CABINET
Date: 18 February 2019

Subject: Financial Report 2018/19 – December 2018

Lead officer: Roger Kershaw

Lead member: Mark Allison

Urgent report:
Reason for urgency: The chair has approved the submission of this report as a matter of urgency as it provides the latest available monitoring information for 2018/19. This requires consideration as it has implications for current and future years' budget monitoring and management.

Recommendations:

A. That Cabinet note the financial reporting data relating to revenue budgetary control, showing a forecast net underspend at year-end of £1.49m million, 0.28% of gross budget.

B. That Cabinet note the adjustments to the Capital Programme contained in Appendix 5b and approve the items in the Table below:

Scheme	2018/19 Budget	Narrative
Children, Schools and Families		
Devolved Formula Capital	713,860	Additional Government Ringfenced Funding 2018/19
Harris Academy Wimbledon	(183,160)	Virement to cover final contractual costs
Perseid Expansion	183,160	Virement to cover final contractual costs
Environment and Regeneration		
Higways & Footways - Cauality Reduction & Schools	145,000	Virement between TfL funded Schemes
Higways & Footways -A298/A238 Strategic Corridor	(81,000)	Virement between TfL funded Schemes
Mitcham Trans Imps - Figges March	(64,000)	Virement between TfL funded Schemes
Total	**713,860**	

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

1.1 This is the financial monitoring report for quarter 3, 31st December 2018 presented in line with the financial reporting timetable.
This financial monitoring report provides-

- The income and expenditure at period 9 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 continues 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 9 to 31st December 2018, the year-end forecast is a net £1.49m underspend compared to the current budget, 0.28% of the gross revenue budget (£0.2m forecast overspend at period 8). The forecast position has improved by £1.7m compared to last month.

Summary Position as at 31st December 2018

	Current Budget 2018/19 £000s	Full Year Forecast (Dec) £000s	Forecast Variance at year end (Dec) £000s	Forecast Variance at year end (Nov) £000s	Outturn variance 2017/18 £000s
Department					
3A.Corporate Services	10,934	9,305	(1,629)	(1,424)	(812)
3B.Children, Schools and Families	56,540	59,627	3,088	3,341	2,249
3C.Community and Housing	64,044	63,931	(113)	(120)	922
3D.Public Health	0	(0)	(0)	0	0
3E.Environment & Regeneration	18,314	16,846	(1,468)	(844)	(1,211)
Overheads	0	0	0	0	0
NET SERVICE EXPENDITURE	**149,831**	**149,709**	**(122)**	**954**	**1,148**
3E.Corporate Items					
Impact of Capital on revenue budget	8,404	8,930	526	526	(103)
Other Central budgets	(14,801)	(16,694)	(1,893)	(1,265)	(823)
Levies	938	938	0	0	0
TOTAL CORPORATE PROVISIONS	**(5,458)**	**(6,825)**	**(1,367)**	**(739)**	**(926)**
TOTAL GENERAL FUND	**144,373**	**142,884**	**(1,489)**	**215**	**222**
FUNDING					
Revenue Support Grant	0	0	0	0	1
Business Rates	(45,636)	(45,636)	0	0	182
Other Grants	(11,258)	(11,258)	0	0	(670)
Council Tax and Collection Fund	(87,439)	(87,439)	0	0	0
FUNDING	**(144,333)**	**(144,333)**	**0**	**0**	**(487)**
NET	**40**	**(1,449)**	**(1,489)**	**215**	**(265)**

The current level of GF balances is £12.778m and the minimum level reported to Council for this is £12.09m.

3. DEPARTMENTAL SUMMARY OF CURRENT POSITION

Corporate Services

Division	2018/19 Current Budget £000	2018/19 Full year Forecast (December) £000	2018/19 Full Year Forecast Variance (December) £000	2018/19 Full Year Forecast Variance (November) £000	2017/18 Outturn Variance £000
Customers, Policy & Improvement	3,637	3,629	-8	-72	46
Infrastructure & Technology	11,171	10,943	-228	-190	71
Corporate Governance	2,425	2,287	-138	-145	-229
Resources	6,312	5,842	-470	-408	-515
Human Resources	1,811	1,822	11	4	-207
Corporate Other	768	-27	-795	-613	22
Total (Controllable)	**26,124**	**24,495**	**-1,629**	**-1,424**	**-812**

Overview

At the end of period 9 (December) the Corporate Services (CS) department is forecasting an underspend of £1,629k at year end. The table above reflects the new structure within Corporate Services in 2018/19. This is an increase in the forecast underspend of £204k compared to the period 8 (November) position.

Customers, Policy and Improvement - £8k under

The principal reason for the forecast underspend is additional income within the registrars and translations services reflecting an increased level of demand and a lower than budgeted cost of the cash collection service. There is also a forecast underspend on customer contact due to lower than budgeted support costs for the current system. These underspends are largely offset by an underachievement of advertising income within the communications service.

