden Station Car Park which TFL have now taken back.</p> <p>Chanel migration and a reduction in phone calls - This saving was based upon the introduction of online improvements which has now been introduced. Whilst this has generated efficiencies in officers time it also coincided with a 40% increase in workload (including phone calls) thus negating the efficiencies made by the on line improvements.</p> <p>CEO efficiencies - At this moment in time these efficiencies cannot be achieved but could be achieved on top of the existing estimates for ANPR enforcement which is scheduled to be introduced in the year 2016 2017.</p> <p>This shortfall will be managed and mitigated by the section</p>
ER17	<p>Waste Management</p> <p>Reductions in landfill tonnage and anticipated Slwp contract cost, staff saving and legislative change to close Landfill Allowance Trading Scheme in March 2013</p>			191	191	G	

Appendix 6

DEPARTMENT: ENVIRONMENT & REGENERATION SAVINGS PROGRESS: 2013-2014

Ref	Description of Saving	Type of Saving (see key)	2013/14 Savings Required £000	2013/14 Savings Expected £000	RAG	Comments
ER18	Waste Management Introduction of 6 day working week for refuse, recycling and food collection from Oct 2012		271	271	G	
ER20	Traffic & Highways Introduce Streetworks Permitting Scheme, income from fixed penalty notices(FPN's), savings on energy and service changes associated with the existing Street Lighting Contract.		245	203	R	£42k relating to renegotiation of Highways contract not likely to be met.
ER21	Traffic & Highways 15% reduction in staffing and reductions in Footway Maintenance/Street Furniture/Dictingwatercourses/Street Lighting & Worksheet budgets.		79	79	G	
ER22	Traffic & Highways A further 15% reduction in staffing		60	60	G	
ER25	Commercial Services Potential to income generate In Commercial Waste and Recycling due to withdrawal of the LATS requirement.		150	0	R	Saving unlikely to be met. Work continuing in order to maximise income potential.
EN01	Legal Budget/PP&D Reduction in spend on legal cases by way of a combination of proactive resolution of issues at first point and/or drawing on section budgets to cover shortfall.		14	14	G	
EN08	Building and Development Control 10% increase in pre application planning fees and additional charge for tree pre-application advice		10	10	G	
EN15	Waste and Street Cleansing Operations Improved performance management and implementation of the Council's new sickness policy resulting in a reduction in agency staff usage.		25	25	G	
EN22	Traffic and Highways Reduction in Street Lighting Budget		50	50	G	
EN30	Traffic and Highways Reduction in supplies and Services Costs		6	6	G	

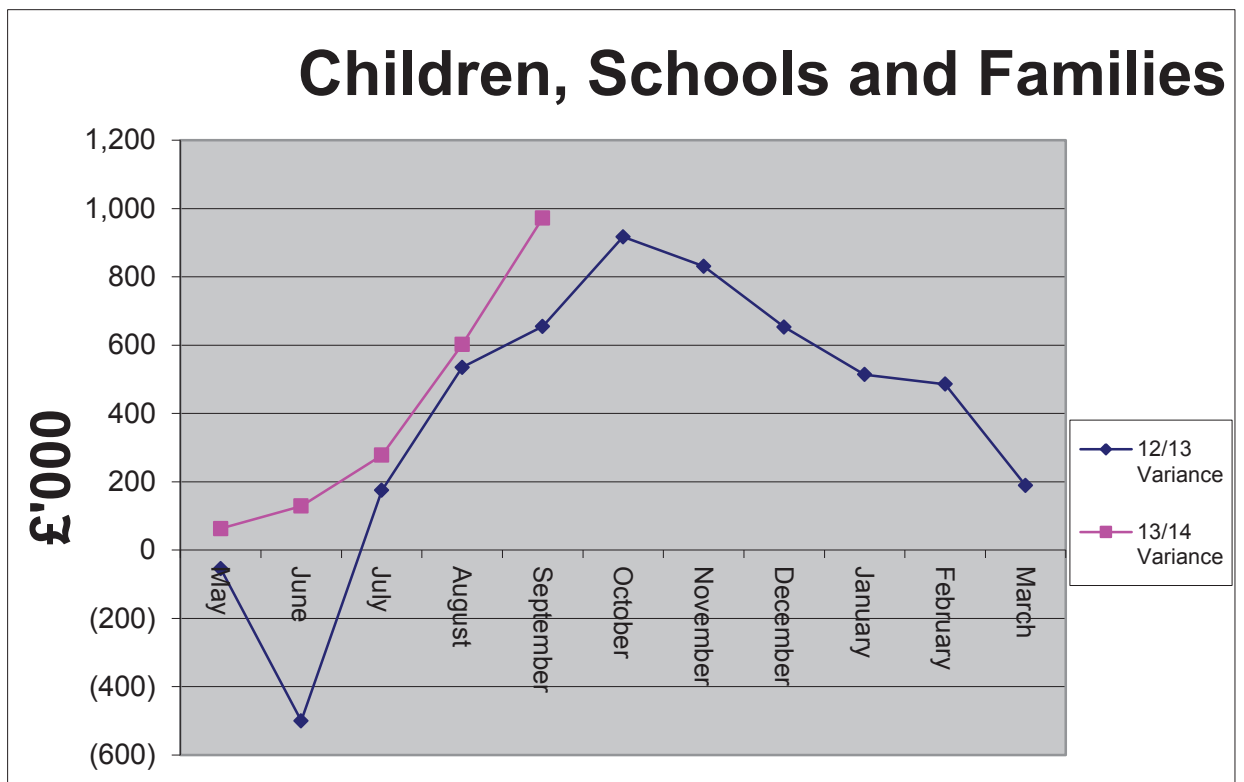
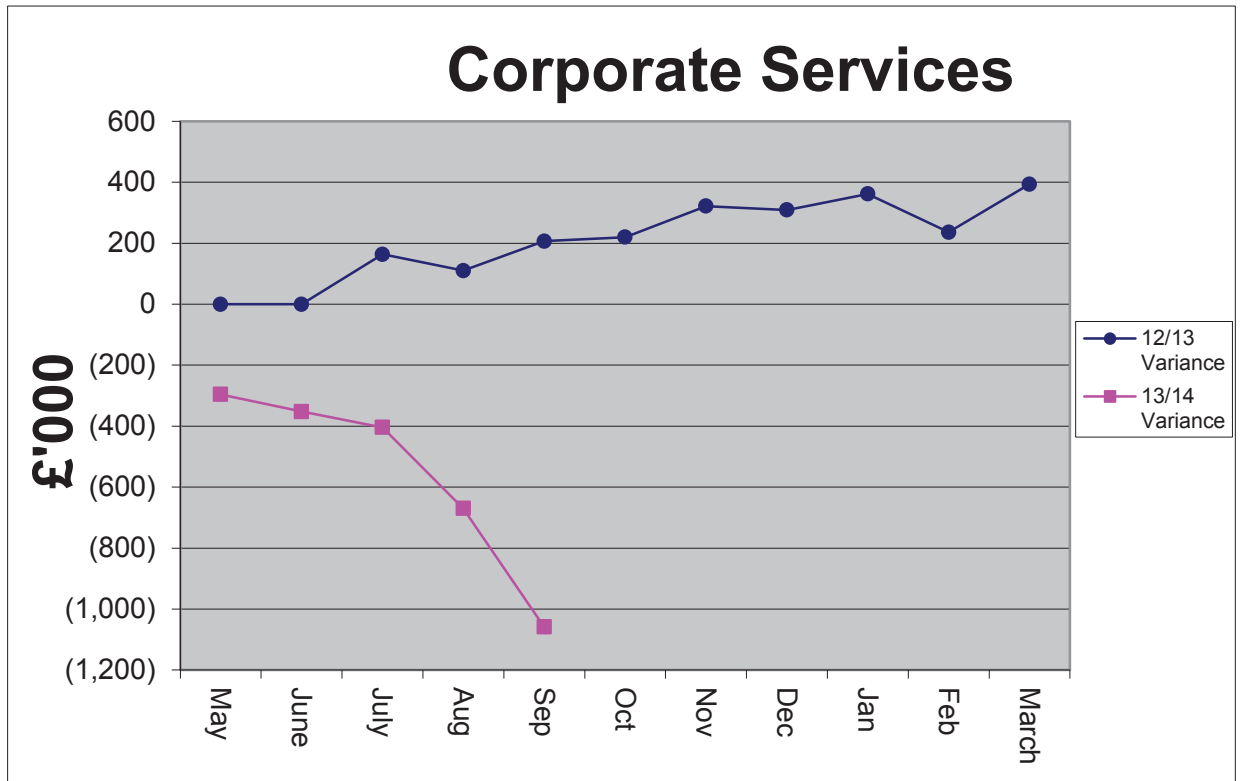
Appendix 6

