

## Cabinet

**Date: 30 July 2018**

**Subject: Financial Report 2018/19 – May 2018**

Lead officer: Roger Kershaw

Lead member: Mark Allison

### Recommendations:

- A. That Cabinet note the financial reporting data relating to revenue budgetary control, showing a forecast net overspend at year end of £2 million.
- B. That Cabinet note the adjustments to the Capital Programme contained in Appendix 5b and approve the following adjustments to the Capital Programme :

Scheme		2018/19 Budget	2019/20 Budget	2020/21 Budget	2021/22 Budget	Funding/Re-profiling
<b><u>Corporate Services</u></b>						
Aligned Assets		(75,000)	75,000	0	0	Re-profiling
Revenue and Benefits	(1)	(400,000)	400,000	0	0	Re-profiling
Capita Housing	(1)	(100,000)	100,000	0	0	Re-profiling
Planning&Public Protection Sys	(1)	(130,000)	130,000	0	0	Re-profiling
Spectrum Spatial Analyst Repla		(42,000)	42,000	0	0	Re-profiling
Replacement SC System	(1)	(400,000)	400,000	0	0	Re-profiling
Acquisitions Budget	(1)	(7,101,680)			7,101,680	Re-profiling
Capital Bidding Fund	(1)	(1,186,400)			1,186,400	Re-profiling
<b><u>Children, Schools and Families</u></b>						
Schools Maintenance		85,000	0	0	0	School Contributions
Perseid Expansion	(1)	260,000	0	0	0	Virement
Harris Merton Expansion	(1)	(260,000)	0	0	0	Virement
Harris Wimbledon Expansion	(1)	(572,570)	572,570	0	0	Re-profiling
Devolved Formula Capital	(1)	353,390				Specific Government Grant
Cricket Green Expansion	(1)	(1,000,000)	1,000,000	0	0	Re-profiling
<b><u>Environment and Regeneration</u></b>						
Street Lighting Replacement Pr	(1)	(200,000)	0	0	0	Virement
Borough Roads Maintenance	(1)	200,000	0	0	0	Virement
Transportation Enhancements	(1)	0	(500,000)	(1,000,000)	1,500,000	Re-profiling
Wandle Project	(1)	59,770	0	0	0	Section 106 Funding
Shop Front Improvements	(1)	264,000				CIL Neighbourhood Funding
Polka Theatre (Section 106)	(1)	149,950				Section 106 Funding
S106 Ravensbury Park Open Space	(1)	87,000	0	0	0	New S106 Scheme
<b>Total</b>		<b>(10,008,540)</b>	<b>2,219,570</b>	<b>(1,000,000)</b>	<b>9,788,080</b>	

\*items marked with (1) only for Cabinet

- C. That Cabinet approve the £149,950 Section 106 funding for the Polka Theatre, £87,000 Section 106 funding for Ravensbury Park Open Space and £59,770 Section 106 funding for the Wandle Project.
- D. Cabinet are requested to approve a virement between the Environment & Regeneration and Corporate Services departments as part of the ongoing process of centralising the authority's software licences to the Business Improvement division. The virement amount is £10,360 which relates to the Transport Services route optimisation and planning software.

- E. Cabinet are requested to approve a virement of £350k from Corporate items to Corporate Services to fund the recent local elections.
  - F. Cabinet are requested to approve a virement of £1.5m to gross up the Housing Benefits subsidy received on overpayments to align income and expenditure budgets within Corporate Services.
  - G. Cabinet are requested to approve a release from reserve of £370k relating to the One Public Estate Programme for Wilson Hospital redevelopment (£110k), and Morden Town Centre (£260k).
  - H. Cabinet approve a virement of £25k from Corporate Services to E&R for the Christmas lights budget which is managed within sustainable communities.
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## **1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY**

- 1.1 This is the financial monitoring report for period 2, 31<sup>st</sup> May 2018 presented in line with the financial reporting timetable.  
This financial monitoring report provides:-
  - ) The income and expenditure at period 2 and a full year forecast projection.
  - ) An update on the capital programme and detailed monitoring information;
  - ) An update on Corporate Items in the budget 2018/19;
  - ) Progress on the delivery of the 2018/19 revenue savings

## **2. THE FINANCIAL REPORTING PROCESS**

- 2.1 The budget monitoring process in 2018/19 will continue to focus on adult social care and children's social care as these areas overspent in 2017/18 and continue to have budget pressures.
- 2.2 Chief Officers, together with budget managers and Service Financial Advisers are responsible for keeping budgets under close scrutiny and ensuring that expenditure within budgets which are overspending is being actively and vigorously controlled and where budgets are underspent, these underspends are retained until year end. Any final overall overspend on the General Fund will result in a call on balances, however this action is not sustainable longer term.

## 2.3 2018/19 FORECAST OUTTURN BASED UPON LATEST AVAILABLE DATA

**Executive summary** – At period 2 to 31<sup>st</sup> May 2018, the year end forecast is a net £2m overspend compared to the current budget.

### **Summary Position as at 31st May 2018**

	Current Budget 2018/19 £000s	Full Year Forecast (May) £000s	Forecast Variance at year end (May) £000s	Outturn variance 2017/18 £000s
<b>Department</b>				
3A. Corporate Services	9,742	8,637	(1,105)	(812)
3B. Children, Schools and Families	56,145	59,781	3,637	2,249
3C. Community and Housing	63,754	64,178	425	922
3D. Public Health	0	200	200	0
3E. Environment & Regeneration	17,951	16,824	(1,127)	(1,211)
Overheads	0	0	0	0
<b>NET SERVICE EXPENDITURE</b>	<b>147,590</b>	<b>149,620</b>	<b>2,030</b>	<b>1,148</b>
<b>3E. Corporate Items</b>				
Impact of Capital on revenue budget	8,403	8,403	0	(103)
Other Central budgets	(12,599)	(12,599)	0	(823)
Levies	938	938	0	0
<b>TOTAL CORPORATE PROVISIONS</b>	<b>(3,257)</b>	<b>(3,257)</b>	<b>0</b>	<b>(926)</b>
<b>TOTAL GENERAL FUND</b>	<b>144,333</b>	<b>146,363</b>	<b>2,030</b>	<b>222</b>
<b>FUNDING</b>				
Revenue Support Grant	0	0	0	1
Business Rates	(45,636)	(45,636)	0	182
Other Grants	(11,258)	(11,258)	0	(670)
Council Tax and Collection Fund	(87,439)	(87,439)	0	0
<b>FUNDING</b>	<b>(144,333)</b>	<b>(144,333)</b>	<b>0</b>	<b>(487)</b>
<b>NET</b>	<b>(0)</b>	<b>2,030</b>	<b>2,030</b>	<b>(265)</b>

The current level of GF balances is £12.778m and the minimum level reported to Council for this is £12.09m. This means that another reserve or further savings will need to be found to offset the remaining £1.34m overspend.

### 3. DEPARTMENTAL SUMMARY OF CURRENT POSITION

#### Corporate Services

Division	2018/19 Current Budget	2018/19 Full year Forecast (May)	2018/19 Forecast Variance (May)	2017/18 Outturn Variance
	£000	£000	£000	£000
Customers, Policy & Improvement	3,245	3,351	106	46
Infrastructure & Technology	10,689	10,515	-174	71
Corporate Governance	2,404	2,400	-4	-229
Resources	5,785	5,719	-66	-515
Human Resources	1,775	1,772	-3	-207
Corporate Other	1,032	68	-964	22
<b>Total (Controllable)</b>	<b>24,930</b>	<b>23,825</b>	<b>-1,105</b>	<b>-812</b>

#### Overview

At the end of period 2 (May) the Corporate Services (CS) department is forecasting an underspend of £1,105k at year end. The table above reflects the new structure within Corporate Services in 2018/19. The 2017/18 outturn variance has been adjusted to reflect the new structure in order to provide a meaningful comparison with the period 2 position.

#### Customers, Policy and Improvement - £106k over

The Communications Service is under-achieving on the advertising income target which is partly offset by underspends elsewhere in the service.

#### Infrastructure & Technology - £174k under

There are forecast underspends within printing and post services that are partly offset by a lower than expected income from the professional development centre (Chaucer Centre) where the number of bookings is expected to be below the budgeted level.

#### Corporate Governance - £4k under

There are no significant variations from budget at this stage.

The South London legal partnership (SLLp) is forecasting to overspend by £33k on expenditure budgets but this will be fully covered by hard charging to the other boroughs.

**Resources - £66k under**

The Merton Bailiff Service is forecasting to over-achieve income by £385k but this is offset by a forecast £44k under-achievement of income in the Shared Bailiff Service. There is a forecast underspend of £105k within Benefits Administration principally due to additional one-off unbudgeted income from DWP for a number of schemes.

There is a forecast overspend with Local Taxation Services and Local Welfare Support of £210k principally due to additional IT licence and postage costs.

**Human Resources – £3k under**

There are a number of vacant posts within the division that are offset by a number of budget pressures including lower than budgeted income from schools as part of the buyback scheme.

**Corporate Items - £964k under**

The Housing Benefit budget shows a forecast surplus of £1.2m on the account due to the subsidy received on overpayments. The total surplus in 2017/18 was £1.5m.

This is partly offset by a forecast overspend on Merton's share of the coroners' court due to unbudgeted costs of the Westminster Bridge inquiry.

## Environment & Regeneration

Environment & Regeneration	2018/19 Current Budget	Full year Forecast (May)	Forecast Variance at year end (May)	2017/18 Outturn Variance
	£000	£000	£000	£000
Public Protection	(11,070)	(11,873)	(803)	(1,602)
Public Space	15,072	14,469	(603)	632
Senior Management	952	1,041	89	3
Sustainable Communities	7,643	7,860	190	(244)
<b>Total (Controllable)</b>	<b>12,597</b>	<b>11,498</b>	<b>(1,127)</b>	<b>(1,211)</b>

Description	2018/19 Current Budget	Forecast Variance at year end (May)	2017/18 Variance at year end
	£000	£000	£000
Overspend within Regulatory Services	550	146	78
Underspend within Parking & CCTV Services	(12,072)	(906)	(1,633)
Underspend within Safer Merton	452	(43)	(47)
<b>Total for Public Protection</b>	<b>(11,070)</b>	<b>(803)</b>	<b>(1,602)</b>
Underspend within Waste Services	13,857	(639)	97
Breakeven within Leisure & Culture	728	0	(166)
Overspend within Greenspaces	1,393	37	754
Underspend within Transport Services	(906)	(1)	(53)
<b>Total for Public Space</b>	<b>15,072</b>	<b>(603)</b>	<b>632</b>
Overspend within Senior Management & Support	952	89	3
<b>Total for Senior Management</b>	<b>952</b>	<b>89</b>	<b>3</b>
Overspend within Property Management	(2,907)	48	(422)
Underspend within Building & Development Control	(63)	(22)	397
Overspend within Future Merton	10,613	164	(219)
<b>Total for Sustainable Communities</b>	<b>7,643</b>	<b>190</b>	<b>(244)</b>
<b>Total Excluding Overheads</b>	<b>12,597</b>	<b>(1,127)</b>	<b>(1,211)</b>

### Overview

The department is currently forecasting an underspend of £1,127k at year end. The main areas of variance are Regulatory Services, Parking Services, Waste Services and Future Merton.

### Public Protection

#### **Regulatory Services overspend of £146k**

The forecast overspend is as a result of a few factors. Firstly, a 2017/18 saving (E&R14) of £100k relating to further expansion of the Regulatory Services Partnership to include the London Borough of Wandsworth, will only be achieved in

part this year. Secondly, a 2018/19 saving (ENV08) of £40k is forecast not to be achieved this year. Thirdly, an underachievement of Licensing income of £50k is forecast, which is associated with a 2016/17 saving (E&R13) of £50k and a 2018/19 saving (ENV09) of £12.5k.

### **Parking & CCTV Services underspend of £906k**

The underspend is mainly as a result of the implementation of the ANPR system across the borough (£936k). The positive effects of this fully functional system are beginning to be realised e.g. improved traffic flow. An over-achievement in Ringo parking fees is also forecasted (£211k).

Included within this forecast is employee related overspend of c£91k due to a combination of savings not yet implemented and increased demand. Due to the implementation of the diesel surcharge and the delay in fully implementing ANPR the section has been forced to delay implementing certain savings, whilst needing to recruit additional agency staff to manage PCN and permit demands. This pressure is being offset by an over-recovery in permit revenue (£265k). Further costs of £129k are forecasted to contribute to the overspend for P&D machines and CCTV equipment maintenance.

### **Public Space**

#### **Waste Services underspend of £638k**

The forecast underspend is largely as a result of an in-year underspend on disposal costs of £913k, which can be attributed to two main factors. Firstly, the section has experienced a c11% reduction in waste being landfilled this financial year – this is fairly consistent with the c8% reduction in total waste tonnages being generated across all of the authority's waste streams. Secondly, Viridor our disposal contractor, is scheduled to begin testing the new ERF facility. During this commissioning phase, currently three months, the authority will benefit from reduced disposal costs leading to an estimated cost reduction of c£500k this financial year. This is a one off saving.