There has been an adverse movement of £64k from the position reported in November, mainly due to maintenance work planned at the Morden Park House registry office and reduced registrars income relating to marriage licences and identity checks. The staffing forecast has also increased within the Communications team.

Infrastructure & Technology - £228k under

There is a forecast underspend of £183k against the corporate print strategy budget that reflects the recharge to clients for the services provided within the division. There is also additional rental income compared to the budget for the Civic Centre and further income from the recovery of expenses within transactional services. These underspends are partly offset by lower than expected income from the professional development centre (Chaucer Centre) where the number of bookings is expected to be below the budgeted level. There has been a favourable movement of £38k from the position reported in November. This is mainly due to the corporate print strategy and high volume printing reflecting increased recharges to clients.

Corporate Governance – £138k under

Merton's legal services outside of the SLLp model is forecasting a £94k underspend due to the over achievement of income relating to property work, planning agreements and court fees. The AD budget is also forecasting an underspend in year on various small running cost budgets. There has been an adverse movement across Corporate Governance of £7k from the position reported in November due to small changes to the forecast for legal income and the Information Governance team.

Resources - £470k under

The Merton Bailiff Service is forecasting to underspend by £286k mainly due to income in excess of the budget. This is in line with the 2017/18 position. There is a forecast underspend of £232k within Benefits Administration principally due to additional one-off unbudgeted income from DWP for a number of schemes, as well as underspends across various supplies and services budgets. There is a forecast overspend within Local Taxation Services of £44k principally due to additional IT licence and postage costs.

Further underspends are forecast within the Director of Corporate Services budget (£56k) due to unused consultancy budget, Business Planning (£53k) due to vacancies and within the Assistant Director's budget (£51k) mainly within consultancy. These will be used to part fund a forecast overspend of £127k on the Financial Information System's budget where some additional temporary staffing resource is required pending a request to increase the permanent establishment by one full-time equivalent post to meet additional demand.

There has been a favourable movement of £62k from the position reported in November, mainly due to the recognition of the underspend within the Director of Corporate Services budget.

Human Resources – £11k over

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 buy back scheme and higher than budgeted costs of the shared payroll system and iTrent client team that are charged by the London Borough of Kingston. There has been an adverse movement of £7k from the position reported in November, mainly due to estimating a lower recharge to the pension fund for payroll services pending additional information from Kingston.

Corporate Items - £795k under

The Housing Benefit budget shows a forecast surplus of £1.36m on the account against a budgeted surplus of £1m. The unbudgeted surplus relates to an underspend against the budget to top-up the bad debt provision, part offset by a reduced subsidy forecast as it is expected the lower error rate threshold will be triggered in 17/18, reducing the subsidy receivable. The amount is yet to be audited and represents an estimate at this stage which will continue to be reviewed.

The remaining underspend relates to the budget held for corporately funded items which is not currently forecast to be required and a £150k underspend on redundancy payments based on redundancy costs to date. This is partly offset by a forecast overspend on Merton's share of the coroners' court due to unbudgeted coroner costs for Grenfell and the Westminster Bridge inquest. There is also an underachievement of the budgeted charges to clients for the use of the Comensura agency staff service.

There has been a favourable movement of £182k from the position reported in November, mainly due to the forecast for redundancy payments being further decreased and income from Merantun for overhead charges being added to the forecast.

Environment & Regeneration

Environment & Regeneration	2018/19 Current Budget £000	Full year Forecast (Dec) £000	Forecast Variance at year end (Dec) £000	Forecast Variance at year end Oct (Nov) £000	2017/18 Outturn Variance £000
Public Protection	(11,242)	(12,192)	(950)	(998)	(1,602)
Public Space	14,982	13,652	(1,330)	(376)	632
Senior Management	1,005	969	(36)	3	3
Sustainable Communities	8,215	9,063	848	528	(244)
Total (Controllable)	**12,960**	**11,492**	**(1,468)**	**(843)**	**(1,211)**

Description	2018/19 Current Budget £000	Forecast Variance at year end (Dec) £000	Forecast Variance at year end (Nov) £000	2017/18 Variance at year end £000
Overspend within Regulatory Services	578	170	186	78
Underspend within Parking Services	(12,706)	(1,166)	(1,199)	(1,663)
Overspend within Safer Merton & CCTV	886	46	15	(47)
Total for Public Protection	**(11,242)**	**(950)**	**(998)**	**(1,602)**
Underspend within Waste Services	13,790	(1,469)	(706)	97
Underspend within Leisure & Culture	736	(76)	(66)	(166)
Overspend within Greenspaces	1,363	143	277	754
Overspend within Transport Services	(907)	72	119	(53)
Total for Public Space	**14,982**	**(1,330)**	**(376)**	**632**
Underspend within Senior Management & Support	1,005	(36)	3	3
Total for Senior Management	**1,005**	**(36)**	**3**	**3**
Overspend within Property Management	(2,902)	634	265	(422)
Overspend within Building & Development Control	(32)	250	256	397
Underspend within Future Merton	11,149	(36)	7	(219)
Total for Sustainable Communities	**8,215**	**848**	**528**	**(244)**
Total Excluding Overheads	**12,960**	**(1,468)**	**(843)**	**(1,211)**

Overview

The department is currently forecasting an underspend of £1,468k at year end. The main areas of variance are Parking Services, Waste Services, Property Management, and Development & Building Control.