DEPARTMENT: ENVIRONMENT & REGENERATION SAVINGS PROGRESS: 2013-2014

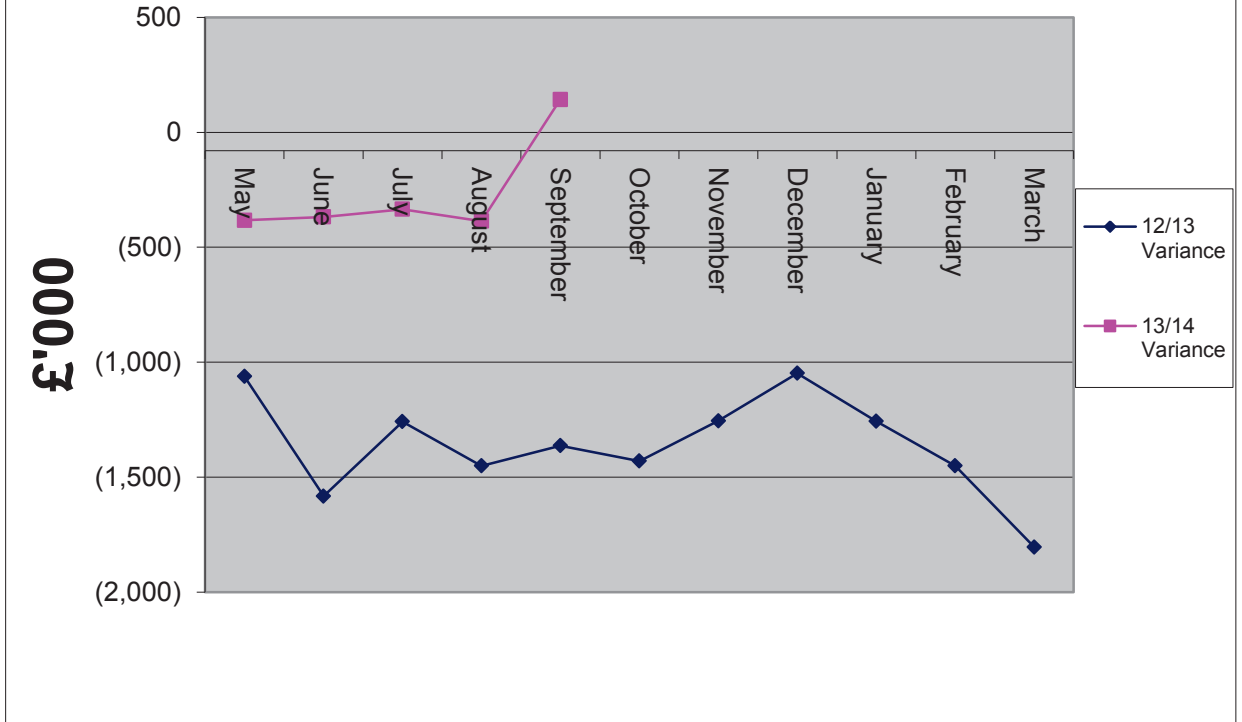
Ref	Description of Saving	Type of Saving (see key)	2013/14 Savings Required £000	2013/14 Savings Expected £000	RAG	Comments
EN34	Service Description Leisure & Culture Development Team Various Budgets - Reduction in supplies & services		6	6	G	
EN38	Service Description Leisure & Culture Development Team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