This forecast underspend is being partially offset by a forecast overspend relating to the Phase C contract (£164k), and mobilisation costs relating to the October 2018 service change (£250k).

### **Sustainable Communities**

#### **Future Merton**

The section is forecasting an overspend of £164k. This is mainly due to £100k in staffing for CPZ, £20k in advertising, and £50k underachievement of income in Footpath crossings and Skip licensing charges.

#### **Virement for Cabinet Approval**

Cabinet are requested to approve a virement between the Environment & Regeneration and Corporate Services departments as part of the ongoing process of centralising the authority's software licences to the Business Improvement division. The virement amount is £10,360 which relates to the Transport Services route optimisation and planning software.

## Children Schools and Families

<b>Children, Schools and Families</b>	<b>2017/18 Current Budget £000</b>	<b>Full year Forecast (May) £000</b>	<b>Forecast Variance at year end (May) £000</b>	<b>2017/18 Variance at year end £000</b>
Education	18,018	18,708	690	(703)
Social Care and Youth Inclusion	21,251	24,573	3,322	3,596
Cross Department budgets	1,577	1,532	(45)	(95)
PFI	8,159	7,829	(330)	(342)
Redundancy costs	2,124	2,124	0	(207)
<b>Total (controllable)</b>	<b>51,129</b>	<b>54,766</b>	<b>3,637</b>	<b>2,249</b>

### **Overview**

At the end of May, Children Schools and Families had a forecast overspend of £3.637m on local authority funded services. Due to the volatile nature of placement and SEN transport budgets and the current volume of CSC activity and EHCP requests we are exercising appropriate demand management balancing our education and social care statutory duties with careful and considered oversight of spend.

The department received £500k growth for the current financial year that was mainly used to fund the additional eight social workers funded through contingency for three years and was part of the departmental overspend last year. There were pressures over and above the growth allocated to the department some of which were offset by planned underspends and management action in year. Whilst some planned underspends continued, many of the underspend used to offset cost pressures last year were either non-recurrent management action or one-off windfalls which are not guaranteed or expected in the current financial year.

### **Local Authority Funded Services**

Significant cost pressures and underspends identified to date are detailed in the table below:

<b>Description</b>	<b>Budget £000</b>	<b>May £000</b>	<b>2017/18 £000</b>
Procurement & School organisation	608	(236)	(319)
SEN transport	4,183	939	566
Other small over and underspends	12,716	(13)	(738)
<b>Subtotal Education</b>	<b>18,018</b>	<b>690</b>	<b>(703)</b>
Fostering and residential placements (ART)	5,302	429	813
Supported lodgings/housing	1,792	125	156
Un-accompanied asylum seeking children (UASC)	542	1,150	693
Community Placement	0	956	750
No Recourse to Public Funds (NRPF)	21	339	353
MASH & First Response staffing	1,559	180	403
Other small over and underspends	11,995	143	288
<b>Subtotal Children's Social Care and Youth Inclusion</b>	<b>21,251</b>	<b>3,322</b>	<b>3,596</b>



## Education Division

Procurement and school organisation budgets are forecast to underspend by £236k because of lower spend on re-venueisation budgets. This budget relates to construction projects that cannot be classified as capital. The majority of this is required for temporary classrooms due to rising pupil demand when it is not viable to provide permanent buildings.

The SEN transport budget is forecasting to overspend by £939k at the end of the financial year, which includes £821k taxi cost and £118k direct payments. The forecast outturn for taxis is £3.2m, circa £428k more than last year. The forecast increase reflects the 35 extra taxi service agreements (21% increase) compared to this time last year. Due to the increase in EHCPs requiring a specialist placement, the number of children needing to be transported is expected to continue to go up through the financial year and particularly from September. Strategies are in place to alleviate this further pressure, including maximising any further opportunities for placing more children on the buses, re-tendering routes and considering any consolidation possible. The service is planning to go through the individual routes spend more forensically to ensure the accuracy of the forecast. This is difficult due to the dynamic nature of these costs. Unless this review changes the forecast, the position is unlikely to be much clearer until the October 2018 budget return when the outcome of summer tendering and 2018/19 academic year placements will be better known.

There are various other small over and underspends forecast across the division netting to a £13k underspend. These combine with the items described above to arrive at the total reported divisional overspend of £690k.

## Children's Social Care and Youth Inclusion Division

While the numbers of Looked after Children (LAC) remain relatively stable, and indeed Merton maintains relatively low levels of children in care, the complexity of a significant proportion of cases is causing cost pressures as detailed below. Placement costs are reviewed on a monthly basis to ensure that projections of spend are as accurate as possible.

Service	Budget £000	Forecast spend £000	Variance	Placements
			May £000	May Nr
Residential Placements	2,271	2,060	(211)	14
Independent Agency Fostering	1,816	2,233	417	47
In-house Fostering	978	1,438	460	62
Secure accommodation	136	0	(136)	0
Mother and baby unit	101	0	(101)	0
<b>Total</b>	<b>5,302</b>	<b>5,731</b>	<b>429</b>	<b>123</b>

The ART service seeks to make placements with in-house foster carers wherever possible and in line with presenting needs, however, the needs of some looked after children mean that placements with residential care providers or independent fostering agencies are required. Some specific provision is mandated by the courts.

- ) The residential placement expenditure is forecast to underspend by £211k. This is due to three young people predicted to be moving soon to SIA placements and three young people predicted to be moving into school placements in September and therefore paying for 14 weeks from this budget.
- ) The agency fostering placement expenditure is expected to overspend by £417k. This increase is due to 6 mother and baby placements ordered through the Courts. This covers costs for 12 placements
- ) The in-house foster carer expenditure is forecast to overspend by £460k. This is an increase in payments of 1.5% (agreed by DMT). This year we have budgeted for 62 placements compared to 50 in May last year.
- ) We have had no young people in secure accommodation for this year yet and are therefore forecasting no expected spend at this stage.
- ) We have had no mother and baby unit placements for this year yet and are therefore forecasting no expected spend at this stage.

The budget for semi-independent and supported lodgings/housing placements are estimated to overspend by £125k. These are for young people who require semi-independent provision and for Care Leavers through to independence or, in some cases, through to the age of 21 (older in exceptional circumstances), as part of our statutory duties. There were 58 semi-independent placements for young people at the end of May 2018.

The UASC placements are expected to overspend by £1.150m this year.

Service	Budget £000	Forecast spend £000	Variance	Placements
			May £000	May Nr
Independent Agency Fostering	375	404	29	9
In-house Fostering	0	538	538	20
Supported lodgings/housing	167	750	583	28
<b>Total</b>	<b>542</b>	<b>1,692</b>	<b>1,150</b>	<b>57</b>

At the end of May we had 29 UASC placements and 28 young people aged 18+ with no recourse to public funds in semi-independent accommodation.

We are forecasting a £956k overspend on a community placement. This provision relates to a complex case currently under discussion between the CCG and the local authority. The figure is our best estimate at this stage but is subject to change. A review is underway to change the current provision that will, when agreed, be phased in later the year with the aim to limit disruption to the child. This should reduce the cost to Merton, but we are not able to quantify this until the CCG progress this further.

The NRPF budget is forecast to overspend by £339k in the current financial year. The NRPF worker is working closely with housing colleagues to manage cases as they arise and is also reviewing historic cases to identify ones where claimant circumstances has changed and can therefore be stepped down from services. We

continue to use the Connect system to progress cases and continue to review open cases with the aim to limit the cost pressure on the council. Strong gate keeping has resulted in a reduction of overall numbers from a peak of about 30 to a current caseload of 15.

The MASH and First Response team's staffing costs are expected to overspend by £180k. This is due to the team having to cover vacancies with agency staff due to difficulty in recruiting permanent members of staff.

There are various other small over and underspends forecast across the division netting to a £187k overspend. These combine with the items described above to arrive at the total reported divisional overspend of £2,366k.

### **Dedicated Schools Grant**

DSG funded services is forecast to overspend by £3.870m. At the current estimate, the DSG reserve will be going into an overspend position during the current financial year.

The main reasons for the forecast relates to an estimated overspend of £1.930m on Independent Day School provision, £652k on EHCP allocations to Merton maintained primary and secondary schools, £612k on EHCP allocations to out of borough maintained primary, secondary and special schools, and £717k on one-to-one support, OT/SLT and other therapies as well as alternative education.

There are various other smaller over and underspends forecast across the DSG netting to a £41k underspend which, combined with the items above, equates to the net overspend of £3.870m.

We continue to keep abreast of proposed changes to the National Funding Formula, especially in relation to risks associated with services currently funded by de-delegated elements of the DSG.

### **Management Action**

#### New burdens

There are a number of duties placed on the Local Authority that have not been fully funded or not funded at all through additional burdens funding from Central Government. Excluding the cost of these duties would leave a net departmental overspend of £2.023m, however that figure masks substantial once off windfalls and non-recurrent and recurrent management action. The table below highlights the continued estimated overspends relating to these unfunded duties:

<b>Description</b>	<b>Budget £000</b>	<b>May overspend forecast £000</b>	<b>2017/18 overspend £000</b>
Supported lodgings/housing	1,792	125	156
Un-accompanied asylum seeking children (UASC)	542	1,150	693
No Recourse to Public Funds (NRPF)	21	339	353
<b>Total</b>	<b>2,355</b>	<b>1,614</b>	<b>1,202</b>

Following changes introduced through the Children & Social Work Act, local authorities will take on new responsibilities in relation to children in care and care leavers. Local authorities will be required to offer support from a Personal Adviser to all care leavers to age 25. New burdens funding will be provided to support implementation of this change.

Further new burdens are expected for 2018/19 including:

- ) Social Care Act requirement for new assessment process for all social workers
- ) SEND tribunals will cover elements of children care packages and therefore cost
- ) New requirement of social work visits to children in residential schools and other provision.

### Staffing

Agency cost continues to be a cost pressure for the department as permanent social worker recruitment continues to be challenging in certain services. We are operating, however at our lowest level of agency staff in 3 years. The continued recruitment drive including recruitment of NQSWs, temporary to permanent initiatives and retention payments will all have a positive impact on the current financial year and we will continue to take action to bring down anticipated overspends on agency/staffing costs.

### Placements

Our strong management oversight enables us to ensure that an appropriate entry to care threshold is well-maintained. The impact of increased numbers of UASC is in particular affecting our LAC and care leaver numbers and we remain in the lowest rate of care range in London.

We are continuing to work with colleagues in the CCG in order to lever in appropriate health contribution to children with complex needs and our ART service is driving down placement costs through negotiations with providers

Our ART Fostering Recruitment and Assessment team is continuing to recruit new foster carers who will offer locally based placements. This continues to reduce the increase in more expensive agency foster placements, but there is a time lag.

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

We have contracted with a provider to block purchase five independent units for care leavers aged 18+. This will act as a step down into permanent independent living. For the total 5 placements in the provision, this cost is £1,800 per week including support costs. This is a significantly better financial deal than using the semi-independent market for our care leavers. We have 5 young people living there.

We have updated our Staying Put policy for young people aged 18+ to enable them to remain with their foster carers as recommended following our Ofsted inspection. We currently have 6 young people remaining with in house foster carers and a

further 4 with IFAs. Financially this is a more cost effective offer than semi-independent provision. However, the increased use of Staying Put for young people aged 18+ impacts on available placements for younger teenagers and therefore there is a likelihood of an increase in the use further IFA placements in the near future. We continue to focus our foster carer recruitment on carers for teenagers to mitigate these potential additional costs.

All semi-independent placements are being reviewed over the coming weeks and all residential placements are regularly reviewed. The fostering recruitment strategy is being refreshed in light of the new Staying Put requirement and the need to focus on recruiting more foster carers for teenagers, mother and baby placements and UASC.

## Community & Housing Current Summary Position

**Community and Housing is currently forecasting an overspend of £624k as at May 2018**

The main areas overspending as at May 2018 are Housing, Public Health and Adult Social Care. The housing forecast overspend is due to the costs of temporary accommodation exceeding the subsidy provided. Public Health are forecasting an overspend on sexual health due to predicted increases in demand and service users attending at other provisions that are more expensive. Adult Services has pressures in direct provision due to staff costs and demands on the placements budget.

<b>Community and Housing</b>	<b>2018/19 Current Budget £000</b>	<b>Forecast (May 18) £000</b>	<b>Forecast Variance (May 18) £000</b>	<b>2017/18 Outturn Variance £000</b>
<b>Access and Assessment</b>	46,166	46,342	176	455
<b>Commissioning</b>	4,266	4,217	(49)	211
<b>Direct Provision</b>	4,309	4,393	84	(195)
<b>Directorate</b>	943	1,007	64	181
<b>Adult Social Care</b>	<b>55,684</b>	<b>55,959</b>	<b>275</b>	<b>652</b>
<b>Libraries and Heritage</b>	1,984	1,981	(3)	20
<b>Merton Adult Learning</b>	(14)	(14)	0	(6)
<b>Housing General Fund</b>	1,829	1,981	152	256
<b>Sub-total</b>	<b>59,483</b>	<b>59,907</b>	<b>424</b>	<b>922</b>
<b>Public Health</b>	(143)	57	200	0
<b>Grand Total</b>	<b>59,340</b>	<b>59,964</b>	<b>624</b>	<b>922</b>

### Access & Assessment - £176k overspend

This section is forecasting an over spend of £176k which made up of under and overspends as set out in the table below. Part of the pressure relates to unachieved savings in housing support contracts from 2017/18.