Public Protection

Parking Services underspend of £1,166k
The underspend is mainly as a result of additional penalty charge notices being issued, following the implementation of the ANPR system across the borough (£1,218k).

Included within this forecast is employee related overspend of c£158k due to a combination of savings not yet implemented and increased demand.

There have been delays in implementing all of the parking savings to date. In terms of ANPR, there was an initial assumption that there would be a peak in the processing work and, balanced with on-going compliance, the processing volume would drop. However, although the section still expects compliance to further increase, it has not yet occurred to the level expected as processing volumes remain above estimated levels, leading to the need to continue to employ additional agency staff.

The new Head of Service is looking undertake a review of the staffing requirements and budgets within the section to address the continued overspend in this area

Public Space

Waste Services underspend of £1,469k
The forecast underspend is largely as a result of an in-year underspend on disposal costs of £1,891k, which can be attributed to two main factors. Firstly, the section has continued to experience a reduction in total waste tonnages being generated across all of the authority's waste streams. Secondly, Viridor our disposal contractor, is nearing the end of testing the new ERF facility. During this commissioning phase, currently six months, the authority will benefit from reduced disposal costs leading to an estimated cost reduction of c£900k this financial year only.

This forecast underspend on disposal costs is being partially offset by the mobilisation costs relating to the October 2018 service change (£350k).

Sustainable Communities

Property Management overspend of £634k
The principal reason for the forecast overspend relates to costs involved with the management of Battle Close, which is now the responsibility of the Authority following the departure of the leaseholder (£673k). Authority for demolition has now been agreed and so the forecast now includes the estimated demolition and associated management fee costs of £176k, which should remove most of these costs in the future.

The section is also forecasting to incur some significant, but essential, costs this year on several of the buildings the Authority manages, attributing to a forecast premises related overspend of £200k.

In addition, the section is forecasting to overspend on consultants by c£131k due to the need for independent valuations to benchmark property disposals, obtain a temporary and long term injunction, progress rent reviews due to a lack of internal resource, and on external valuations to support asset valuations.

The section is also incurring some one-off, but un-budgeted, external audit fees of c£72k as a result of additional audit work required for the 2017/18 Statement of Accounts.

These pressures are being partially mitigated by exceeding their commercial rental income expectations by £453k mainly due to conducting the back log of rent reviews in line with the tenancy agreements. Approximately £251k relates to ongoing rental income but £202k is one-off due this year only.

Development & Building Control overspend by £250k
The section is forecasting to underachieve on income by £235k, in particular within building control, which reflects the continued reduction in the Authority's market share against target.

Children Schools and Families

Children, Schools and Families	2018/19 Current Budget £000	Full year Forecast (Dec) £000	Forecast Variance at year end (Dec) £000	Forecast Variance at year end (Nov) £000	2017/18 Variance at year end £000
Education	19,345	19,725	380	457	(703)
Social Care and Youth Inclusion	21,500	24,998	3,498	3,646	3,596
Cross Department budgets	480	450	(30)	(30)	(95)
PFI	8,075	7,712	(363)	(335)	(342)
Redundancy costs	2,124	1,727	(397)	(397)	(207)
Total (controllable)	**51,524**	**54,612**	**3,088**	**3,341**	**2,249**

Overview

At the end of December Children Schools and Families has a forecast overspend of £3.088m on local authority funded services; a reduction in overspend from November's forecast. The overspend is mainly due to the volatile nature of placement and SEN transport budgets, and the current volume of CSC activity and Education, Health and Care Plan (EHCP) requests. Despite an increasing population, Merton is managing to keep our number of looked after children in care stable through a combination of actions, which is detailed in the management action section below.

The CSF department received £500k growth for the current financial year that has mainly been used to fund the additional eight social workers that were previously funded through contingency for three years and were last year part of the departmental overspend. Last year's overspend also included planned underspends and non-recurring management action which, together with additional demographic growth for this year, is currently forecast to result in a higher overspend for the current financial year.