APPENDIX 7

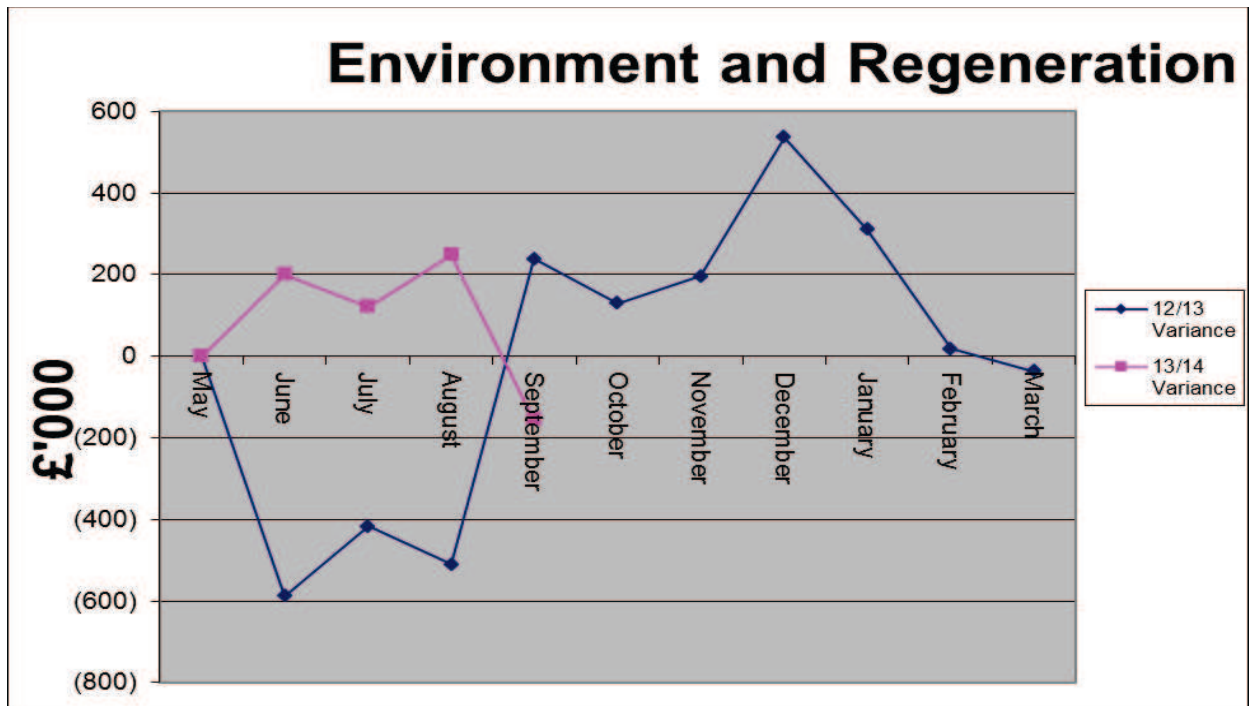
The following charts show the forecast year end variance by department with a comparison for 2012/13:



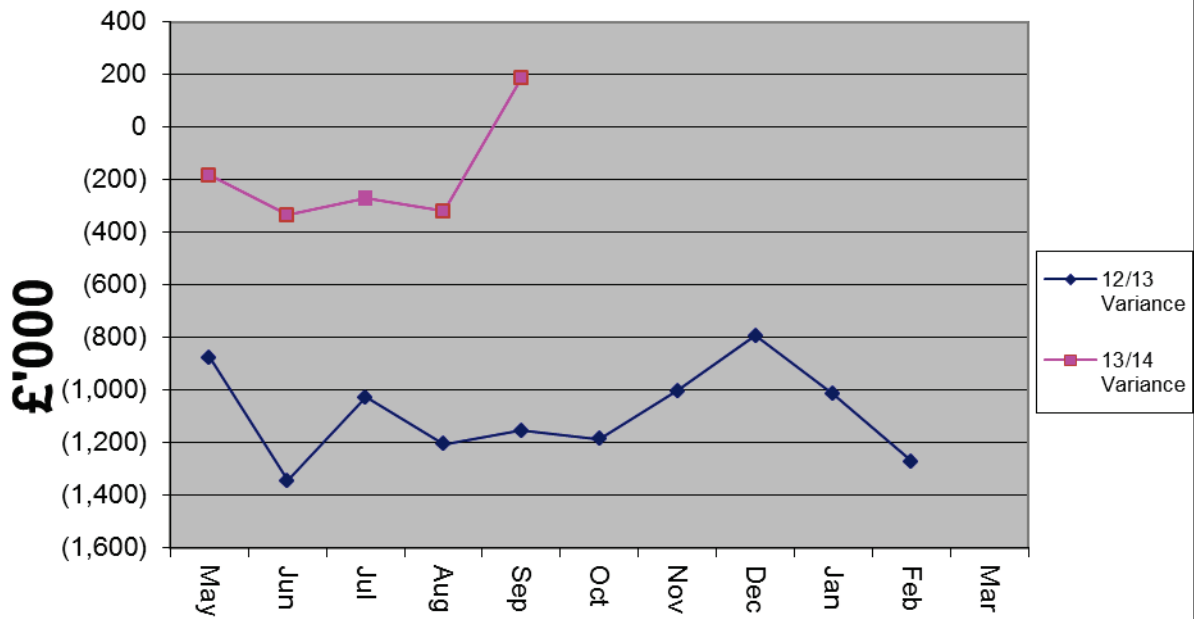
Community and Housing



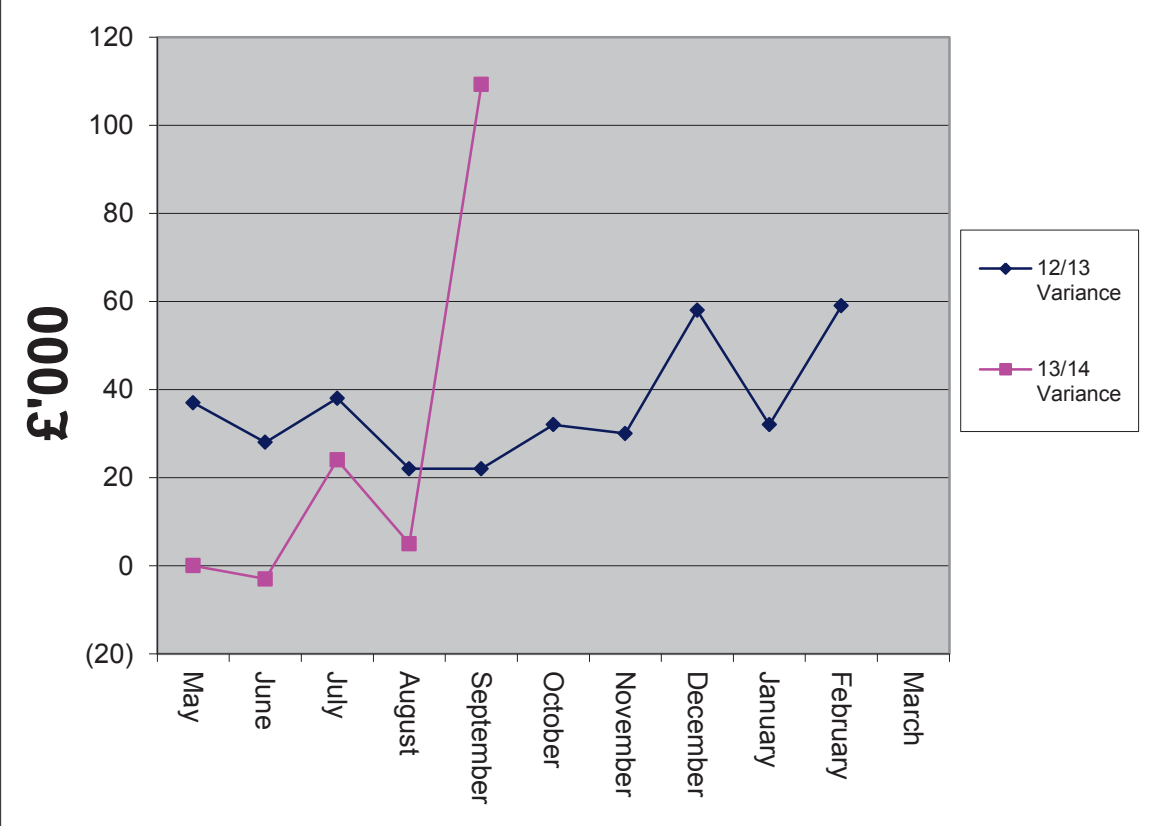
Environment and Regeneration

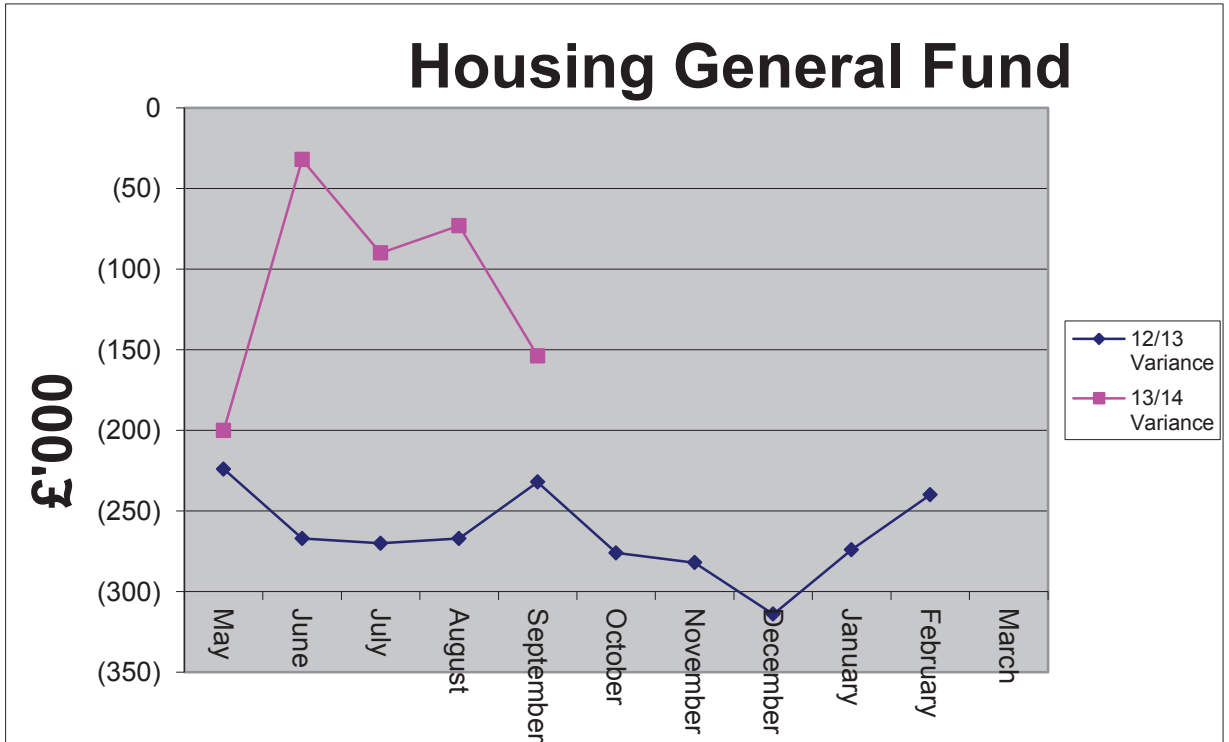


Adult Social Care



Libraries & Adult Education





APPENDIX 8

Customer & Client Receipts - £000's									
2013/14									
Department	Division/Service	Total Budget	Year to Date Actual (P6)	Year to Date Budget (P6)	Year to Date Over (under) Spend	Latest Forecast	Forecast Variance	Internal Receipts Forecast	External Receipts Forecast
Childrens Schools & Families	Schools Buy Back	-2,653	-689	-884	196	-2,710	-57	-79	-2,710
	PDC	-247	-84	-124	39	-254	-7	-79	-175
	Early Years & Childrens Centres	-1,192	-560	-591	30	-1,183	9		-1,183
	Other	-218	-201	-109	-92	-337	-119		-337
	CSF Total	-4,309	-1,534	-1,708	174	-4,483	-174	-79	-4,404
Corporate Services	Customer Services	-2,138	-1,302	-1,069	-233	-2,433	-295	-120	-2,313
	Corporate Governance	-197	-233	-98	-135	-195	2	0	-195
	Human Resources	-533	-219	-194	-25	-494	39	-128	-366
	Infrastructure & Transactions	-1,990	-667	-924	257	-2,095	-106	-1,782	-313
	Resources	-739	-63	-369	306	-874	-135	-1	-873
	Business Improvement	-79	-32	0	-32	-111	-32	-110	-1
	CS Total	-5,675	-2,517	-2,655	138	-6,202	-527	-2,141	-4,060
Environment & Regeneration	Street Scene & Waste	-11,580	-5,188	-5,031	-157	-10,975	605	-6,871	-4,104
	Public Protection & Development	-13,937	-6,568	-6,884	316	-13,390	547	-95	-13,295
	Sustainable Communities	-7,118	-3,836	-3,380	-456	-6,918	200	-1,096	-5,822
	Safer Merton	-6	0	-3	3	-8	-2	0	-8
	E&R Total	-32,641	-15,592	-15,298	-294	-31,291	1,350	-8,062	-23,229
Community & Housing	Adult Social Care - Client Contribution & Other Cont	-9,980	-3,969	-3,851	-118	-9,820	160	-49	-9,771
	MAE & Libraries	-956	-375	-550	175	-808	148	-86	-722
	Housing	-94	-78	-26	-52	-144	-50	0	-144
	C&H Total	-11,030	-4,422	-4,427	5	-10,772	258	-135	-10,637
Grand Total		-24,065	-24,087	23	-52,749	906	-10,417	-42,331	

Reserves

APPENDIX 9

Forecast Movement in Reserves 2013/14	Actual Bal at 31/3/13	Net Movt. in year	Bal. at 31/3/14
	£'000	£'000	£'000
General Fund Reserve (including HRA)	18,838	0	18,838
Earmarked Reserves	33,749	-10,688	23,061
Grants & Contributions	5,392	-1732	3,660
Total Available Gen. Fund Rev. Reser	57,979	-12,420	45,559
Fixed to Contracts	1,954	0	1,954
Total General Fund revenue reserves	59,933	-12,420	47,513