The table below shows areas of significant expenditure

<b>Access &amp; Assessment</b>	<b>Forecast Variances May 18 £000</b>	<b>Outturn Variances March 18 £000</b>
Underspend on Concessionary Fares	(15)	(100)
Overspend on Better Care Fund Risk Share	0	425
Other	(315)	(307)
Placements	1,093	1,671
Income	(587)	(1,234)
<b>Total</b>	<b>176</b>	<b>455</b>

Work continues to manage demand, whilst we plan for the future. Savings are currently on track, although proposed savings on transport and mental health staffing will take more time than anticipated to deliver. Underspends elsewhere on the budget are expected to compensate for these shortfalls.

The table below sets on the movement in the number of service users in each care group between months. It shows a net decrease since April. This is for a range of reasons including client death, moves to other boroughs and care no longer needed.

**Total Number of Clients with an external care package**

Placements	No. of clients May 2018	No of clients April 2018	Net increase/(decrease)
Older People	1,157	1,167	-10
Physical /Sensory	215	219	-4
Learning Disabilities	353	356	-3
LD Housing Support	2	2	0
Mental Health Placements	126	125	1
MH Housing Support	11	11	0
Substance Misuse	2	1	1
<b>Grand Total</b>	<b>1,866</b>	<b>1,881</b>	<b>-15</b>

**Commissioning - £49k underspend**

This section has an underspend of £49k across a number of contracts.

**Direct Provision - £84k over spend**

Direct Provision service is currently forecasting an overspend at Riverside Drive which is an internal 8 bed residential home for people with learning disabilities. Staffing costs have also been high due to sickness in night cover posts; which are expensive shifts to cover but are necessary to meet CQC requirements. Two residents have complex personal care needs requiring a minimum of two staff to carry out personal care. A temporary delay in processing bank time sheets led to a large number being paid in April and May. A grading claim by a group of staff is in the process of being settled; this could add between £6 and £12k to the staffing costs.

**Management actions by Head of Service are:-**

- ) Trialling different rotas to contain staff costs – check weekly
- ) Resolving the staffing grade change
- ) Head of Service scrutiny of rostering and timesheets
- ) Checking staffing usage on a weekly basis.

**Adult Social Care: other management action 2018/19**

Adult Social Care will continue its senior management scrutiny of budgets and spend and the action plan to manage budget pressures.

Key elements of the current financial year action plan:-

- ) Transitions from Children's to Adult Services
- ) Detailed monitoring of placements activity and spend
- ) Ensuring that Direct Payments are used for the designated purposes
- ) Riverside Drive staffing/salary rota
- ) Ensuring an efficient and effective financial assessment service, so that service users are assessed for their contribution as soon as possible so they know what they need to pay.

### **C&H - Other Services**

#### **Libraries - £3.2k underspend**

This service is currently forecasting a £3.2k underspend as at May 2018. This is attributable to an improved income outlook.

#### **Merton Adult Education – Breakeven**

The Merton Adult Learning service is expected to breakeven in 2018/19. The service relies solely on funding from the Education and Skills Funding Agency (ESFA).

#### **Housing - £152k overspend**

Housing is forecasting an overspend of £199k which is due to a shortfall in housing benefit subsidy in temporary accommodation and an underspend of £47k in rent sanctuary payments. It is however very early in the financial year and it is expected that as a result of the new burdens from April 2018 that this service will be placed with an increased demand for its service. Although we expect to receive funding to meet increased burdens it is expected that demand will exceed the grant allocation.

The Housing Need budgets remain under considerable pressure as it faces rising homelessness and supply side volatility. Homelessness applications have increased by 48% from the same time last year following the enactment of the Homeless Reduction Act 2017. Whilst these cases have not necessarily translated into a demand for temporary accommodation the position remains fragile. These cases require more proactive work than previously required to prevent homelessness including the legal requirement to provide all customers with a written personalised housing plan.

In recent years the net cost of temporary accommodation has exceeded budget provision, mainly due to pressures arising from temporary accommodation subsidy, and early forecasts suggest that this position will be repeated this year. However, despite the continued increases in acute housing need and demand and the tightening of the housing supply base, the service continues to prevent homelessness and maintains its position of having the lowest numbers of households in temporary accommodation in London.



## Analysis of Housing Temporary Accommodation Expenditure

Housing	Budget 2018/19 £000	Forecast Variances (May 18) £000	Outturn Variances (Mar 18) £000
Temporary Accommodation-Expenditure	2,330	0	909
Temporary Accommodation-Client Contribution	(140)	0	(595)
Temporary Accommodation-Housing Benefit Income	(2,000)	0	(160)
Temporary Accommodation-Subsidy Shortfall	322	199	517
Temporary Accommodation- Grant	-	-	(406)
<b>Total Temporary Accommodation</b>	<b>512</b>	<b>199</b>	<b>259</b>
Housing Other Budgets- Over(under)spend	1,317	(47)	(3)
<b>Total</b>	<b>1,829</b>	<b>152</b>	<b>256</b>

### Temporary Accommodation Movements to date

Temporary Accommodation	Numbers IN	Numbers OUT	Total for the Month
<b>March 2018</b>	<b>16</b>	<b>16</b>	<b>165</b>
<b>April 2018</b>	<b>22</b>	<b>17</b>	<b>170</b>
<b>May 2018</b>	<b>21</b>	<b>16</b>	<b>175</b>

### Public Health - £200k overspend

The local authority has a mandatory responsibility to ensure the provision of open access to sexual health services, including access to contraceptive services, treatment of sexually transmitted infections and prevention. In 2017 Merton jointly re-commissioned their sexual health services with LB Wandsworth and LB Richmond. The services commenced on 1st October 2017.

A financial pressure of £200k has been identified from the total budget for sexual health services of £2.4m, out of the total public health budget of £10.4m.

Preliminary analysis indicates that this pressure is due to a combination of an increase in activity at some South West London providers; and higher tariff prices in Sutton & Croydon services, which have not yet been re-commissioned in line with the London framework. It was forecast that over half (51-60%) of Merton residents would use the new local services under the CLCH contract, however recent data indicates that more people than forecast are still using services outside the local integrated service. Recent data also indicates that sexual health demand is increasing, particularly in relation to gonorrhoea and syphilis which indicates that there will be continued need for open access to GUM services.

Mitigating actions to contain pressures on sexual health services include:

- ) In-depth work/review of the key drivers and activity trends behind these financial pressures, which will ensure we better understand the need/demand and people accessing services.
- ) Close collaborative work with partners in South West London, including discussion with Sutton and Croydon about recommissioning of services from 2019 in line with the London tariff.
- ) Close collaboration with pan-London Sexual health programme, including continued commitment to preventative work.
- ) Working with partners to explore negotiation of a cap across wider services, in order to have more control and predictability.
- ) Work with local services in order to repatriate service users to the Merton integrated services.
- ) Introduction of an e-service which will provide testing services for asymptomatic patients over 16 years old.
- ) Identify potential underspends across the public health budget which can offset this pressure.

## Corporate Items

The details comparing actual expenditure up to 31 May 2018 against budget are contained in Appendix 2. There are no areas of significant variance as at 31 May 2018:-

Corporate Items	Current Budget 2018/19 £000s	Full Year Forecast (May) £000s	Forecast Variance at year end May.) £000s	Forecast Variance at year end Apr.) £000s	2016/17 Year end Variance £000s
<b>Impact of Capital on revenue budget</b>	<b>8,403</b>	<b>8,403</b>	<b>0</b>	<b>0</b>	<b>(103)</b>
Investment Income	(759)	(759)	0	0	408
Pension Fund	3,346	3,346	0	0	(389)
Pay and Price Inflation	2,486	2,486	0	0	(736)
Contingencies and provisions	4,291	4,291	0	0	(2,447)
Income Items	(1,367)	(1,367)	0	0	(104)
Appropriations/Transfers	(1,548)	(1,548)	0	0	2,445
<b>Central Items</b>	<b>6,449</b>	<b>6,449</b>	<b>0</b>	<b>0</b>	<b>(823)</b>
Levies	938	938	0	0	0
Depreciation and Impairment	(19,008)	(19,008)	0	0	0
<b>TOTAL CORPORATE PROVISIONS</b>	<b>(3,217)</b>	<b>(3,217)</b>	<b>0</b>	<b>0</b>	<b>(926)</b>

## 4 Capital Programme 2018-22

4.1 The Table below shows the movement in the 2018/22 corporate capital programme since the last meeting of Cabinet:

Depts	Current Budget 18/19	Variance	Revised Budget 18/19	Current Budget 19/20	Variance	Revised Budget 19/20	Current Budget 20/21	Variance	Revised Budget 20/21	Revised Budget 21/22	Variance	Revised Budget 21/22
CS	19,497	(9,435)	10,062	24,855	1,147	26,002	3,945	0	3,945	3,862	8,288	12,150
C&H	937		937	480	0	480	630	0	630	280	0	280
CSF	12,631	(1,133)	11,498	12,053	1,573	13,626	3,202	0	3,202	650	0	650
E&R	22,811	561	23,372	7,060	(500)	6,560	7,017	(1,000)	6,017	5,052	1,500	6,552
<b>TOTAL</b>	<b>55,876</b>	<b>(10,008)</b>	<b>45,869</b>	<b>44,448</b>	<b>2,220</b>	<b>46,668</b>	<b>14,794</b>	<b>(1,000)</b>	<b>13,794</b>	<b>9,844</b>	<b>9,788</b>	<b>19,632</b>

4.2 The table below summarises the position in respect of the 2018/19 Capital Programme as at May 2018. The detail is shown in Appendix 5a

### **Capital Budget Monitoring May 2018**

Department	Actual to May £	Year to Date Budget £	Variance £	Revised Annual Budget £	May Year End Forecast £	Forecast Full Year Variance £
Corporate Services	168,809	822,500	(653,691)	10,061,540	9,986,290	(75,250)
Community and Housing	105,110	61,360	43,750	937,310	935,490	(1,820)
Children Schools & Families	264,340	(158,370)	422,710	11,496,600	10,323,597	(1,173,003)
Environment and Regeneration	806,974	591,725	215,249	23,372,100	23,334,526	(37,575)
<b>Total</b>	<b>1,345,233</b>	<b>1,317,215</b>	<b>28,018</b>	<b>45,867,550</b>	<b>44,579,902</b>	<b>(1,287,648)</b>

- Corporate Services – There are currently two projected underspends, the Customer Contact (49k) and IT Systems Projects (£26k). IT Projects totalling £747k and Replacing Social Care System £400k have been re-profiled from 2018-19 to 2019-20. The Acquisitions Budget £7,101 and Bidding Fund £1,186k have been re-profiled from 2018-19 to 2021-22, the last year of the approved programme, these schemes will be moved forward as items of expenditure are identified and approved.
- Community and Housing – Officers are projecting a small underspend on the ASC IT Equipment budget (£2k).
- Children, Schools and Families – The Devolved Formula Capital Grant of £353k has been announced and added to the Capital programme. The majority of the schools maintenance budget has been allocated and the virement includes £85k additional schools contributions to the scheme. Harris Wimbledon (573k) and Cricket Green (£1,000) have been re-profiled from 2018-19 to 2019-20. Officers are currently finishing the tender evaluation for Cricket Green, a virement required from the projected underspend on the Harris Wimbledon Budget will be finalised in that report elsewhere on the agenda. The finalised figure will be detailed within the June 2018 Monitoring Report.

- d) Environment and Regeneration –
- Three section 106 schemes have been added to the programme for Polka Theatre (£150k), Ravensbury Park Open Space (£87k) and the Wandle Project (£60k).
  - One neighbourhood CIL budget is being added to the programme of £264 for Shop Front Improvements, this is in addition to the £79k added as part of adjustments at the June Cabinet, the additional sum is being funded from CIL receipts in the first quarter.
  - Officers are currently projecting one underspend of £49k in Parks. In addition, officers are projecting a £12k overspend on fleet vehicles.
  - The Transportation budget is being re-profiled within the approved programme.
  - One virement of £200k is proposed from Street Lighting to Borough Roads Maintenance the additional budget is required for the resurfacing programme within Borough Roads Maintenance due to the effects of a very severe winter (this is reflected in the latest condition surveys which show a deterioration of our roads) and for the suspension of funding (£455k) nominally allocated from TfL for our principal road maintenance. The net impact is that borough funding for non-principal road and un-classified roads will have to be stretched further and the number of the roads that are currently resurfaced/reconstructed per year will decrease. This will inevitably result in increased reactive repair costs in future years. Officers are able work with a £200k reduction in the Street Lighting budget due the availability of funding from the FM Invest to Save budget for LED lantern upgrades.