Local Authority Funded Services

Significant budget variances identified to date are detailed in the table below:

Description	Budget £000	Dec £000	Nov £000	2017/18 £000
Procurement & School organisation	643	(381)	(379)	(319)
SEN transport	4,133	1,017	1,017	566
Short beaks	217	207	202	64
My futures team	509	(135)	(135)	(212)
Other small over and underspends	13,843	(328)	(248)	(802)
Subtotal Education	**19,345**	**380**	**457**	**(703)**
Fostering and residential placements (ART)	7,094	1,000	1,092	813
Un-accompanied asylum seeking children (UASC)	902	851	912	693
Community Placement	0	500	500	750
No Recourse to Public Funds (NRPF)	21	294	294	353
MASH & First Response staffing	1,587	311	291	403
Legal costs	514	215	190	126
Other small over and underspends	11,382	327	367	458
Subtotal Children's Social Care and Youth Inclusion	**21,500**	**3,498**	**3,646**	**3,596**

Education Division

Procurement and school organisation budgets are forecast to underspend by £381k because of lower spend on revenuisation budgets. This budget relates to the revenue cost of construction projects. 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 £1.017m at the end of the financial year, which includes £926k maintained school taxi cost and £165k direct payments. The forecast outturn for maintained school taxis is £3.199m, circa £476k more than last year. Substantial management action was undertaken over the summer period such that at the end of October, 17 extra children were being transported compared to the end of June using the same number of taxi routes. The taxi forecast this month is the same as in November.

The overall forecast overspend reflects increased demand over a number of years although the budget for taxi commissioning has not been increased for demographic pressures since 2015/16. Over the period from September 2015 to September 2018, there has been a 30% increase in the number of children transported by taxi.

The number of children needing transport has increased significantly due to the increase in EHCPs requiring a specialist placement, and there continue to be pressures. Strategies are in place to alleviate this pressure, including continuing to maximise any further opportunities for placing more children on the buses, re-tendering routes, considering any consolidation possible and encouraging parents to accept personal budgets to directly arrange transport. The expansion of Cricket Green School will enable extra local places from September 2019 and the draft capital programme includes further proposals to increase the range of in-borough special educational needs provision to reduce the reliance on transporting children significant distances to out of borough special schools.

The children’s short breaks budget is forecast to overspend by £207k. This relates to an increase in caseload from 398 in April 2018 to 446 in November 2018. A review of short break services delivered across the department is being carried out with the aim to reduce the overall cost pressure of short breaks. Realistically any changes resulting from this review will only impact on cost in next financial year.

The My Futures team is forecast to underspend by £135k due to vacancies held during the year as part of management action to reduce the departmental in-year overspend.

There are various other small over and underspends forecast across the division netting to a £328k underspend. These combine with the items described above to arrive at the total reported divisional overspend of £380k.

<u>Children's Social Care and Youth Inclusion Division</u>

The numbers of Looked after Children (LAC) in Merton remains relatively stable and we continue to maintain relatively low levels of children in care as detailed in the table below.

Overview	**2016**	**2017**	**2018**
Number of children in care as at 31st March	163	152	154
Of which UASC	22	20	28
Rate per 10,000	35	33	33
London Rate	51	50	n/a
England Rate	60	62	n/a

At the end of December we had 161 LAC. 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. The December placements forecast overspend has decreased by £158k due to a reduction in caseload across most placement groups as detailed in the table below.

Service	**Budget £000**	**Forecast spend £000**	**Variance**		**Placements**	
			Dec £000	**Nov £000**	**Dec No**	**Nov No**
Residential Placements	2,271	2,685	414	470	19	19
Independent Agency Fostering	1,816	1,967	151	172	36	41
In-house Fostering	978	1,418	440	411	62	59
Secure accommodation	136	129	(7)	(26)	1	1
Mother and baby	101	44	(57)	(57)	1	1
Supported lodgings/housing	1,792	1,851	59	122	50	55
Total	**7,094**	**8,094**	**1,000**	**1,092**	**169**	**177**

The ART service seeks to make placements with in-house foster carers wherever possible and in line with presenting needs, however, the capacity within our in-house provision and 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 overspend by £414k. The reduction of £56k in cost in December is due to reduction in respite cost for two children.
- The agency fostering expenditure is forecast to be overspent by £151k.This agency overspend has decreased by £21k from last month. This is due to 5 placements ending.
- The in-house foster carer expenditure is forecast to overspend by £440k. The increase of £29k in December is due to a net of 3 placements (5 new placements and two placement ending).
- The secure accommodation expenditure is forecast to be underspent by £7k in December. This forecasted underspend has decreased from last month due to a placement from earlier in the financial year (September 2018 to October 2018) which is included in the forecast for December.
- The mother and baby assessment unit expenditure is forecast to underspend by £57k. There is no change from last month.

- We are forecasting that the budget for the semi-independent accommodation and supported lodgings/housing placements will overspend by £59k, which is reduction of £63k from last month. This is due to 5 placements ending.