Analysis			
Earmarked Reserves			
Outstanding Council Programme Board	9,789	-1408	8,381
For use in future years for budget	9,752	-3000	6,752
Revenue Reserves for Capital / Revn.	4,269	-3047	1,222
Energy renewable reserve	1,441	0	1,441
Repairs & Renewal Fund	1,424	0	1,424
Transforming families reserve	1,318	-524	794
Pension Fund additional contribution	1,078	-1078	0
Local Land Charges Reserve	1,075	0	1,075
Apprenticeships	1,000	-525	475
Community Care Reserve	996	0	996
Performance Reward Grant	651	-385	266
Economic Development Strategy	623	-623	0
Other	333	-99	234
Earmarked Reserves	33,749	-10688	23,061
Adult Social care contributions	2,277	-521	1,756
Culture and Environment contributions	931	-354	577
Culture and Environment grant	852	-359	493
Childrens & Education grant	780	-235	545
Adult Social care grants	101	-101	0
Housing Planning Development grant	345	-162	183
Housing GF grants	106	0	106
Grants & Contributions	5,392	-1732	3,660
Total	39,141	-12420	26,721

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

DSG Reserve	2,378	-473	1,905
Schools Reserve	1,060	-117.5	943
Schools PFI Fund	3,767	304	4,071
Add Schools own reserves	11,674	0	11,674
Schools Reserves	18,879	-287	18,593

Capital Grants	3,826	0	3,826
Capital Contributions	567	0	567
Capital Receipts	22,752	778	23,530
Capital Reserves	27,145	778	27,923

Risk No	Short Name	Cause	Consequences	Likelihood	Impact	Risk Score	RAG Status			Direction of travel	Impact Code	Risk Owner	Portfolio Holder	Action Plan (Y/N) / Review date	Comment regarding review
							R	A	G						
KSR56 / CSF6	CS&F funding changes, budget savings & resource management	Uncertainty regarding changes to funding regimes & external grants, including government review of DSG, Academies funding & future reductions in EIG. Requirement to make significant savings over the next 3-4 years. Need to balance competing demands at a time of contracting resources & extensive change. Youth Justice and SEN changes uncertain	Impact on ability to provide statutory services, possibility of undermining the Merton Model, causing additional spend pressures in targeted services. Low staff morale, difficulties in managing the impact of the Workforce Management Strategy. Time and effort required to manage change & meet expectations of members & central government may lead to failures in the management of ongoing operational work.	5	3	15	R	A	G	→	FI	DMT & CS Resources	Cllrs Maxi Martin and Martin Whelton		Monitor government proposals consultation response & implications fed into budget and MTFs. Budget savings to be identified & analysed for impact including EIA, TOM & service planning work. All CSF service plans.
KSR08 / ER28	Loss of income	Current financial climate. Failure to meet income targets over next 3 years due to falling income	Departmental budgets will not be balanced. Increased pressure on resources and other budgets	5	3	15	R		→	FI	Chris Lee	Cllr Mark Allison	DMT minutes	Sustainable Communities: capital receipts target to be reviewed, asset management review to profile income. Cemeteries income, small shortfall in Q1. Total outdoors income on target (target needs checking). CP continuing to bid for awards. SS&W - Pest control income is red but target to be reviewed. Increase in streetwork inspections, income assoc with this to be kept under review. Commercial waste failing to meet target. PP&D - reduction in PCN income, to be closely monitored. Building and Dev control failing to meet target.	
KSR66 / PH5	PID	Problems with N3 connection / working with LA systems	Difficulty in monitoring some of the sexual health contracts and issues with Mental health needs assessments.	5	3	15	R		New	SP	Kay Eilbert	Cllr Linda Kirby	Work in progress		
KSR67 / PH6	Provision of Health Checks (lack of)	Inability to find contractors to deliver health checks	Non compliance in provision of mandated services as per PH requirements	5	3	15	R		New	SP	Kay Eilbert	Cllr Linda Kirby	Work in progress		
KSR55 / CSF4	Changing Borough Demographics	Increases in both the total population in the borough, including in particular families with young children, and also in the mix of the population with respect to ethnicity, disability and deprivation.	Additional demand for school places, and services for children with special educational needs and disabilities, as well as pressure for growth in children's social care and child protection interventions.	6	2	12	A		↑	O	Paul Ballatt	Cllr Maxi Martin / Cllr Martin Whelton		CSF service plans	

Risk No	Short Name	Cause	Consequences	Likelihood	Impact	Risk Score	RAG Status			Direction of travel	Impact Code	Risk Owner	Portfolio Holder	Action Plan (Y/N) / Review date	Comment regarding review
							R	A	G						
KSR35 / CSF1	Safeguarding children	Difficulties recruiting experienced social workers. High turn over of existing staff. The potential for less effective interagency working. Changed expectations and updated regulatory framework. Ongoing budget pressures could undermine the Merton Model.	Child protection and safeguarding issues including possible child death. Impact on reputation and political consequences. There could be an increase in high cost interventions.	3	4	12	A	→	R		Theresa Leavey	Cllr Maxi Martin	LSCB Business Plan & CYPP		
KSR45 / CG03	Asbestos Compliance	Asbestos compliance officer post vacant	Failure to comply with statutory duty on managing Asbestos	4	3	12	A	→	HS		Adam Viccari	Cllr Mark Allison	TBA	Secured a short term contractor to carry out pending reviews whilst considering a business case to increase the role to full time to attract qualified technical candidate. Consultation with other councils has concluded that an inhouse option provides better VFM and better quality of compliance	
KSR09	Safety of Staff	Failure to protect staff	Member of staff could be injured or killed; impact on morale of other staff; open to claims of negligence; potential financial loss. Failure to share information on people known to be violent.	3	4	12	A	→	TBC		Simon Williams / Dean Shoesmith	Cllr Mark Allison	See comments	A centralised system based on accident/incident reporting has now been agreed, the system is being built and tested, with a view to populating this system in September 2013 and go live with the system at that point.	
KSR46 / IT01	Staff Health & Safety	H&S risk from poor investment in building facilities / organisational downsizing & loss of staff with specialist skills	Corporate manslaughter, negligence suits, poor staff morale, possible strike, poor customer service.	4	3	12	A	→	HS		Mark Humphries	Cllr Mark Allison	Building Condition Survey linked to Capital Programme	Various capital and revenue projects have been identified to address some of these issues. The risk associated with the Civic Centre windows has significantly reduced as a result of the window replacement project commencing on site.	
KSR65 / PH2	GUM overspend	This service is open access anywhere in the country, therefore difficult to manage demand	Potential significant overspend on sexual health services	4	3	12	A	New	FI		Kay Eilbert	Cllr Linda Kirby	Work in progress		
KSR34 / CSF5	School places	Increase in birth-rate and numbers of children reaching primary age locally, with subsequent impact on demand for secondary and special school places.	Primary school expansion programme may be insufficient to increase capacity to meet demand. Need to consider additional provision. Also future risk that increase in numbers will flow through to secondary system such that demand for places will exceed supply.	3	3	9	A	→	R		Yvette Stanley / Paul Ballatt	Cllr Martin Whelton	Commissioning Strategy & Performance plan 2013-17		