4.3 Appendix 5b details the adjustments being made to the Capital Programme this month. The items marked with (1) require Cabinet approval:

Scheme		2018/19 Budget	2019/20 Budget	2020/21 Budget	2021/22 Budget	Funding/Re-profiling
<b>Corporate Services</b>						
Aligned Assets		(75,000)	75,000	0	0	Re-profiling
Revenue and Benefits	(1)	(400,000)	400,000	0	0	Re-profiling
Capita Housing	(1)	(100,000)	100,000	0	0	Re-profiling
Planning&Public Protection Sys	(1)	(130,000)	130,000	0	0	Re-profiling
Spectrum Spatial Analyst Repla		(42,000)	42,000	0	0	Re-profiling
Replacement SC System	(1)	(400,000)	400,000	0	0	Re-profiling
Acquisitions Budget	(1)	(7,101,680)			7,101,680	Re-profiling
Capital Bidding Fund	(1)	(1,186,400)			1,186,400	Re-profiling
<b>Children, Schools and Families</b>						
Schools Maintenance		85,000	0	0	0	School Contributions
Perseid Expansion	(1)	260,000	0	0	0	Virement
Harris Merton Expansion	(1)	(260,000)	0	0	0	Virement
Harris Wimbledon Expansion	(1)	(572,570)	572,570	0	0	Re-profiling
Devolved Formula Capital	(1)	353,390				Specific Government Grant
Cricket Green Expansion	(1)	(1,000,000)	1,000,000	0	0	Re-profiling
<b>Environment and Regeneration</b>						
Street Lighting Replacement Pr	(1)	(200,000)	0	0	0	Virement
Borough Roads Maintenance	(1)	200,000	0	0	0	Virement
Transportation Enhancements	(1)	0	(500,000)	(1,000,000)	1,500,000	Re-profiling
Wandle Project	(1)	59,770	0	0	0	Section 106 Funding
Shop Front Improvements	(1)	264,000				CIL Neighbourhood Funding
Polka Theatre (Section 106)	(1)	149,950				Section 106 Funding
S106 Ravensbury Park Open Space	(1)	87,000	0	0	0	New S106 Scheme
<b>Total</b>		<b>(10,008,540)</b>	<b>2,219,570</b>	<b>(1,000,000)</b>	<b>9,788,080</b>	

- 4.4 Cabinet are being asked to approve the three Section 106 bids for the Polka Theatre (£149,950), Wandle Project (Merton Priory Chapter House) (£59,770) and Ravensbury Park Open Space (£87,000).
- 4.5 Appendix 5c details the impact all the adjustments to the Capital Programme have on the funding of the programme in 2018/22. The table below summarises the movement in 2018/19 funding since its approval in February 2018:

Depts.	Original Budget 18/19	Net Slippage 2018/19	Adjustments	New External Funding	New Internal Funding	Re-profiling	Revised Budget 18/19
Corporate Services	23,482	5,051				(18,472)	10,062
Community & Housing	773	165				0	937
Children Schools & Families	15,158	924		933		(5,518)	11,497
Environment and Regeneration	21,853	919		1,600		(1,000)	23,372
<b>Total</b>	<b>61,266</b>	<b>7,059</b>	<b>0</b>	<b>2,533</b>	<b>0</b>	<b>(24,990)</b>	<b>45,868</b>

- 4.6 The table below compares capital expenditure (£000s) to May 2018 to that achieved over the last few years:

Depts.	Spend To May 2015	Spend To May 2016	Spend To May 2017	Spend to May 2018	Variance 2015 to 2018	Variance 2016 to 2018	Variance 2017 to 2018
CS	(122)	131	79	169	291	38	90
C&H	(127)	(13)	(26)	105	232	118	131
CSF	2,805	1,869	699	264	(2,541)	(1,605)	(435)
E&R	798	376	1,051	807	9	431	(244)
<b>Total Capital</b>	<b>3,354</b>	<b>2,363</b>	<b>1,803</b>	<b>1,345</b>	<b>(2,299)</b>	<b>(1,056)</b>	<b>(548)</b>

Outturn £000s		30,626	32,230	
Budget £000s	29,327			45,869
Projected Spend May 2018 £000s				44,580
Percentage Spend to Budget				2.93%
% Spend to Outturn/Projection	11.44%	7.72%	5.59%	3.02%
Monthly Spend to Achieve Projected Outturn £000s				4,323

- 4.7 During May 2018 departments have spent a total of £1.685 million. It is apparent from the annual spend over the past few years and the average monthly spend required to achieve outturn that the current budget for 2018/19 is approximately £12 million above that likely to be achieved. Finance officers will continue to work with budget managers to reduce 2018/19 budget to a more realistic level.

## 5. DELIVERY OF SAVINGS FOR 2018/19

Department	Target Savings 2018/19	Projected Savings 2018/19	Period 2 Forecast Shortfall	Period Forecast Shortfall (P2)	2019/20 Expected Shortfall
	£000	£000	£000	%	£000
Corporate Services	2,024	1,549	475	23.5%	375
Children Schools and Families	489	489	0	0.0%	0
Community and Housing	2,198	1,113	1,085	49.4%	200
Environment and Regeneration	2,317	1,831	486	21.0%	212
<b>Total</b>	<b>7,028</b>	<b>4,982</b>	<b>2,046</b>	<b>29.1%</b>	<b>787</b>

Appendix 6 details the progress on savings for 2018/19 by department.

### Progress on savings 2017/18

Department	Target Savings 2017/18	2017/18 Shortfall	2018/19 Projected shortfall	2019/20 Projected shortfall
	£000	£000	£000	£000
Corporate Services	2,316	196	0	0
Children Schools and Families	2,191	0	0	0
Community and Housing	2,673	201	200	200
Environment and Regeneration	4,771	1,935	443	0
<b>Total</b>	<b>11,951</b>	<b>2,332</b>	<b>643</b>	<b>200</b>

Appendix 7 details the progress on savings for 2017/18 by department and the impact on the current year.

## 6. CONSULTATION UNDERTAKEN OR PROPOSED

6.1 All relevant bodies have been consulted.

## 7. TIMETABLE

7.1 In accordance with current financial reporting timetables.

## 8. FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

8.1 All relevant implications have been addressed in the report.

## 9. LEGAL AND STATUTORY IMPLICATIONS

9.1 All relevant implications have been addressed in the report.

## **10. HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS**

10.1 Not applicable

## **11. CRIME AND DISORDER IMPLICATIONS**

11.1 Not applicable

## **12. RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS**

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

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

Appendix 1-	Detailed position table
Appendix 2 –	Detailed Corporate Items table
Appendix 3 –	Pay and Price Inflation
Appendix 4 –	Treasury Management: Outlook
Appendix 5a –	Current Capital Programme 2018/19
Appendix 5b -	Detail of Virements
Appendix 5c -	Summary of Capital Programme Funding
Appendix 6 –	Progress on savings 2018/19
Appendix 7 –	Progress on savings 2017/18

## **14. BACKGROUND PAPERS**

14.1 Budgetary Control files held in the Corporate Services department.

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**APPENDIX 1**

**Summary Position as at 31st May  
2018**

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	Original Budget 2018/19 £000s	Current Budget 2018/19 £000s	Year to Date Budget (May) £000s	Year to Date Actual (May) £000s	Full Year Forecast (May) £000s	Forecast Variance at year end (May) £000s	Outturn variance 2017/18 £000
<b>Department</b>	-	-	-	-	-	-	-
3A. Corporate Services	9,495	9,742	4,766	3,928	8,637	(1,105)	(812)
3B. Children, Schools and Families	56,145	56,145	3,508	(137)	59,781	3,637	2,249
<b>3C. Community and Housing</b>	-	-	-	-	-	-	-
Adult Social Care	58,778	58,953	11,020	7,609	59,229	276	646
Libraries & Adult Education	2,771	2,678	621	326	2,675	(3)	20
Housing General Fund	2,207	2,122	305	326	2,275	152	256
3D. Public Health	(0)	(0)	(802)	(3,133)	200	200	0
3E. Environment & Regeneration	17,951	17,951	2,249	(5,180)	16,824	(1,127)	-1,211
Overheads	0	0	0	0	0	0	0
<b>NET SERVICE EXPENDITURE</b>	<b>147,345</b>	<b>147,590</b>	<b>21,667</b>	<b>3,739</b>	<b>149,620</b>	<b>2,030</b>	<b>1,148</b>
<b>3E. Corporate Items</b>	-	-	-	-	-	-	-
Impact of Capital on revenue budget	8,403	8,403	1,053	1,177	8,403	0	(103)
Other Central items	(12,353)	(12,599)	(5,350)	(127)	(12,599)	0	(823)
Levies	938	938	190	190	938	0	0
<b>TOTAL CORPORATE PROVISIONS</b>	<b>(3,012)</b>	<b>(3,257)</b>	<b>(4,107)</b>	<b>1,240</b>	<b>(3,257)</b>	<b>-</b>	<b>(926)</b>
<b>TOTAL GENERAL FUND</b>	<b>144,333</b>	<b>144,333</b>	<b>17,560</b>	<b>4,979</b>	<b>146,363</b>	<b>2,030</b>	<b>222</b>
<b>Funding</b>	-	-	-	-	-	-	-
- Business Rates	(45,636)	(45,636)	32	32	(45,636)	0	182
- RSG	0	0	0	0	0	0	1
- Section 31 Grant	(1,975)	(1,975)	(743)	(743)	(1,975)	0	(672)
- New Homes Bonus	(2,371)	(2,371)	(593)	(593)	(2,371)	0	2
- PFI Grant	(4,797)	(4,797)	0	0	(4,797)	0	0
- Adult Social Care Grant 2017/18	(2,115)	(2,115)	0	0	(2,115)	0	0
<b>Grants</b>	<b>(56,894)</b>	<b>(56,894)</b>	<b>(1,304)</b>	<b>(1,304)</b>	<b>(56,894)</b>	<b>0</b>	<b>(487)</b>
Collection Fund - Council Tax Surplus(-)/Deficit	(1,653)	(1,653)	0	0	(1,653)	0	0
Collection Fund - Business Rates Surplus(-)/Deficit	1,223	1,223	0	0	1,223	0	0
<b>Council Tax</b>	-	-	-	-	-	0	0
- General	(86,678)	(86,678)	0	0	(86,678)	0	0
- WPCC	(331)	(331)	0	0	(331)	0	0
<b>Council Tax and Collection Fund</b>	<b>(87,439)</b>	<b>(87,439)</b>	<b>0</b>	<b>0</b>	<b>(87,439)</b>	<b>0</b>	<b>-</b>
<b>FUNDING</b>	<b>(144,333)</b>	<b>(144,333)</b>	<b>(1,304)</b>	<b>(1,304)</b>	<b>(144,333)</b>	<b>0</b>	<b>(487)</b>
<b>NET</b>	<b>(0)</b>	<b>(0)</b>	<b>16,256</b>	<b>3,675</b>	<b>2,030</b>	<b>2,030</b>	<b>(265)</b>