At the end of December, UASC placements and previously UASC that are now care leavers are expected to overspend by £1,753k this year.

Service	Budget £000	Forecast spend £000	Variance Dec £000	Variance Nov £000	Placements Dec No	Placements Nov No
Independent Agency Fostering	372	415	43	40	10	10
In-house Fostering	363	519	156	138	21	20
Supported lodgings/housing	167	819	652	734	29	34
Total	**902**	**1,753**	**851**	**912**	**60**	**64**

- At the end of December, we had 31 placements for UASC young people under 18. Merton receives UASC grant towards these placements although it is not sufficient to cover the full cost. The overall cost for Fostering has increased from £178k in November to £199k in December while the overall cost for Semi- Independent has decreased from £734k to £652k over the same period.
- We have budgeted for 29 young people aged 18+ with no recourse to public funds in semi-independent accommodation who were formerly UASC young people. Once UASC young people reach 18, we retain financial responsibility for them until their immigration status is agreed. We have included in the forecast those young people currently in placement who are under 18 and who will become 18 during this financial year.
- For 2017/18 Merton received additional UASC capacity support funding of £94k. We have been expecting a higher allocation for the current financial year as we have now reached our target of UASC numbers equivalent to 0.07% of our child population on the Pan London Rotas. We therefore now have an allocation of 33 and at the end of December we had 31 placements.

We are forecasting a £500k 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 current estimate and is subject to change as we are still in negotiation. A review has been underway to change the current provision with the expectation that, once resolved, this should reduce the cost to Merton. Forecast costs are currently based on an interim arrangement in place while further work is undertaken to secure the right long-term support arrangements. The CCG seems to be retreating from its understood position that this is accepted as a continuing care case and that the council should be responsible for the education cost only. Once the position is finalised, education costs apportioned to the council will transfer from the general fund to the DSG.

The NRPF budget is £21k this year, which is the same as last year. It is forecast to overspend by £294k in the current financial year. This is about £59k less than last year's overspend. The NRPF worker is working closely with housing colleagues to manage cases as they arise and reviews historic cases to identify ones where claimant circumstances have changed and they 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 in 2016/17 to a current caseload of 15.

We are expecting to overspend by £311k on the MASH and First Response teams' staffing costs. This is because the team is covering 14 vacancies out of an establishment of 30 (excluding Common and Shared Assessments and management also included in this service area on iTrent) with agency staff due to difficulty in recruiting permanent members of staff.

Legal costs are expected to overspend by £215k. This cost relate to third party legal fees including Counsel, court and medical fees as well as independent expert witness and Family Drug and Alcohol Court (FDAC) costs.

There are various other small over and underspends forecast across the division netting to a £327k overspend. These combine with the items described above to arrive at the total reported divisional overspend of £3.498m.

Dedicated Schools Grant (DSG)

DSG funded services are forecast to overspend by £5.345m. Of this overspend £340k can be funded from the DSG reserve, but at the current estimate, the DSG will be going into a deficit position during this financial year. This will be carried forward as a negative reserve, similar to other boroughs. We are currently in discussion with our external auditors about the correct treatment of this deficit in the financial statements.

The main reasons for the forecast relates to an estimated overspend of £3.602m on Independent Day School provision. This is £105k increase from last month due to an increase in numbers although cost increases will only be pro-rata to the current financial year. At the end of December we had 194 placements, an increase of 7 since last month.

Other pressures include £658k on EHCP allocations to Merton primary and secondary schools, £820k on EHCP allocations to out of borough maintained primary, secondary and special schools, and £1.055m on one-to-one support, OT/SLT and other therapies as well as alternative education. We are also forecasting £430k overspend on post 16 further education and independent special school provision. There are underspending budgets in three areas which is reducing the overall overspend. We are forecasting a £681k underspend on independent residential placements, £305k on the growth fund and £167k on de-delegated parenting cover. The table below shows the increase in number of EHCPs over the past 4 years. At the end of December there were 1,763 EHCPs.

+Type of Provision	Jan 2015 (Statements and EHCPs)		Jan 2016 (Statements and EHCPs)		Jan 2017 (Statements and EHCPs)		Jan 2018 (Statements and EHCPs)	
	No.	%	No.	%	No.	%	No.	%
Mainstream School (inc. Academies)	456	44%	423	39%	432	34%	526	35%
State Funded Special School	338	32%	354	33%	386	31%	415	28%
Independent/Non-Maintained Provision (including Other Independent Special Schools)	119	11%	145	13%	178	14%	217	15%
ARP (Additional Resourced Provision)	113	11%	108	10%	137	11%	116	8%
Further Education	0	0%	20	2%	97	8%	164	11%
Early Years (inc. Private & Voluntary Settings)	4	0%	5	0%	2	0%	7	0%
Other (including children Educated at Home, Pupil Referral Units and Secure Units)	15	1%	23	2%	32	3%	41	3%
Total	**1045**	**100%**	**1078**	**100%**	**1264**	**100%**	**1486**	**100%**

There are various other smaller over and underspends forecast across the DSG netting to a £67k underspend which, combined with the items above, equates to the net overspend of £5.345m.