Risk No	Short Name	Cause	Consequences	Likelihood	Impact	Risk Score	RAG Status			Direction of travel			Impact Code	Risk Owner	Portfolio Holder	Action Plan (Y/N) / Review date	Comment regarding review
							R	A	G	→	↔	↓					
KSR63 / RE11	Failure to comply with equalities duties	Failure to evidence how equalities implications have been considered in developing new policy, designing services & decision making	Reputational impact for council, risk of judicial review & litigation, negative impact on service users and loss of savings.	3	3	9	A				→			Yvette Stanley	Cllr Edith Macauley	Resources service plan 2013-17	
KSR21 / RE03	Failure to adhere to Public Contract Regulations 2006	Lack of awareness in departments that procurement is a tightly regulated area of council activity. Furthermore insufficient capacity (staff, experience, knowledge & budget) in certain areas.	Impact on method and time it takes to award contracts to suppliers. Adverse budget and service implications if not done correctly in adherence to PCRs 2006, such as court imposed stopping of contracts. Slower delivery of savings, service benefits & development of skills & experience of staff takes longer.	3	3	9	A				→		R	Simon Williams	Cllr Mark Allison	Procurement Board	
KSR47 / IT02	Staff security (changes to Welfare Reform)	Inadequate security for staff, Councillors and MP's	Inadequate supervision & management of public areas	3	3	9	A				→		SP/O	Mark Humphries	Cllr Mark Allison	SIA and physical intervention training has now been completed by Building Services & Security Staff	Due to the nature of the Councils business, this risk will always be a factor and therefore it is being managed through the use of specialist systems and staff training.
KSR48 / IT03	IT systems	Major disruption in the civic centre causing 6th floor data centre to become unusable	IT failure leading to unavailability of IT services impacting on organisational service delivery	2	4	8	A				→		SP	Mark Humphries	Cllr Mark Allison	Business continuity - Plans and strategies	Currently awaiting CMT approval to a report which recommends the use of Gifford House as the Councils Disaster Recovery Centre and agreement to some proposals for recovering priority systems in the event of a major incident or failure. Works to relocate services at Wandsworth are continuing.
KSR44 / HR13	Terms & conditions	Impact of review of T&Cs & ongoing staffing reductions	Impact on staff morale, recruitment & cost implications	4	2	8	A				→		SP	Dean Shoesmith	Cllr Mark Allison	HR Service Plan 2013-17	Project 3. Split ballot outcome will require a return to the negotiating table in the future
KSR58 / CG08	Business Continuity	Business Continuity and Business Impact Analysis forms out of date	Reduced ability to recover from major loss	4	2	8	A				↓		TBC	Adam Viccari	Cllr Mark Allison	Business continuity - Plans and strategies	Plans have been redrafted and are in circulation for comment. DR plans have been revised with new processes and systems in place to recover critical systems in failure. Final report to go to CMT shortly.

Risk No	Short Name	Cause	Consequences	Likelihood	Impact	Risk Score	RAG Status			Direction of travel			Impact Code	Risk Owner	Portfolio Holder	Action Plan (Y/N) / Review date	Comment regarding review
							R	A	G	↓	→	↑					
KSR07 / HR02	Safe recruitment practices	Failure of systems to ensure inappropriate staff are not recruited	Inappropriate person may get a role they shouldn't; vulnerable children and adults may be at risk as a consequence	2	4	8	A	→	→	→	SP	Dean Shoemith	Clr Mark Allison	N/A - see comments	Major review undertaken of personal files & employment records to ensure safe recruitment practice in place with recent Good Ousted outcome. Further sampling also undertaken of adult files Five year checks applied to safeguarding roles as standard.		
KSR63 / HR 14	Trinity project	Failure of Trinity project	Impact on HR management of staff & payroll issues	3	2	6	A	→	→	→	SP	Marissa Bartlett	Clr Mark Allison	Trinity project	HR Service plan 2013-17 (project 2)		
KSR50 / RE06	Impact of Procurement	First phase of improvements to procurement delivered, as per Overview & Scrutiny Report from March 2012. Phase 2, spend data analysis, category management and savings delivery moving forward.	Time taken to deliver procurement benefits extends.	3	2	6	A	→	→	→	FI	Peter Stone	Clr Mark Allison	Procurement Board			
KSR60 / RE14	Premises inspections	Statutory inspections not being carried out on engineering plant and other lifting equipment on council premises	Failure to comply with statutory duty to formally inspect lifting equipment: Criminal offence and harm to service users;	2	3	6	A	→	→	→	TBC	Richard Williams	Clr Mark Allison	Schools Insurance SLA			
KSR04 / CG06	Data loss	Accidental loss by staff or hacking	Harm to service users, through breach of privacy or loss of services, reputation & financial impact on council (up to 500K)	3	2	6	A	→	→	→	R	Karin Lane	Clr Mark Allison	Corporate Governance service plan 2013-17	Project 7 - see also Information Governance policy Work ongoing in promoting safe data handling through use of encrypted equipment, data tip of the week, regular staff bulletins etc. - work ongoing		
KSR49 / RE02	Developing corporate Business Plan & setting a balanced budget for 14-18 & beyond	Reduced budgets may impact negatively on service delivery levels	Impact on service provision, reputation, staff morale & internal & external customers satisfaction	3	2	6	A	→	→	→	FI	Caroline Holland / Paul Dale	Clr Mark Allison	Business Plan timetable			
KSR31/ ER09	SWL waste partnership	PHASE A: 1) Beddington AD Plan. Contact risk owner for more information 2) Indexation method. Contact risk owner for more information PHASE B: 1) Contact risk owner for more information	Contact risk owner for more information	2	3	6	A	→	→	→	O/R	Cornac Stokes	Clr Andrew Judge	Managed by the Joint Waste Committee	Phase B still on target in terms of commencement of build. S106 finalised imminently. Review of phase A in progress and report to be drafted for Cabinet.		