## Appendix 2

3E. Corporate Items	Council 2018/19 £000s	Original Budget 2018/19 £000s	Current Budget 2018/19 £000s	Year to Date Budget (May) £000s	Year to Date Actual (May) £000s	Full Year Forecast (May) £000s	Forecast Variance at year end (May) £000s	Outturn Variance 2017/18 £000s
Cost of Borrowing	8,403	8,403	8,403	1,053	1,177	8,403	0	(103)
Use for Capital Programme							0	0
<b>Impact of Capital on revenue budget</b>	<b>8,403</b>	<b>8,403</b>	<b>8,403</b>	<b>1,053</b>	<b>1,177</b>	<b>8,403</b>	<b>0</b>	<b>(103)</b>
<b>Investment Income</b>	<b>(759)</b>	<b>(759)</b>	<b>(759)</b>	<b>(4,175)</b>	<b>(141)</b>	<b>(759)</b>	<b>0</b>	<b>408</b>
<b>Pension Fund</b>	<b>3,346</b>	<b>3,346</b>	<b>3,346</b>	<b>0</b>	<b>0</b>	<b>3,346</b>	<b>0</b>	<b>(389)</b>
Corporate Provision for Pay Award	2,108	2,108	2,108		0	2,108	0	0
Provision for excess inflation	378	378	378		0	378	0	(436)
<b>Pay and Price Inflation</b>	<b>2,486</b>	<b>2,486</b>	<b>2,486</b>	<b>0</b>	<b>0</b>	<b>2,486</b>	<b>0</b>	<b>(736)</b>
Contingency	1,500	1,500	1,500		0	1,500	0	(1,500)
Single Status/Equal Pay	100	100	100		5	100	0	(96)
Bad Debt Provision	500	500	500		0	500	0	395
Loss of income arising from P3/P4	200	200	200		0	200	0	(400)
Loss of HB Admin grant	179	179	179		0	179	0	(179)
Reduction in Education Services Grant	0	0	0		0	0	0	0
Apprenticeship Levy	450	450	450	413	(30)	450	0	(235)
Revenuisation and miscellaneous	1,361	1,361	1,361		(3)	1,361	0	(432)
<b>Contingencies and provisions</b>	<b>4,291</b>	<b>4,291</b>	<b>4,291</b>	<b>413</b>	<b>(29)</b>	<b>4,291</b>	<b>0</b>	<b>(2,447)</b>
Other income	0	0	0	0	0	0	0	(56)
CHAS IP/Dividend	(1,367)	(1,367)	(1,367)		0	(1,367)	0	(48)
<b>Income items</b>	<b>(1,367)</b>	<b>(1,367)</b>	<b>(1,367)</b>	<b>0</b>	<b>0</b>	<b>(1,367)</b>	<b>0</b>	<b>(104)</b>
Appropriations: CS Reserves	0	0	(246)	(246)	0	(246)	0	0
Appropriations: E&R Reserves	4	4	4	4	43	4	0	2
Appropriations: CSF Reserves	49	49	49	49	0	49	0	0
Appropriations: C&H Reserves	(104)	(104)	(104)	(104)	0	(104)	0	(600)
Appropriations: Public Health Reserves	(1,200)	(1,200)	(1,200)	(1,200)	0	(1,200)		600
Appropriations: Corporate Reserves	(91)	(91)	(91)	(91)	0	(91)	0	2,443
<b>Appropriations/Transfers</b>	<b>(1,342)</b>	<b>(1,342)</b>	<b>(1,588)</b>	<b>(1,588)</b>	<b>43</b>	<b>(1,588)</b>	<b>0</b>	<b>2,445</b>
<b>Depreciation and Impairment</b>	<b>(19,008)</b>	<b>(19,008)</b>	<b>(19,008)</b>	<b>0</b>	<b>0</b>	<b>(19,008)</b>	<b>0</b>	<b>0</b>
<b>Other Central Items</b>	<b>(12,353)</b>	<b>(12,353)</b>	<b>(12,599)</b>	<b>(5,350)</b>	<b>(127)</b>	<b>(12,599)</b>	<b>0</b>	<b>(926)</b>
<b>Levies</b>	<b>938</b>	<b>938</b>	<b>938</b>	<b>190</b>	<b>190</b>	<b>938</b>	<b>0</b>	<b>0</b>
<b>TOTAL CORPORATE PROVISIONS</b>	<b>(3,012)</b>	<b>(3,012)</b>	<b>(3,257)</b>	<b>(4,107)</b>	<b>1,240</b>	<b>(3,257)</b>	<b>0</b>	<b>(926)</b>

### Appendix 3

### Pay and Price Inflation as at May 2018

In 2018/19, the budget includes 2.7% for increases in pay and 1.5% for increases in general prices, with an additional amount, currently £0.378m which is held to assist services that may experience price increases greatly in excess of the inflation allowance provided when setting the budget. With CPI inflation currently at 2.4% and RPI at 3.4% this budget will only be released when it is certain that it will not be required

#### Pay:

The local government pay award for 2018/19 was agreed in April 2018 covering 2018/19 and 2019/20. For the lowest paid (those on spinal points 6-19) this agreed a pay rise of between 2.9% and 9.2%. Those on spinal points 20-52 received 2%.

#### Prices:

The Consumer Prices Index (CPI) 12-month rate was 2.4% in May 2018, unchanged from April 2018. The Consumer Prices Index including owner occupiers' housing costs (CPIH) 12-month inflation rate was 2.3% in May 2018, up from 2.2% in April 2018. The rate has fallen back from a recent high of 2.8% during autumn 2017.

Rising motor fuel prices produced the largest upward contribution to the change in the rate between April and May 2018. There were also large upward effects from air and sea fares, which rose between April and May this year but fell between the same two months a year ago, influenced by the timing of Easter. Partially offsetting downward effects came from price changes for games, domestic electricity, food and non-alcoholic beverages, and furniture and furnishings.

The RPI 12-month rate for May 2018 stood at 3.3%, down from 3.4% in April 2018.

#### Outlook for inflation:

The Bank of England's Monetary Policy Committee (MPC) sets monetary policy to meet the 2% inflation target and in a way that helps to sustain growth and employment. At its meeting ending on 20 June 2018, the MPC voted by a majority of 6-3 to maintain Bank Rate at 0.5%. The Committee voted unanimously to maintain the stock of sterling non-financial investment-grade corporate bond purchases, financed by the issuance of central bank reserves, at £10 billion. The Committee also voted unanimously to maintain the stock of UK government bond purchases, financed by the issuance of central bank reserves, at £435 billion.

The latest Inflation Report was published on the 10 May 2018.

In the May 2018 Inflation Report, the MPC noted that "Labour demand growth remains robust and a very limited degree of slack is left in the economy. Productivity growth is projected to rise from its recent weak pace, but to remain well below pre-crisis rates. As a result, the pace at which output can grow without generating inflationary pressures is likely to be modest."

In the minutes to its June 2018 meeting the MPC noted that "CPI inflation was 2.4% in May, unchanged from April. Inflation is expected to pick up by slightly more than projected in May in the near term, reflecting higher dollar oil prices and a weaker

sterling exchange rate. Most indicators of pay growth have picked up over the past year and the labour market remains tight, suggesting that domestic cost pressures will continue to firm gradually, as expected.

The Committee's best collective judgement remains that, were the economy to develop broadly in line with the May Inflation Report projections, an ongoing tightening of monetary policy over the forecast period would be appropriate to return inflation sustainably to its target at a conventional horizon. All members agree that any future increases in Bank Rate are likely to be at a gradual pace and to a limited extent."

The latest inflation and unemployment forecasts for the UK economy, based on a summary of independent forecasts are set out in the following table:-

**Table 11: Forecasts for the UK Economy**

Source: HM Treasury - Forecasts for the UK Economy (May 2018)			
	Lowest %	Highest %	Average %
2018 (Quarter 4)			
CPI	1.8	3.0	2.3
RPI	2.4	4.0	3.2
LFS Unemployment Rate	3.9	4.6	4.3
2019 (Quarter 4)	Lowest %	Highest %	Average %
CPI	1.5	3.5	2.1
RPI	2.3	4.2	3.0
LFS Unemployment Rate	3.7	5.2	4.4

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

Independent medium-term projections for the calendar years 2018 to 2022 are summarised in the following table:-

Source: HM Treasury - Forecasts for the UK Economy (May 2018)					
	2018	2019	2020	2021	2022
	%	%	%	%	%
CPI	2.5	2.0	2.0	2.1	2.1
RPI	3.4	3.0	3.0	3.2	3.2
LFS Unemployment Rate	4.2	4.3	4.4	4.4	4.5

## Treasury Management: Outlook

At its meeting ending on 20 June 2018, the MPC voted by a majority of 6-3 to maintain Bank Rate at 0.5%. The Committee voted unanimously to maintain the stock of sterling non-financial investment-grade corporate bond purchases, financed by the issuance of central bank reserves, at £10 billion. The Committee also voted unanimously to maintain the stock of UK government bond purchases, financed by the issuance of central bank reserves, at £435 billion.

In the May 2018 Inflation Report, the MPC discussed potential increases in Bank Base Rate. Over the period of the next MTFs, it was stated that “The MPC continues to judge, however, that a very limited degree of slack remains in the economy. As in February, based on a conditioning path for Bank Rate that embodies three 25 basis point rises over the next three years, a small margin of excess demand is likely to emerge by early 2020, raising domestic inflationary pressures such that inflation settles at the 2% inflation target.”

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

	End Q.2 2018	End Q.3 2018	End Q.4 2018	End Q.1 2019	End Q.2 2019	End Q.3 2019	End Q.4 2019	End Q.1 2020	End Q.2 2020	End Q.3 2020	End Q.4 2020	End Q.1 2021	End Q.2 2021
May '18	0.6	0.7	0.7	0.8	0.9	1.0	1.0	1.1	1.1	1.2	1.2	1.2	1.2
Feb.'18	0.5	0.6	0.7	0.8	0.9	0.9	1.0	1.0	1.1	1.1	1.1	1.2	
Nov.'17	0.6	0.7	0.7	0.8	0.8	0.8	0.9	0.9	0.9	1.0	1.0		
Aug.'17	0.4	0.5	0.5	0.5	0.6	0.6	0.7	0.7	0.7	0.8			
May '17	0.3	0.3	0.3	0.4	0.4	0.4	0.5	0.5	0.5				
Feb.'17	0.4	0.4	0.4	0.5	0.5	0.6	0.6	0.7					
Nov.'16	0.2	0.3	0.3	0.3	0.3	0.4	0.4						
Aug.'16	0.1	0.1	0.2	0.2	0.2	0.2							
May '16	0.6	0.6	0.7	0.7	0.8								
Feb. '16	0.9	1.0	1.0	1.1									
Nov '15	1.1	1.2	1.3										
Aug.'15	1.7	1.7											
May '15	1.4												

Source: Bank of England Inflation Reports

In order to maintain price stability, the Government has set the Bank’s Monetary Policy Committee (MPC) a target for the annual inflation rate of the Consumer Prices Index of 2%. Subject to that, the MPC is also required to support the Government’s economic policy, including its objectives for growth and employment.

The MPC’s projections are underpinned by four key judgements :-

1. global growth remains robust
2. investment and net trade support UK demand, while consumption growth remains subdued
3. very little slack remains and the pace of potential supply growth is modest
4. with demand outstripping potential supply, domestic inflationary pressures continue to build while the contribution from energy and import prices dissipates further.

## Merton Capital Programme May 2018 Monitoring

Narrative	Actual to May	Year to Date Budget	Variance	Revised Annual Budget	May Year End Forecast	Forecast Full Year Variance
<b>Capital</b>	<b>1,345,233</b>	<b>1,317,215</b>	<b>28,018</b>	<b>45,867,550</b>	<b>44,579,902</b>	<b>(1,287,648)</b>
<b>Corporate Services</b>	<b>168,809</b>	<b>822,500</b>	<b>(653,691)</b>	<b>10,061,540</b>	<b>9,986,290</b>	<b>(75,250)</b>
<b>Business Improvement</b>	<b>48,000</b>	<b>10,000</b>	<b>38,000</b>	<b>2,412,980</b>	<b>2,337,730</b>	<b>(75,250)</b>
Customer Contact Programme			0	1,899,010	1,850,000	(49,010)
IT Systems Projects		10,000	(10,000)	363,970	337,730	(26,240)
Social Care IT System	48,000		48,000	150,000	150,000	0
<b>Facilities Management Total</b>	<b>33,262</b>	<b>342,500</b>	<b>(309,238)</b>	<b>3,301,220</b>	<b>3,301,220</b>	<b>0</b>
Works to other buildings	(26,491)	20,000	(46,491)	695,040	695,040	0
Civic Centre	16,411		16,411	568,430	568,430	0
Invest to Save schemes	46,517	322,500	(275,983)	2,037,750	2,037,750	0
Asbestos Safety Works	(3,175)		(3,175)			0
<b>Infrastructure &amp; Transactions</b>	<b>22,547</b>	<b>470,000</b>	<b>(447,453)</b>	<b>2,255,290</b>	<b>2,255,290</b>	<b>0</b>
Disaster recovery site		70,000	(70,000)	394,290	394,290	0
Planned Replacement Programme	22,547	400,000	(377,453)	1,861,000	1,861,000	0
<b>Resources</b>			<b>0</b>	<b>132,050</b>	<b>132,050</b>	<b>0</b>
ePayments System			0	91,050	91,050	0
Invoice Scanning SCIS/FIS			0	41,000	41,000	0
<b>Corporate Items</b>	<b>65,000</b>		<b>65,000</b>	<b>1,960,000</b>	<b>1,960,000</b>	<b>0</b>
Acquisitions Budget	65,000		65,000	0	0	0
Capital Bidding Fund			0	0	0	0
Transformation Budgets			0	1,500,000	1,500,000	0
Multi Functioning Device (MFD)			0			0
Westminster Ccl Coroners Court			0	460,000	460,000	0
<b>Community and Housing</b>	<b>105,110</b>	<b>61,360</b>	<b>43,750</b>	<b>937,310</b>	<b>935,490</b>	<b>(1,820)</b>
<b>Adult Social Care</b>	<b>5,160</b>	<b>4,360</b>	<b>800</b>	<b>49,070</b>	<b>47,250</b>	<b>(1,820)</b>
ASC IT Equipment	5,160	4,360	800	5,320	3,500	(1,820)
Telehealth			0	43,750	43,750	0
<b>Housing</b>	<b>96,668</b>	<b>57,000</b>	<b>39,668</b>	<b>771,500</b>	<b>771,500</b>	<b>0</b>
Disabled Facilities Grant	96,668	57,000	39,668	771,500	771,500	0
<b>Libraries</b>	<b>3,282</b>		<b>3,282</b>	<b>116,740</b>	<b>116,740</b>	<b>0</b>
Library Enhancement Works	2,807		2,807	16,740	16,740	0
Major Library Projects	475		475			0
Libraries IT			0	100,000	100,000	0