Additional High Needs Block grant was announced in the December 2018. Initial workings suggests that this would allocate an estimated £483k of additional funding to Merton. Once the allocation has been confirmed, this will be added to the forecast to reduce the overall DSG overspend.

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. We are also working with other authorities on the deficit DSG issue and have responded to the national consultation relating to the treatment of DSG deficits.

Although the pressures on the high needs block are clear from the budget monitoring figures highlighted above, some schools are also having trouble in setting balanced budgets with the funding provided to them through the funding formula. The number of schools setting deficit budgets has increased from five in 2017/18 to eleven in 2018/19. There are various reasons for schools requiring to set deficit budgets including unfunded pay increases, increased cost relating to children that require additional support but do not meet statutory thresholds for additional funding, reduction in pupil numbers and reduced levels of reserves that schools would previously have used to balance their budgets.

Management action

Quarter three staffing report

The number of employed Social Workers increased this quarter to 125 (118.20 WTE). There has been ongoing strong recruitment with 31 new starters in the last year. Additionally, there has been a number of internal transfers where staff have had opportunities for career development. Vacancy rates reduced in Q3 to 19.84% and has been on a general downward trend since September 2017. Turnover increased this quarter to 21.14%, which reflects the increase in leavers in the last 3 quarters (22 SW's).

Agency social workers make up 14% of the Social Worker workforce. Agency expenditure is on a general downward trend and the lowest spend in at least the last decade. 44% of all agency workers are working in Safeguarding & Care Planning/ Vulnerable Children's Teams and 21% in First Response. Most agency workers are covering vacant posts (78%). 22% are covering long term vacancies (mainly maternity leave cover and secondments). We are further reducing the use of agency by imposing a three month recruitment drag where appropriate for non-social work posts.

Placements

We have good management oversight of children coming into care. We have had 3 moves into residential care, one was to a new accommodation, one a step-up from fostering and one where we had been retaining at 50% of the cost but who is now in placement at the full rate. We continue to use the Panel processes introduced last quarter to provide an overview of the use of IFAs as well as continuing our scrutiny on residential children's home placements.

Our ART Fostering Recruitment and Assessment team is continuing to recruit new foster carers who will offer locally based placements with a campaign targeted at attracting foster carers for teenagers and UASC young people. We have now recruited 13 new foster care placements of which 3 are for Supported Lodgings, 3 are for Connected Persons and 7 are new foster carers. We forecast a further 5 carers by the end of the financial year.

Whilst there may be a drop out in these applications, we are currently confident that we will be able to approve a significant number of carers this year. These figures compare favourably with last year when at the same point, only six carers were in assessment. Our aim is to slow down the increase in more expensive agency foster placements and our use of IFA placements has decreased slightly again this month, but there will be a time lag whilst assessments are completed. In addition, we are implementing actions to retain our experienced existing foster carers such as increasing the support offer to them through the Domiciliary Care Framework to enable them to take and retain children with more challenging behaviours in placement.

We have had 3 new in-house foster placements for young people, although one has since returned home. We have had one additional IFA placement (YP who ran away as LAC from Scotland who Merton have now assumed responsibility for). We are also retaining one IFA placement with a carer identified for a child we are stepping-down from residential. All of the other ART activity has been either step-downs or like for like moves that would not have a negative budget impact.

We are also targeting our recruitment to increase our number of in-house mother and child foster placements. We have had one new Parent and child (3 children) in a residential parenting assessment. One other family remain in a residential parenting assessment over the agreed 12 week period and we have just been court directed to extend this for a further nine weeks to also accommodate and assess the father.

Our ART Placement service is working with providers to establish more local provision and offer better value placements to the Council. During December we have had 2 young people placed in SIA (Semi-Independent Accommodation), one was a new accommodation and the other is a young person who was making his own arrangements but then came back to us for accommodation. We have reintroduced the SIA Panel and will be recording cost reductions as a result of this going forward. We have commenced work to identify our Housing Benefit payments - what we should be getting and what are the actuals received. This is work in progress and we aim to be able to report on progress next month.

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 five placements in the provision, this cost is £1,800 per week including support costs (£1400 + £400). This is a better financial deal than using the semi-independent market for our care leavers where the average cost for five placements averages at £3,200 per week for a similar service. We have five young people living there in December, fully utilising these cost-effective placements. We expect to be able to procure further placements of this type over the next quarter.

Our average placements costs against each budget code are reported each month. Due to the low numbers in secure accommodation cases, the additional cost of the placement from earlier the year has reversed some of the effect of the low cost placement from last month and resulted in an increased average weekly cost.