Risk No	Short Name	Cause	Consequences	Likelihood	Impact	Risk Score	RAG Status			Direction of travel	Impact Code	Risk Owner	Portfolio Holder	Action Plan (Y/N) / Review date	Comment regarding review
							R	A	G						
KSR42 / HR09	Single status	Post single status challenge	Cost of settlement; cost of litigation & resources to contest; impact on staff morale; reputational & political impact	2	2	4	G		→	H	Dean Shoemsmith	Cllr Mark Allison	Single Status	Single status review project is near completion, with final elements of C&H being addressed.	
KSR61 / RE16	Delivery of Savings Programme 2013-18	Savings of £17 million for 2013-18 were identified as part of the MTFS 2013-18.	Non achievement of any saving would adversely impact on the Authority's ability to balance it's budget in the medium to long term if larger than the contingency.	3	1	4	G		New - (Updated)	FI	Caroline Holland	Cllr Mark Allison	MTFS		
KSR51 / RE07	Supply chain failure	One of Merton's key delivery partners or sponsor goes in to administration	Impact on service delivery to customers	2	1	2	G		→	F/R	Caroline Holland	Cabinet	CSOs	The risk is likely and could impact but as a % of the number of suppliers we have, but having reviewed I would still rate it as low likelihood with a marginal impact (F/R).	
KSR52 / RE08	Data quality of management information	Failure to provide accurate performance data	Inability to proactively manage resources and performance	2	1	2	G		→	R	Zoe Church	Cllr Mark Betteridge	Data quality	New Performance Management System (Covalent) implemented 1 June 2013 this will facilitate tighter monitoring controls over performance data quality.	
KSR57 / HR15	Agency staff	Use of agency staff following changes to employment rights	Additional rights given to Agency Workers introduces additional costs & failure to adhere to & comply with new regulations could bring legal challenge & adverse reputational impact.	2	1	2	G		→	R	Marissa Bartlett	Cllr Mark Allison	Yes	Report setting out risks & mitigation agreed by CMT on 23.8.11. Guidance produced for managers & regular reviews at DMTs. Spend and usage subject to monthly CMT review via HR metrics. Agency usage in overall terms down and Comensura contract commissioned to reduce cost.	
KSR59 / CS12	Business rates	Localism agenda - review of business rates Inc. discretionary reliefs	May impact on council's financial position	1	2	2	G		→	FI	David Keppler	Cllr Mark Allison	Customer Services service plan 2013-17		

Review for removal from KSRR

Risk No	Short Name	Cause	Consequences	Likelihood	Impact	Risk Score	RAG Status		Direction of travel		Impact Code	Risk Owner	Portfolio Holder	Action Plan (Y/N) / Review date	Comment regarding review
							R	A	G	↑					
Emerging Risk															
Risk No	Short Name	Cause	Consequences	Likelihood	Impact	Risk Score	R	A	G	↑	→				
							R	A	G	↑	→				
Partnership risks															
Risk No	Short Name	Cause	Consequences	Likelihood	Impact	Risk Score	R	A	G	↑	→				
KSR62 / CSF 9	Recommisioing Early Intervention & Prevention	Likely reduction in contracting with local third sector leads to reputational & political risk.	Destabilisation of the Local Strategic Partnership & Children's Trust Board partnership arrangements.	5	2	10	R	A	G	↑	→	R	Cllr Maxi Martin	Commissioning Strategy & Performance service plan 2013-17	

Defining the Likelihood of Risk

Classification	Definition
6 - Very High	Occurs or likely to occur more than 90% of the time
5 - High	Occurs or likely to occur more than 50%, and up to 90% of the time
4 - Significant	Occurs or likely to occur more than 25%, and up to 50% of the time
3 - Possible	Occurs or likely to occur more than 5% and up to 25% of the time
2 - Low	Occurs or likely to occur more than 1% and up to 5% of the time
1 - Almost Impossible	Occurs or likely to occur less than 1% of the time

Defining the Impact of Risk

Categories	1 - Marginal	2 - Significant	3 - Critical	4 - Catastrophic
Tag 4 Financial Impact - FI	Up to £2.5 million per annum £10 million one off	£2.5 million up to £5 million per annum £20 million one off	£5 million up to £7.5 million per annum £30 million one off	£7.5 million up to £10 million per annum £40 million one off
Service Provision - SP	Reduced service	Significant reduction	Service suspended short term	Service suspended long term / statutory duties not delivered
Health and Safety - HS	Broken bones / illness	Major illness / threat not life threatening	Loss of life / major illness	Major loss of life / large scale illness (pandemic)
Objectives - O	Objectives of one service area not met	Departmental objectives not met	Corporate objectives not met	Statutory objectives not met
Reputation - R	Adverse local media lead story short term	Adverse local media story long term. Adverse national publicity short term.	Adverse national publicity longer term	Remembered for years