## Merton Capital Programme May 2018 Monitoring

Narrative	Actual to May	Year to Date Budget	Variance	Revised Annual Budget	May Year End Forecast	Forecast Full Year Variance
<b>Children Schools &amp; Families</b>	<b>264,340</b>	<b>(158,370)</b>	<b>422,710</b>	<b>11,496,600</b>	<b>10,323,597</b>	<b>(1,173,003)</b>
<b>Primary Schools</b>	<b>(37,873)</b>	<b>50,980</b>	<b>(88,853)</b>	<b>796,200</b>	<b>796,200</b>	<b>0</b>
Hatfeild			0	50,000	50,000	0
Joseph Hood	0		0	2,900	2,900	0
Dundonald	(22,695)	50,980	(73,675)	50,980	50,980	0
Poplar	(8,569)		(8,569)	40,000	40,000	0
Wimbledon Chase	(1,337)		(1,337)			0
Wimbledon Park			0	23,500	23,500	0
Abbotsbury	(628)		(628)			0
Morden	(3,954)		(3,954)	74,380	74,380	0
Cranmer			0	72,000	72,000	0
Gorringe Park			0	60,000	60,000	0
Haslemere			0	50,000	50,000	0
Liberty			0	70,000	70,000	0
Links	(690)		(690)			0
Singlegate			0	11,000	11,000	0
St Marks			0	99,240	99,240	0
Lonesome			0	55,000	55,000	0
Stanford			0	132,330	132,330	0
Unlocated Primary School Proj			0	4,870	4,870	0
<b>Secondary School</b>	<b>121,424</b>		<b>121,424</b>	<b>6,655,650</b>	<b>5,482,650</b>	<b>(1,173,000)</b>
Harris Academy Morden			0	143,560	143,560	0
Harris Academy Merton	(2,213)		(2,213)	444,090	444,090	0
St Mark's Academy			0	200,000	200,000	0
Rutlish			0	495,000	495,000	0
Harris Academy Wimbledon	123,637		123,637	5,373,000	4,200,000	(1,173,000)
<b>SEN</b>	<b>122,263</b>		<b>122,263</b>	<b>3,524,150</b>	<b>3,524,150</b>	<b>0</b>
Perseid	97,954		97,954	935,960	935,960	0
Cricket Green			0	2,110,170	2,110,170	0
Secondary School Autism Unit			0	160,000	160,000	0
Unlocated SEN	24,310		24,310	288,020	288,020	0
Melbury College - Smart Centre				30,000	30,000	0
<b>CSF Schemes</b>	<b>58,526</b>	<b>(209,350)</b>	<b>267,876</b>	<b>520,600</b>	<b>520,597</b>	<b>(3)</b>
CSF - IT Schemes			0	58,310	58,310	0
School Equipment Loans		(209,350)	209,350	108,900	108,900	0
Devolved Formula Capital	58,526		58,526	353,390	353,387	(3)

## Merton Capital Programme May 2018 Monitoring

Narrative	Actual to May	Year to Date Budget	Variance	Revised Annual Budget	May Year End Forecast	Forecast Full Year Variance
<b>Environment and Regeneration</b>	<b>806,974</b>	<b>591,725</b>	<b>215,249</b>	<b>23,372,100</b>	<b>23,334,526</b>	<b>(37,575)</b>
<b>Public Protection and Developm</b>	<b>(12,796)</b>		<b>(12,796)</b>	<b>39,490</b>	<b>39,329</b>	<b>(161)</b>
Off Street Parking - P&D			0			0
CCTV Investment	(12,796)		(12,796)	39,490	39,329	(161)
Public Protection and Developm			0			0
<b>Street Scene &amp; Waste</b>	<b>1,490</b>	<b>10,000</b>	<b>(8,510)</b>	<b>6,008,630</b>	<b>6,021,063</b>	<b>12,433</b>
Fleet Vehicles			0	562,900	575,333	12,433
Alley Gating Scheme	1,490	10,000	(8,510)	40,000	40,000	0
Smart Bin Leases - Street Scen			0	5,500	5,500	0
Waste SLWP			0	5,400,230	5,400,230	0
<b>Sustainable Communities</b>	<b>818,281</b>	<b>581,725</b>	<b>236,556</b>	<b>17,323,980</b>	<b>17,274,134</b>	<b>(49,847)</b>
Street Trees			0	60,000	60,000	0
Highways & Footways	35,659	192,620	(156,961)	4,478,880	4,478,880	0
Cycle Route Improvements	26,689	(27,710)	54,399	480,830	480,830	0
Mitcham Transport Improvements	1,248		1,248	563,680	563,680	0
Unallocated Tfl			0			0
Tackling Traffic Congestion	(16,743)		(16,743)		(1)	(1)
Mitcham Area Regeneration	1,524	40,000	(38,477)	2,719,380	2,719,380	0
Morden Area Regeneration			0			0
Borough Regeneration	96,654	111,820	(15,166)	560,590	560,590	0
Morden Leisure Centre	630,983		630,983	6,203,360	6,203,360	0
Sports Facilities	(6,642)		(6,642)	446,960	446,960	0
Parks	48,910	264,995	(216,085)	1,756,410	1,706,564	(49,846)
Mortuary Provision			0	53,890	53,890	0



## Virement, Re-profiling and New Funding - May 2018

Appendix 5b

	2018/19 Budget	Virements	Adjusted & New Funding	Re profiling	Revised 2018/19 Budget	2019/20 Budget	Re profiling	Revised 2018/19 Budget	Narrative
	£	£	£	£	£	£	£	£	
<b>Corporate Services</b>									
Aligned Assets	75,000			(75,000)	0	0	75,000	75,000	Re-pro filed in line with anticipated spend
Revenue and Benefits	(1) 400,000			(400,000)	0	0	400,000	400,000	Re-pro filed in line with anticipated spend
Capita Housing	(1) 100,000			(100,000)	0	0	100,000	100,000	Re-pro filed in line with anticipated spend
Planning&Public Protection Sys	(1) 467,730			(130,000)	337,730		130,000	130,000	Re-pro filed in line with anticipated spend
Spectrum Spatial Analyst Repla	42,000			(42,000)	0	0	42,000	42,000	Re-pro filed in line with anticipated spend
Replacement SC System	(1) 550,000			(400,000)	150,000	0	400,000	400,000	Re-pro filed in line with anticipated spend
Acquisitions Budget	(1) 7,101,680			(7,101,680)	0			0	Re-pro filed to last year of the approved programme
Capital Bidding Fund	(1) 1,186,400			(1,186,400)	0			0	Re-pro filed to last year of the approved programme
<b>Children, Schools and Families</b>									
Cranmer roof replacement	0	62,000	10,000		72,000	0	0	0	School Contribution
Goringe Park roof replacement	0	50,000	10,000		60,000	0	0	0	School Contribution
Haslemere boiler replacement	0	40,000	10,000		50,000	0	0	0	School Contribution
Hatfeild floor & veranda floor replacement	0	40,000	10,000		50,000	0	0	0	School Contribution
Liberty lighting & roof replacement & external brickwork	0	60,000	10,000		70,000	0	0	0	School Contribution
Lonesome heating pipework	0	45,000	10,000		55,000	0	0	0	School Contribution
Melbury College (Smart Centre) roof replacement	0	20,000	10,000		30,000	0	0	0	School Contribution
Morden boiler & heating system	16,380	53,000	5,000		74,380	0	0	0	School Contribution
Poplar boiler	0	30,000	10,000		40,000	0	0	0	School Contribution
Stanford refurbishment works prior to academy transfer	0	100,000	0		100,000	0	0	0	
St Mark's Primary boiler replacement	9,240	80,000	10,000		99,240	0	0	0	School Contribution
Wimbledon Park roof replacement	0	23,500	0		23,500	0	0	0	
Joseph Hood	0	2,900	0		2,900	0	0	0	
Unallocated Schools Maintenance Budget	621,270	(606,400)	(10,000)		4,870	650,000	0	650,000	Allocation to individual schools
Persid Expansion	(1) 675,960	260,000			935,960	0	0	0	Virement to offset projected overspend
Harris Merton Expansion	(1) 704,090	(260,000)			444,090	0	0	0	Virement to offset projected overspend
Harris Wimbledon Expansion	(1) 5,945,570			(572,570)	5,373,000	16,000,000	572,570	2,172,570	Re-pro filed in line with anticipated spend
Devoled Formula capital	(1) 0		353,390		353,390	0		0	Department of Education Grant
Cricket Green Expansion	(1) 3,110,170			(1,000,000)	2,110,170	2,046,000	1,000,000	3,046,000	Re-pro filed in line with anticipated spend
<b>Environment and Regeneration</b>									
Street Lighting Replacement Pr	(1) 498,280	(200,000)			298,280	290,000		290,000	virement to provide short term response to TIL
Borough Roads Maintenance	(1) 1,500,000	200,000			1,700,000	1,200,000		1,200,000	virement to provide short term response to TIL
Transportation Enhancements	(1) 0				0	1,000,000	(500,000)	500,000	Re-pro filed in line with anticipated spend
Wandle Project	(1) 0		59,770		59,770	0		0	Section 106 Funding
Shop Front Improvements	(1) 79,000		264,000		343,000	0		0	CIL Neighbourhood Funding received Q12018/19
Polka Theatre (S106)	(1) 0		149,950		149,950	0		0	New S106 Scheme
S106 Ravensbury Park Open Space	(1) 0		87,000		87,000	0		0	New S106 Scheme
<b>Total</b>	<b>23,082,770</b>	<b>0</b>	<b>999,110</b>	<b>(11,007,650)</b>	<b>13,074,230</b>	<b>6,786,000</b>	<b>2,219,570</b>	<b>9,005,570</b>	

1) Requires Cabinet Approval

## Virement, Re-profiling and New Funding - May 2018

Appendix 5b

	2020/21 Budget	Re profiling	Revised 2020/21 Budget	2021/22 Budget	Re profiling	Revised 2021/22 Budget	Narrative
	£	£	£	£	£	£	
<b>Corporate Services</b>							
Acquisitions Budget	(1) 0		0	0	7,101,680	7,101,680	Re-pro filed to last year of the approved programme from 2018/19
Capital Bidding Fund	(1) 0		0	0	1,186,400	1,186,400	Re-pro filed to last year of the approved programme from 2018/19
<b>Environment &amp; Regeneration</b>							
Transportation Enhancements	(1) 3,000,000	(1,000,000)	2,000,000	1,000,000	1,500,000	2,500,000	Re-pro filed in line with anticipated spend
<b>Total</b>	<b>3,000,000</b>	<b>(1,000,000)</b>	<b>2,000,000</b>	<b>1,000,000</b>	<b>9,788,080</b>	<b>10,788,080</b>	

## Capital Programme Funding Summary 2018/19

	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
<b>Approved Prog. June 2018 Cabinet</b>	<b>40,546</b>	<b>15,330</b>	<b>55,876</b>
<b><u>Corporate Services</u></b>			
Aligned Assets	(75)	0	(75)
Revenue and Benefits	(400)	0	(400)
Capita Housing	(100)	0	(100)
Planning&Public Protection Sys	(130)	0	(130)
Spectrum Spatial Analyst Repla	(42)	0	(42)
Replacement SC System	(400)	0	(400)
Acquisitions Budget	(7,102)	0	(7,102)
Capital Bidding Fund	(1,186)	0	(1,186)
<b><u>Children, Schools and Families</u></b>			
Schools Maintenance Budget	0	85	85
Harris Wimbledon Expansion	(573)	0	(573)
Devolved Formula Capital	0	353	353
Cricket Green Expansion	(1,000)	0	(1,000)
<b><u>Environment and Regeneration</u></b>			
Wandle Project	60	0	60
Shop Front Improvements	264	0	264
Polka Theatre	150	0	150
S106 Ravensbury Park Open Space	87	0	87
<b>Proposed Capital Programme</b>	<b>30,099</b>	<b>15,768</b>	<b>45,868</b>

### Capital Programme Funding Summary 2019/20

	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
<b>Approved Programme June Cabinet</b>	<b>41,326</b>	<b>3,123</b>	<b>44,448</b>
<b><u>Corporate Services</u></b>			
Aligned Assets	75	0	75
Revenue and Benefits	400	0	400
Capita Housing	100	0	100
Planning&Public Protection Sys	130	0	130
Spectrum Spatial Analyst Repla	42	0	42
Replacement SC System	400	0	400
<b><u>Children, Schools and Families</u></b>			
Harris Wimbledon Expansion	573	0	573
Cricket Green Expansion	1,000	0	1,000
<b><u>Environment and Regeneration</u></b>			
Transportation Enhancements	(500)	0	(500)
<b>Revised Funding</b>	<b>43,545</b>	<b>3,123</b>	<b>46,668</b>

### Capital Programme Funding Summary 2020/21

	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
<b>Approved Programme June Cabinet</b>	<b>12,614</b>	<b>2,180</b>	<b>14,794</b>
<b><u>Environment and Regeneration</u></b>			
Transportation Enhancements	(1,000)	0	(1,000)
<b>Revised Funding</b>	<b>11,614</b>	<b>2,180</b>	<b>13,794</b>