	Sep	Oct	Nov	Dec	Movement from last month	Dec
Description	£	£	£	£	£	No
ART Independent Agency Fostering	887	889	901	904	3	36
ART In-house Fostering	428	442	437	442	5	62
UASC Independent Agency (Grant)	791	794	797	803	6	8
UASC In house Fostering (Grant)	505	496	497	500	3	15
UASC Independent Agency (Non-Grant)	764	764	791	792	1	2
UASC In house Fostering (Non-Grant)	455	436	445	456	11	6
ART Residential Placements	4,029	4,032	4,071	4,068	-3	19
ART Secure Accommodation	3,918	3,823	2,663	2,822	159	1
ART Mother & Baby Unit		3,357	3,357	3,357	0	1
Supported Housing & Lodgings (Art 16+ Accommodation)	634	644	659	664	5	50
Supported Housing & Lodgings - UASC (Grant)	838	793	788	771	-17	6
Supported Housing & Lodgings - UASC (Non Grant)	505	500	499	487	-12	23

We have updated our Staying Put policy for young people aged 18+ to enable them to remain with their foster carers in line with statutory requirements and as recommended by Ofsted in our inspection. However, the increased use of Staying-Put for young people aged 18+ impacts on available placements for younger teenagers, therefore highlighting again the need for targeted recruitment for foster carers for teenager and UASC young people. As already stated, we continue to focus our foster carer recruitment on carers for teenagers to mitigate these potential additional costs.

<u>Children with additional needs</u>

We are working with colleagues in CCGs through the tripartite process in order to secure appropriate health contribution to children with complex needs, particularly through continuing healthcare funding. This is an area we need to improve with closer working with the CCG is a focus going forward. This will mainly affect the CWD budget as many of the children discussed will be placed at home with shared packages of care. Details of any arrangements made will be recorded and reflected in budget returns.

We have tried to reduce costs associated with SEND transport through a number of strategies but this is a continuing challenge with the increasing numbers of children eligible for this service. Strategies introduced include: the introduction of a dynamic taxi purchasing system; the re-provisioning of taxi routes to ensure best value for money; the introduction of bus pick up points where appropriate; promotion of independent travel training and personal travel assistance budgets where this is option is cheaper.

We have a multi-agency SEND panel providing strategic oversight of the statutory assessment process to ensure that at both a request for assessment stage and the agreement of a final EHCP, criteria and thresholds are met and the best use of resources is agreed.

To limit the increased costs, to the DSG High Needs block, of the increased number of children with EHCPs we have expanded existing specialist provision and have recently approved a contract to expand Cricket Green special school. We have increased Additionally Resourced Provision (ARP) in Merton mainstream schools and have further plans for new ARP provision and expansion of existing bases. Additional local provision should also assist with minimising increases to transport costs.

We are also part of a South West London consortium, which uses a dynamic purchasing system for the commissioning of specialist independent places, this enables LAs together to challenge any increases in cost and ensure best value for money in the costs of these placements.

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 £1.884m, 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:

Description	Budget £000	Dec overspend forecast £000	Nov overspend forecast £000	2017/18 over £000
Supported lodgings/housing- care leavers	1,792	59	122	156
Supported lodgings/housing- UASC	167	652	734	520
UASC	734	199	178	173
No Recourse to Public Funds (NRPF)	21	294	294	353
Total	**2,478**	**1,204**	**1,328**	**1,202**

Following changes introduced through the Children & Social Work Act, local authorities took on new responsibilities in relation to children in care and care leavers. Local authorities are required to offer support from a Personal Adviser to all care leavers to age 25. New burdens funding of £21k was provided to support implementation of this change. There has been no on-going funding for the additional work required.

Other unfunded burdens include:

- the increase in the age range of EHCPs, particularly for those young people aged 18-25, due to legislation changes, which are causing cost pressures in both the general fund (in education psychology and SEN transport) and the DSG (High Needs Block costs relating to most EHCP services);
- new statutory duties in relation to children missing from education has increased the cases dealt with by the Education Welfare Service by 79% (from 290 in the 6 months from September to March 2016 to 519 in the same 6 months the following year and the level of referrals has remained at this level)

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.

Community and Housing Current Summary Position

Community and Housing is currently forecasting an under spend of £113k as at period 9 December 2018.

The department is currently forecasting an under spend of £113k as at December 2018. Adult Social Care is currently forecasting an under spend, Housing and Libraries service an over spend and Public Health and Merton Adult Learning continues to forecast a breakeven position.