2013/14 CASHFLOW SEPTEMBER 2013

REFDESC	APPENDIX 11												
	Actual	Actual	Actual	Actual	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	
Opening Cash Balance as at 01/04/2013													
TOTAL OTHER EXPENDITURE	-2,968,613	-8,824,167	-2,325,927	-2,479,827	-3,990,597	-7,768,588	-2,592,356	-2,940,320	-3,071,783	-7,666,530	-49,766,684	-36,000,000	-532,244
CAPITAL EXPENDITURE	0	-1,439,716	-3,171,926	-1,680,661	-1,788,951	-4,162,928	-4,162,928	-4,162,928	-4,162,928	-4,162,928	-36,000,000	-36,000,000	-532,244
PFI RELATED PAYMENTS	-157,864.36	-41,186	-46,100	-53,970	-89,100	-90,000	-90,000	-90,000	-90,000	-90,000	-90,000	-90,000	-978,289
DAILY DEBITS FROM CHEQU	-33,899,558.77	-22,659,627	-22,412,502	-24,842,482	-26,578,868	-29,561,538	-22,461,538	-24,561,538	-23,944,278	-35,373,538	-326,207,381	-326,207,381	-978,289
BACS RUN FOR INVOICES		-3,479,887	-3,479,888	-3,479,886	-3,479,888	-3,479,887	-3,479,887	-3,479,887	0	-3,800,000	-30,490,439	-30,490,439	-30,490,439
RATE SUPPORT GRANT		-3,439,747	-3,476,556	-3,468,209	-3,493,882	-3,700,000	-3,800,000	-3,800,000	-3,800,000	-3,800,000	-3,800,000	-3,800,000	-3,800,000
MID MONTH PAYROLL	-3,566,591.20	-1,992,907	-2,005,924	-4,784,752	-2,106,789	-1,950,000	-1,950,000	-1,950,000	-1,950,000	-1,950,000	-26,766,729	-26,766,729	-26,766,729
END MTH PAYROLL MAIN	-1,958,452.67												-21,617
CHAS PAYROLL													-14,970
CHAS PENSION													-14,970
END MONTH PAYROLL 2	-234,336.86	-226,464	-236,476	-579,569	-226,130	-240,000	-240,000	-240,000	-240,000	-240,000	-240,000	-240,000	-3,177,137
TEACHERS PAYROLL	-2,471,510.26	-2,507,201	-2,525,203	-2,510,625	-2,515,041	-2,600,000	-2,600,000	-2,600,000	-2,600,000	-2,600,000	-2,600,000	-2,600,000	-2,600,000
TEACHERS PENSION	-783,763.63	-1,034,374	-976,147	-989,356	-992,577	-990,000	-990,000	-990,000	-990,000	-990,000	-990,000	-990,000	-11,713,659
TEACHERS PENSION RETURNS	-221,417.69		-54,746	-54,918	-54,740	-55,000	-55,000	-55,000	-55,000	-55,000	-55,000	-55,000	-770,650
HOUSING BENEFIT	-5,479,278.20	-5,566,173	-5,562,700	-9,110,052	-5,452,049	-5,600,000	-5,600,000	-5,600,000	-5,600,000	-5,600,000	-5,600,000	-5,600,000	-68,574,811
H BENEFIT RUN FOR MPH	-1,549,855.96	-1,569,592	-1,585,301	-3,089,803	-1,558,807	-1,995,000	-1,600,000	-2,250,000	-1,550,000	-1,600,000	-1,600,000	-1,600,000	-21,487,050
S106 PAYMENTS			-760,000	0	0	0	0	0	0	0	0	0	-760,000
INLAND REVENUE	-3,305,648.00	-3,273,045	-3,020,068	0	-3,047,906	-3,500,000	-3,500,000	-3,500,000	-3,500,000	-3,500,000	-3,500,000	-3,500,000	-3,500,000
PAYROLL PENSIONERS (GF)			0	0	-658,637	-163,115	-180,000	-180,000	-180,000	-180,000	-180,000	-180,000	-1,907,652
ESTIMATED TOTAL EXPENDITURE	-56,596,880	-56,054,086	-51,639,464	-57,652,453	-56,003,722	-65,872,941	-58,427,233	-54,971,129	-51,133,989	-67,207,996	-690,363,357	-690,363,357	-690,363,357
TOTAL OTHER CREDITS	16,260,601	12,843,840	10,916,076	13,237,593	9,406,607	11,294,191	12,017,371	11,116,931	8,588,711	7,671,471	137,215,515	137,215,515	137,215,515
TOTAL GRANTS	28,235,076	5,912,209	3,930,946	2,155,936	4,305,394	7,720,269	4,806,088	1,959,102	16,954,125	7,294,603	90,266,795	90,266,795	90,266,795
CTX_REC'D VIA ALL P	1,270,592.00	1,030,169	952,501	1,024,201	946,207	1,050,000	1,050,000	970,000	410,000	545,000	11,194,673	11,194,673	11,194,673
COUNCIL TAX D/D	6,128,290.13	6,280,173	6,294,978	6,362,561	6,372,419	6,401,000	6,401,000	6,400,000	1,400,000	500,000	65,338,603	65,338,603	65,338,603
BUSINESS RATES D/D	4,363,552.28	4,341,432	4,490,204	4,514,477	4,634,229	4,300,000	4,300,000	4,300,000	7,100,000	150,000	48,510,190	48,510,190	48,510,190
NET OF WORKS AND PENSION	7,864,667.00	12,970,121	10,428,280	7,141,682	7,167,031	14,867,890	7,100,000	7,100,000	7,100,000	7,100,000	99,601,362	99,601,362	99,601,362
DEPOSITS	15,632,640.00	10,421,760	10,421,760	10,731,720	10,490,640	10,754,720	10,754,720	10,754,720	10,754,720	10,754,720	132,711,480	132,711,480	132,711,480
PUBLIC HEALTH GRANT (DoH)	6,622,245.00	2,246,150	2,246,150	2,246,150	2,246,150	2,246,150	2,246,150	2,246,150	2,246,150	2,246,150	8,984,600	8,984,600	8,984,600
SCHOOLS PAYROLL PAYMENT		6,719,585	6,719,585	6,804,240	6,837,384	6,700,000	6,700,000	6,700,000	6,700,000	6,700,000	81,076,840	81,076,840	81,076,840
VOYAGE REIMBURSEMENT	0	4,853,139	1,040,315	1,471,996	3,066,941	1,800,000	1,750,000	1,750,000	1,500,000	1,500,000	20,382,390	20,382,390	20,382,390
ESTIMATED TOTAL INCOME	86,177,664	67,625,645	51,914,552	56,043,050	53,870,375	61,617,591	54,879,179	53,107,036	54,507,556	42,465,794	692,286,448	692,286,448	692,286,448
NET INCOME/EXPENDITURE	29,580,784	11,571,559	275,088	-1,609,404	-2,133,347	-4,255,351	-3,548,054	-1,674,226	3,373,567	-24,742,203	1,919,091	1,919,091	1,919,091
Interest on Deposits	6,074	16,783	37,826	44,549	51,606	115,099	8,398	44,708	87,583	5,641	137,835	137,835	636,526
Interest on Long Term Debt	-1,218,630	-76,875	-115,288	-941,347	0	-993,474	-78,875	-114,904	-951,139	0	-981,234	-981,234	-6,693,941
Interest on Short Term Debt	-1,000	-1,000	-1,000	-1,000	-1,000	-1,000	-1,000	-1,000	-1,000	-1,000	-1,000	-1,000	-1,000
ESTIMATED TOTAL INTEREST	-1,231,407	-61,092	-78,462	-897,798	-50,606	-1,108,076	-71,477	-71,196	-864,556	-4,641	-844,399	-844,399	-844,399
ESTIMATED TOTAL PREMIUM/DISCOUNT	0	0	0	0	0	0	0	0	0	0	0	0	0
ESTIMATED CASH BALANCE	98,592,599	110,103,066	110,299,892	107,792,490	105,709,749	94,706,623	91,087,092	90,821,223	88,282,441	91,660,649	66,074,047	61,922,723	61,922,723
Closing Balance Investments	95,150,000	113,080,000	108,980,000	106,210,000	109,360,000	94,500,000	91,000,000	90,500,000	88,000,000	91,000,000	66,000,000	66,000,000	66,000,000
YEAR END CLOSING CASH BALANCE	70,243,222	70,243,222	70,243,222	70,243,222	70,243,222	70,243,222	70,243,222	70,243,222	70,243,222	70,243,222	70,243,222	70,243,222	70,243,222
Outstanding Temporary Borrowing	-8,000,000	-8,000,000	-3,000,000	-3,000,000	-3,000,000	-3,000,000	-3,000,000	-3,000,000	-3,000,000	-3,000,000	-3,000,000	-3,000,000	-3,000,000
Long Term Debt	-116,976,258	-116,976,258	-116,976,258	-116,976,258	-116,976,258	-116,976,258	-116,976,258	-116,976,258	-116,976,258	-116,976,258	-116,976,258	-116,976,258	-116,976,258
Add Estimated New Long Term Borrowing													
Less Debt Repaid in the Year													
ESTIMATED CLOSING LONG TERM DEBT	-116,976,258	-116,976,258	-116,976,258	-116,976,258	-116,976,258	-116,976,258	-116,976,258	-116,976,258	-116,976,258	-116,976,258	-116,976,258	-116,976,258	-116,976,258
LIABILITY BENCHMARK	-29,826,258	-11,896,258	-10,996,258	-13,766,258	-10,616,258	-25,476,258	-25,976,258	-26,476,258	-25,976,258	-25,976,258	-50,976,258	-50,976,258	-50,976,258

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