### Capital Programme Funding Summary 2021/22

	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
<b>Approved Capital Programme</b>	<b>8,194</b>	<b>650</b>	<b>8,844</b>
-			
Other	1,000	0	1,000
<b>Adjustment</b>	<b>(280)</b>	<b>280</b>	<b>0</b>
<b>Approved Programme June Cabinet</b>	<b>8,914</b>	<b>930</b>	<b>9,844</b>
<b><u>Corporate Services</u></b>			
Acquisitions Budget	7,102	0	7,102
Capital Bidding Fund	1,186	0	1,186
<b><u>Environment and Regeneration</u></b>			
Transportation Enhancements	1,500	0	1,500
<b>Revised Funding</b>	<b>18,702</b>	<b>930</b>	<b>19,632</b>

APPENDIX 6

Department	Target Savings 2018/19	Projected Savings 2018/19	Period 2 Forecast Shortfall	Period Forecast Shortfall (P2)	2019/20 Expected Shortfall
	£000	£000	£000	%	£000
Corporate Services	2,024	1,549	475	23.5%	375
Children Schools and Families	489	489	0	0.0%	0
Community and Housing	2,198	1,113	1,085	49.4%	200
Environment and Regeneration	2,317	1,831	486	21.0%	212
<b>Total</b>	<b>7,028</b>	<b>4,982</b>	<b>2,046</b>	<b>29.1%</b>	<b>787</b>

## DEPARTMENT: COMMUNITY &amp; HOUSING SAVINGS PROGRESS 2018/19

Ref	Description of Saving	2018/19 Savings Required £000	Shortfall £000	RAG	2019/20 Expected Shortfall £000	19/20 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend ? Y/N
<b>Adult Social Care</b>									
CH55	Less 3rd party payments through "Promoting Independence" throughout the assessment, support planning and review process and across all client groups. Aim to reduce Res Care by £650k and Dom Care by £337k.	987	512	G	0	G	Richard Ellis	£475k was achieved in May 18. A further review of April reductions is in progress, which will increase this figure	Y
CH73	A review of management and staffing levels of the AMH team in line with the reductions carried out in the rest of ASC.	100	52	G	0	G	Richard Ellis	On track due to reduced use of agency staff	Y
CH36	Single homeless contracts (YMCA, Spear, Grenfell) - Reduce funding for contracts within the Supporting People area which support single homeless people - Reduced support available for single homeless people - both in terms of the numbers we could support and the range of support we could provide. In turn this would reduce their housing options. (CH36)	38	38	A	(38)	G	Richard Ellis	Project lead recruitment in progress. Plan & timetable in place	Y
CH71	Transport: moving commissioned taxis to direct payments. Service users can purchase taxi journeys more cheaply than the council.	50	50	A	0	G	Richard Ellis	Analysis done. Project resource to be allocated	Y
CH72	Reviewing transport arrangements for in-house units, linking transport more directly to the provision and removing from the transport pool.	100	100	R	(100)	R	Richard Ellis	Not achievable in 1819	Y
CH74	The implementation of the MOSAIC social care system has identified the scope to improve the identification of service users who should contribute to the costs of their care and assess them sooner, thus increasing client income. Assessed as a 3% improvement less cost of additional staffing	231	131	G	0	G	Richard Ellis	Additional income as at 6/5/18	Y
<b>Subtotal Adult Social Care</b>		<b>1,506</b>	<b>883</b>		<b>(138)</b>				
<b>Library &amp; Heritage Service</b>									
CH56	Introduce a coffee shop franchise across 6 libraries	30	0	G	0	G	Anthony Hopkins		Y
<b>Housing Needs &amp; Enabling</b>									
CH42	Further Staff reductions. This will represent a reduction in staff from any areas of the HNES & EHH :	62	62	R	(62)	R	Steve Langley	Restructure to commence shortly	Y

## DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES - PROGRESS ON SAVINGS 18-19

Ref	Description of Saving	2018/19 Savings Required £000	Shortfall	18/19 RAG	2019/20 Expected Shortfall £000	19/20 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
	<b><u>Schools</u></b>								
CSF2015-03	Increased income from schools and/or reduced LA service offer to schools	200	0	G	0	G	Jane McSherry		N
	<b><u>Commissioning, Strategy and Performance</u></b>								
CSF2015-04	Commissioning rationalisation	90	0	G	0	G	Leanne Wallder		N
	<b><u>Cross cutting</u></b>								
CSF2017-01	Review of non-staffing budgets across the department	76	0	G	0	G	Jane McSherry		N
CSF2017-02	Reduction in business support unit staff	33	0	G	0	G	Jane McSherry		N
	<b><u>Children Social Care</u></b>								
CSF2017-03	Delivery of preventative services through the Social Impact Bond	45	0	G	0	G	Jane McSherry		N
CSF2017-04	South London Family Drug and Alcohol Court commissioning	45	0	G	0	G	Jane McSherry		N
	<b>Total Children, Schools and Families Department Savings for 2017/18</b>	<b>489</b>	<b>0</b>		<b>0</b>				

## DEPARTMENT: ENVIRONMENT &amp; REGENERATION SAVINGS PROGRESS: 2018-19

Ref	Description of Saving	2018/19 Savings Required £000	2018/19 Savings Expected £000	Shortfall	18/19 RAG	2019/20 Savings Expected £000	2019/20 Expected Shortfall £000	19/20 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
<b>SUSTAINABLE COMMUNITIES</b>											
E&R6	Property Management: Reduced costs incurred as a result of sub-leasing Stouthall until 2024.	18	18	0	G	18	0	G	James McGinlay		N
ENV14	Property Management: Increase in income from rent reviews of c60 properties.	100	100	0	G	100	0	G	James McGinlay	Performance dependent on implementation of commercial property review.	N
ENV16	Traffic & Highways: Further reductions in the highways maintenance contract costs following reprocurement	65	65	0	G	65	0	G	James McGinlay	For both 2018-19 and 2019-20 these savings are covered by Growth	N
ENV17	Traffic & Highways: Reduction in reactive works budget	35	35	0	G	35	0	G	James McGinlay	For both 2018-19 and 2019-20 these savings are covered by Growth	N
ENV20	D&BC: Increased income from building control services.	35	0	35	R	35	0	A	James McGinlay	This has not been possible due to severe staff shortages and very difficult to fill posts	Y
ENV34	Property Management: Increased income from the non-operational portfolio.	40	40	0	G	40	0	G	James McGinlay		N
ENR8	Property Management: Increased income from rent reviews	150	150	0	G	150	0	G	James McGinlay	Performance dependent on implementation of commercial property review.	N
D&BC7	D&BC: Shared service collaboration with Kingston/Sutton	50	50	0	G	50	0	G	James McGinlay	A replacement saving was agreed by Cabinet in November 2017.	N
D&BC8	D&BC: Review of service through shared service discussions	274	274	0	G	274	0	G	James McGinlay	A replacement saving was agreed by Cabinet in November 2017.	N
<b>PUBLIC PROTECTION</b>											
E&R7	Parking: Due to additional requests from residents, the budget will be adjusted to reflect the demand for and ongoing expansion of Controlled Parking Zone coverage in the borough.	163	163	0	G	163	0	G	Cathryn James		N
ENV07	Parking: Reduction in supplies & services/third party payment budgets.	60	13	47	R	13	47	R	Cathryn James	£13k saving will be made in CCTV but equipment savings of £47K will not be achieved in Parking due to continued necessary expenditure on P&D maintenance / technical team operations.	Y
ENV08	Regulatory Services: Funding of EH FTE by public health subsidy. As agreed between DPH and Head of PP .	40	0	40	R	0	40	R	Cathryn James	Alternative saving required	Y
ENV09	Regulatory Services: Investigate potential commercial opportunities to generate income	50	0	50	A	0	50	A	Cathryn James	Commercial income generating team to be established as part of the proposed restructure of regulatory services. Currently investigating charging for food hygiene rating rescues.	Y
ENR2	Parking & CCTV: Pay & Display Bays (On and off street)	44	22	22	R	44	0	G	Cathryn James	Implementation of saving delayed due to possible change of administration at May 18 election. Proposal now needs to urgently be put to new Cabinet member for approval. Previous cabinet member requested that the number of available disabled bays off-street be increased before implementation and so, if required, re-lining will then need to be carried out as will a major communications drive to advise the public of the withdrawal of a long-standing concession in Merton. As a result, it is unlikely that any revenue effect be will be seen before Oct 18. The shortfall will be mitigated by over-achievement in other revenue streams.	Y
ENR3	Parking & CCTV: Increase the cost of existing Town Centre Season Tickets in Morden, Mitcham and Wimbledon.	17	0	17	R	17	0	G	Cathryn James	In May 2017, we were advised that members wanted options to review/increase permit prices for all Parking activities. These options have now been collated for presentation to the new Cabinet member following the May 18 election. Any increase in season tickets will form part of this as extensive work will be needed to change relevant TMOs / statutory notices etc. Once decided, it is unlikely that any price increases will be implemented before April 19. Shortfall will be mitigated by over-achievement in other revenue streams	Y
ALT1	Parking: The further development of the emissions based charging policy by way of increased charges applicable to resident/business permits as a means of continuing to tackle the significant and ongoing issue of poor air quality in the borough.	440	440	0	G	440	0	G	Cathryn James		N



## DEPARTMENT: ENVIRONMENT &amp; REGENERATION SAVINGS PROGRESS: 2018-19

Ref	Description of Saving	2018/19 Savings Required £000	2018/19 Savings Expected £000	Shortfall	18/19 RAG	2019/20 Savings Expected £000	2019/20 Expected Shortfall £000	19/20 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Unders pend? Y/N
<b>SENIOR MANAGEMENT</b>											
ENV01	Reduce the level of PA support to Heads of Service by 0.6fte.	19	19	0	G	19	0	G	Chris Lee		N
<b>PUBLIC SPACE</b>											
E&R1	Leisure Services: Arts Development - further reduce Polka Theatre core grant	4	4	0	G	4	0	G	Anita Cacchioli		N
E&R2	Leisure Services: Water sports Centre - Additional income from new business - Marine College & educational activities.	5	5	0	G	5	0	G	Anita Cacchioli		N
E&R4	Leisure Services: Morden Leisure Centre	100	100	0	G	100	0	G	Anita Cacchioli		N
E&R20	Waste: To contribute to a cleaner borough, enforcement of litter dropping under EPA/ ASB legislation with FPN fines for contraventions.	-2	-2	0	G	-2	0	G	Anita Cacchioli	The level of income from the successful issuing and processing of FPN has remained constant. High payment rates are being achieved supported by the prosecution of non payment with full cost being award	N
ENV18	Greenspaces: Increased income from events in parks	100	100	0	A	100	0	A	Anita Cacchioli	Works on going to secure additional income from events.	N
ENV31	Waste: Commencing charging schools for recyclable waste (17/18) and food waste (18/19) collection	9	9	0	G	9	0	G	Anita Cacchioli	garanteed income being achieved. Risk is now manged by our collections contractor.	N
ENV32	Transport: Review of Business Support requirements	30	0	30	R	0	30	R	Anita Cacchioli	This can no longer be delivered as the service has transferred to the CSF commissioning team.	Y
ENV35	Waste: Efficiency measures to reduce domestic residual waste rounds by 1 crew following analysis of waste volumes and spread across week	150	150	0	G	150	0	G	Anita Cacchioli	This has been achieved as part of the Phase C savings	N
ENV37	Transport workshop: develop business opportunities to market Tacho Centre to external third parties	35	0	35	R	0	35	R	Anita Cacchioli	This can no longer be delivered as the facility is now under the operational mangement of our waste contractor.	Y
ENV5	Transport Services: Delete 1 Senior Management post	76	76	0	G	76	0	G	Anita Cacchioli	Completed - establishment and budget has been amended to reflect the reduction of post.	Y
ENV6	Waste: Wider Department restructure in Waste Services	200	0	200	R	200	0	A	Anita Cacchioli	This will not be delivered in 2018. Review and restructure still outstanding	Y
ENR7	Transport Services: Shared Fleet services function with LB Sutton	10	0	10	R	0	10	R	Anita Cacchioli	This can no longer be delivered as LB Sutton no longer require this service.	Y
<b>Total Environment and Regeneration Savings 2017/18</b>		<b>2,317</b>	<b>1,831</b>	<b>486</b>		<b>2,105</b>	<b>212</b>				

## DEPARTMENT: CORPORATE SERVICES - PROGRESS ON SAVINGS 18-19

Ref	Description of Saving	2018/19 Savings Required £000	Shortfall	18/19 RAG	2019/20 Expected Shortfall £000	19/20 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspen
<b>Customers, Policy &amp; Improvement</b>									
CSD19	Staff reductions - Delete 1 FTE	49	0	G	0	G	Sophie Poole		Y
CS2015-11	Reduction in corporate grants budget	19	0	G	0	G	John Dimmer		Y
CSREP 2018-19 (7)	Translation - increase in income	10	0	A	0	A	Sean Cunniffe	The decision of existing customers to refer work elsewhere, within other organisations i.e. LB Sutton using RBK translation Services.	N
CSREP 2018-19 (16)	Operating cost reduction	11	0	G	0	G	Sophie Ellis		Y
<b>Infrastructure &amp; Technology</b>									
CS71	Delete two in house trainers posts	43	0	G	0	G	Richard Warren		Y
CSD2	Energy Savings (Subject to agreed investment of £1.5m)	150	0	G	0	G	Richard Neal		Y
CS2015-09	Restructure of Safety Services & Emergency Planning team	30	0	G	0	G	Adam Vicarri		Y
CS2015-10	FM - Energy invest to save	465	465	R	365	A	Richard Neal	The capital spend to achieve this was slipped and hence the saving will be delayed with £100k expected in 19/20 and the balance in 20/21. Shortfall to be funded by Corporate Services reserve	Y
CSREP 2018-19 (1)	Renegotiation of income generated through the corporate catering contract	20	0	G	0	G	Edwin O Donnell		Y
CSREP 2018-19 (2)	Review the specification on the corporate cleaning contract and reduce frequency of visits	15	0	G	0	G	Edwin O Donnell		Y
CS2015-01	Reduction in IT support / maintenance contracts	3	0	G	0	G	Clive Cooke		Y
CS2015-02	Expiration of salary protection	16	0	G	0	G	Clive Cooke		Y
CSREP 2018-19 (13)	Business Improvement - Business Systems maintenance and support	10	0	A	0	G	Clive Cooke	At risk due to APR increases by some suppliers.	Y
CSREP 2018-19 (14)	M3 support to Richmond/Wandsworth	20	0	A	0	G	Clive Cooke	This is dependent on agreement with RSSP, may be at risk if they don't migrate to M3 system	Y
CSREP 2018-19 (15)	Street Naming and Numbering Fees/Charges Review	15	0	G	0	G	Clive Cooke		Y
<b>Corporate Governance</b>									
CSD43	Share FOI and information governance policy with another Council	10	10	R	10	R	Karin lane		Y
CS2015-06	Delete auditor post and fees	50	0	G	0	G	Margaret Culleton		Y
CS2015-12	Savings in running expenses due to further expansion of SLLP	41	0	G	0	G	Fiona Thomsen		Y
CSREP 2018-19 (9)	Corp Gov -Reduction in running costs budgets	11	0	G	0	G	Julia Regan		Y
CSREP 2018-19 (10)	SLLp - Increase in legal income	25	0	G	0	G	Fiona Thomsen		Y
CSREP 2018-19 (11)	Audit and investigations	50	0	G	0	G	Margaret Culleton		Y
<b>Resources</b>									

CSD20	Increased income	16	0	G	0	G	Nemashe Sivayogan		Y
CSD27	Further restructuring (2 to 4 posts)	100	0	G	0	G	Roger Kershaw		Y
CS2015-05	Staffing costs and income budgets	75	0	G	0	G	Roger Kershaw		Y
CSREP 2018-19 (6)	Reduction in running costs budgets	9	0	G	0	G	David Keppler		Y
CSREP 2018-19 (3)	Miscellaneous budgets within Resources	13	0	G	0	G	Roger Kershaw		Y
CSREP 2018-19 (4)	Recharges to pension fund	128	0	G	0	G	Nemashe Sivayogan		Y
	<b><u>Human Resources</u></b>								
CSREP 2018-19 (12)	Reduction in posts across the department	185	0	G	0	G	Kim Brown		Y
	<b><u>Corporate</u></b>								
CSREP 2018-19 (5)	Council tax and business rates credits	220	0	G	0	G	Roger Kershaw		Y
CSREP 2018-19 (8)	Dividend from CHAS 2013 Limited	215	0	G	0	G	Ian McKinnon		Y
	<b>Total Corporate Services Department Savings for 2018/19</b>	<b>2,024</b>	<b>475</b>		<b>375</b>				



APPENDIX 7

Department	Target Savings 2017/18	2017/18 Shortfall	2018/19 Projected shortfall	2019/20 Projected shortfall
	£000	£000	£000	£000
Corporate Services	2,316	196	0	0
Children Schools and Families	2,191	0	0	0
Community and Housing	2,673	201	200	200
Environment and Regeneration	4,771	1,935	443	0
<b>Total</b>	<b>11,951</b>	<b>2,332</b>	<b>643</b>	<b>200</b>

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## DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES - PROGRESS ON SAVINGS 17-18

Ref	Description of Saving	2017/18 Savings Required £000	2017/18 Expected Shortfall £000	17/18 RAG	2018/19 Expected Shortfall £000	18/19 RAG	2019/20 Expected Shortfall £000	19/20 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Undersp end? Y/N
<b>CSF2012-07</b>	<b>Children Social Care</b> Family and Adolescent Services Stream - Transforming Families (TF), Youth Offending Team (YOT) and in Education, Training and Employment (ETE). 2016/17 savings will be achieved by the closure of Insight and deletion of YJ management post.	100	0	R	0	G	0	G	Paul Angeli	This saving was delivered from July 2017 and the short for the first quarter covered through reduced grant-funding for targeted intervention services.	N
	<b>Total Children, Schools and Families Department Savings for 2017/18</b>		0				0				

## DEPARTMENT: CORPORATE SERVICES - PROGRESS ON SAVINGS 17-18

Ref	Description of Saving	2017/18 Savings Required £000	2017/18 Shortfall	17/18 RAG	2018/19 Expected Shortfall £000	18/19 RAG	2019/20 Expected Shortfall £000	19/20 RAG	Responsible Officer	Comments
	<b>Business improvement</b>									
CSD42	Restructure functions, delete 1 AD and other elements of management	170	70	R					Sophie Ellis	Replacement saving identified and approved for 18/19 - CSREP 2018-19 (1-16)
CS2015	Staffing support savings	13	13	R					Sophie Ellis	Replacement saving identified and approved for 18/19 - CSREP 2018-19 (1-16)
	<b>Infrastructure &amp; transactions</b>									
CS70	Apply a £3 administration charge to customers requesting a hard copy paper invoice for services administered by Transactional Services team	35	35	R					Pam Lamb	Replacement saving identified and approved for 18/19 - CSREP 2018-19 (1-16)
	<b>Resources</b>									
CSD26	Delete 1 Business Partner	78	78	R	0	G		G	Caroline Holland	Due to delays in projects this saving was not achieved until 18/19
	<b>Total Corporate Services Department Savings for 2017/18</b>		196		0		0			

## DEPARTMENT: ENVIRONMENT &amp; REGENERATION SAVINGS PROGRESS: 2017-18

Ref	Description of Saving	2017/18 Savings Required £000	2017/18 Savings Achieved £000	Shortfall	17/18 RAG	2018/19 Expected Shortfall £000	18/19 RAG	2019/20 Expected Shortfall £000	19/20 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
<b>SUSTAINABLE COMMUNITIES</b>												
ER23b	Restructure of team to provide more focus on property management and resilience within the team.	18	0	18	R	18	R	0	A	James McGinlay	Business Case for restructure in progress, but due to the delay it's unlikely to be fully achieved this financial year. Saving being achieved through rents (reported through monthly budget return).	Y
D&BC1	Fast track of householder planning applications	55	0	55	R					James McGinlay	A replacement saving (ALT1) implemented in 2018/19, was agreed by Cabinet in November 2017.	N
D&BC2	Growth in PPA and Pre-app income	50	0	50	R					James McGinlay	A replacement saving (ALT1) implemented in 2018/19, was agreed by Cabinet in November 2017.	N
D&BC3	Commercialisation of building control	50	0	50	R					James McGinlay	A replacement saving (ALT1) implemented in 2018/19, was agreed by Cabinet in November 2017.	N
D&BC4	Deletion of 1 FTE (manager or deputy) within D&BC	45	0	45	R	45	R	0	A	James McGinlay		Y
D&BC5	Eliminate the Planning Duty service (both face to face and dedicated phone line) within D&BC	35	0	35	R					James McGinlay	A replacement saving (ALT1) implemented in 2018/19, was agreed by Cabinet in November 2017.	N
D&BC6	Stop sending consultation letters on applications and erect site notices only	10	0	10	R					James McGinlay	A replacement saving (ALT1) implemented in 2018/19, was agreed by Cabinet in November 2017.	N
ENV15	Reduction in street lighting energy and maintenance costs. Would require Capital investment of c£400k, which forms part of the current capital programme - Investment in LED lights in lamp Colum stock most capable of delivering savings	148	100	48	R	0	G	0	G	James McGinlay		N
ENV20	Increased income from building control services.	35	0	35	R					James McGinlay	A replacement saving (ALT1) implemented in 2018/19, was agreed by Cabinet in November 2017.	N
<b>PUBLIC PROTECTION</b>												
E&R14	Further expansion of the Regulatory shared service.	100	0	100	R	50	R	0	A	Cathryn James	Wandsworth staff transferred under TUPE to Merton on 1st November with the new expanded service expected to go live in August./September 2018.	Y
ENV01	Review the current CEO structure, shift patterns and hours of operation with the intention of moving toward a two shift arrangement based on 5 days on/2 days off.	190	0	190	R	190	R	0	A	Cathryn James	This saving is not currently being achieved as the there has been slippage in the timetable for the restructure. Mitigation could come from increased revenue.	Y
ENV02	Reduction number of CEO team leader posts from 4 to 3	45	0	45	R	45	R	0	A	Cathryn James	This saving is not currently being achieved for the same reasons as those given in respect of ENV02 .	Y
ENV05	Review the back office structure based upon the anticipated tailing off of ANPR activity and the movement of CCTV into parking services.	70	0	70	R	70	R	0	A	Cathryn James		Y
ENV06	Reduction in transport related budgets	46	0	46	R					Cathryn James	A replacement saving (ALT1) implemented in 2018/19, was agreed by Cabinet in November 2017.	N
ENV09	Investigate potential commercial opportunities to generate income	50	25	25	R	25	R	0	A	Cathryn James		Y
<b>PUBLIC SPACE</b>												
E&R16	joint procurement of waste, street cleansing, winter maintenance and fleet maintenance services (Phase C)	1,500	1,100	400	R	0	G	0	G	Anita Cacchioli	Full savings not achieved in Year 1 of contract. Actual savings delivered are being monitored closely	N
E&R25	Joint procurement of greenspace services as part 2 of the Phase C SLWP procurement contract with LB Sutton	160	44	116	R	0	G	0	G	Anita Cacchioli		N
ENV12	Loss of head of section/amalgamated with head of Greenspaces	70	0	70	R	0	A	0	A	Anita Cacchioli		N
ENV13	Staff savings through the reorganisation of the back office through channel shift from phone and face to face contact.	70	0	70	R	0	A	0	A	Anita Cacchioli		N
ENV18	Increased income from events in parks	100	0	100	R					Anita Cacchioli	A replacement saving (ALT1) implemented in 2018/19, was agreed by Cabinet in November 2017.	N
ENV21	Reduction in the grant to Wandle Valley Parks Trust	6	0	6	R	0	G	0	G	Anita Cacchioli		N
ENV23	Further savings from the phase C procurement of Lot 2.	160	0	160	R	0	A	0	A	Anita Cacchioli	Saving forms part of Phase C, but may not be achieved this financial year.	N
ENV25	Department restructure of the waste section	191	0	191	R	0	G	0	G	Anita Cacchioli	Saving achieved as part of Phase C procurement and outsourcing of service. Budget reduced in line with savings target	N
<b>Total Environment and Regeneration Savings 2017/18</b>			<b>1,269</b>	<b>1,935</b>		<b>443</b>		<b>0</b>				



DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2017/18												
Ref	Description of Saving	2017/18 Savings Required £000	Shortfall £000	17/18 RAG	2018/19 Expected Shortfall £000	18/19 RAG	2019/20 Expected Shortfall £000	19/20 RAG	Responsible Officer	Comments	Budget Manager Comments	R /A Included in Forecast Over/Underspend ? Y/N
<b>Adult Social Care</b>												
CH57	Staff savings: transfer of savings from housing	50	19	R	0	G	0	G	Richard Ellis	To be met fro HRA grant proposals		Y
CH35, CH36, CH52	Supporting People: re-commissioning of former Supporting People contracts. Savings can be achieved by removing funding from community alarms and reducing the capacity for housing support (including single homeless, mental health and young people at risk)	100	100	R	100	R	100	G	Richard Ellis	Deferred to 201819. Work on re-commissioning in progress		Y
<b>Library &amp; Heritage Service</b>												
CH7	Introduce self-serve libraries at off peak times: Smaller libraries to be self-service and supported only by a security guard during off peak times (nb. Saving would be reduced to £45k if Donald Hope and West Barnes libraries are closed). 3.5FTE at risk	90	33	R	0	G	0	G	Anthony Hopkins			Y
											Full saving to be achieved	
<b>Housing Needs &amp; Enabling</b>												
CH43	Further Staff reductions. This will represent a reduction in staff from any areas of the HNES & EHH :	100	49	R	100	A	100	G	Steve Langley			Y
											Full saving to be achieved	
Page 173	<b>Total C &amp; H Savings for 2017/18</b>		<b>201</b>		<b>200</b>		<b>200</b>			The department has looked at ways to mitigate unachieved savings in 18/19 by securing further under spends across C&H		

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