Community and Housing	2018/19 Current Budget £000	Forecast (Dec'18) £'000	Forecast Variance (Dec'18) £000	Forecast Variance (Nov'18) £000	2017/18 Outturn Variance £000
Access and Assessment	45,956	45,576	(380)	(374)	455
Commissioning	4,568	4,585	17	(60)	211
Direct Provision	4,443	4,417	(26)	11	(195)
Directorate	973	1,042	69	81	181
Adult Social Care	**55,940**	**55,620**	**(320)**	**(342)**	**652**
Libraries and Heritage	1,996	2,018	22	13	20
Merton Adult Learning	(11)	(11)	0	0	(6)
Housing General Fund	1,848	2,033	185	209	256
Sub-total	**59,773**	**59,660**	**(113)**	**(120)**	**922**
Public Health	**(143)**	**(143)**	**0**	**0**	**0**
Grand Total	**59,630**	**59,517**	**(113)**	**(120)**	**922**

Access & Assessment - £380k underspend

This is due to the ongoing continued improved placements management. On the whole placements have remained stable for a number of months including over the Christmas period. Although the service is currently forecasting an under spend the full effects of increase demand from winter pressures is expected to become apparent in January/February. However, it is important to note that this is a demand led budget which could increase due to a number of reasons. The additional resources, which includes the recently announced winter pressures grant provided by the Department of Health & Social Care, are being used to increase capacity to manage any surge in winter demand, but also to try to reduce demand by working with the voluntary sector and increasing our own preventative offer, such as access to the handyperson scheme.

The table below shows areas of significant expenditure in Access & Assessment

During December a refund was received for taxi-card usage and another refund is expected based on usage data provided to date.

Access & Assessment	Forecast Variances Dec'18 £'000	Forecast Variances Nov'18 £000	Outturn Variances March 18 £000
Underspend on Concessionary Fares-(Postage/taxi-cards)	(104)	(15)	(100)
Overspend on Better Care Fund Risk Share	0	0	425
Other	(483)	(255)	(307)
Placements	40	132	1,671
Income	167	(236)	(1,234)
Total	(380)	(374)	455

Adult Social Care savings for 2018-19 are on track to be delivered.

The table below sets on the movement in the number of service users in each care group between the months. It shows a net decrease of 16 packages since November 2018 and a reduction of 73 since April 2018. There is currently a downward trend in the number of packages but a spike is expected during the winter months.

Total Number of Clients with an external care package

Placements	Nos. of Clients Dec'18	Nos. of Clients Nov'18	Nos. of Client Oct'18	Nos. of Client Apr'18
Older People	1092	1104	1128	1167
Physical/Sensory	206	207	212	219
Learning Disabilities	361	363	364	356
LD Housing Support	3	3	3	2
Mental Health	129	130	132	125
MH Housing Support	14	13	13	11
Substances Misuse	3	4	4	1
Grand Total	**1808**	**1824**	**1856**	**1881**

Commissioning - £17k Overspend

The commissioning service is currently forecasting an over spend of £17k as at December'18. This area includes a number of sections such as brokerage, contracts, voluntary grants and many more. The service continues to monitor and reduce cost.

Direct Provision - £26k underspend (Internal Care Provision)

Direct Provision service is forecasting an under spend of £26k as at December 2018. This is an improvement since November and is due to an increase in the forecasted income expected from day centres. There was also an increase in some transport costs relating to vehicle maintenance.

At the same time the service is currently experiencing a high level of sickness at key sites and as such salary forecast increased slightly. However this has been mitigated by under spends in other areas and increased income.

There also been a move by the service from providing a day care service from the location of High Path to a larger location at Leyton Road which is expected to be officially open in January 2019. There is a risk that the cost of utilities may increase with a larger building, leading to additional costs on an already under-resourced budget. Analysis will be completed over the next quarter being winter months.

The Mascot Telecare service provides a 'Handyman' and a van who assists the Access & Assessment Service with the expeditious installation of equipment where required which assists in the speedy discharge of patients from hospital to home. This service was increasedp over the Christmas period to help the hospital discharge process.

C&H - Other Services

Libraries - £22k overspend

The Library & Heritage Service forecasted overspend has increased by £8.9K. This is due to small increases in forecasted spend on utilities, staffing, printing and telephones.

The service is continuing to work towards achieving a balanced budget by year end and is working to increase income generation to offset overspends.

Merton Adult Education – Breakeven

The forecasted year end position as at December 2018 remains unchanged. Merton Adult Learning service continues to forecast a breakeven position for 2018/19.

Housing - £185k overspend

The housing service is forecasting an over spend as at December 2018 of £185k which is a reduction on the previous month's forecast. This service forecasted overspend continues to be reduce but it is expected that this service will continue to vary each month due to unpredictability surrounding the shortfall on subsidy, Housing Benefit and client contributions.

This service is also engaged in homelessness preventative measures on a daily basis as legally required. The diagram below shows number of homelessness prevented to date. The diagram below shows that the year to date target was exceeded in December and 77% of annual target has been achieved to date.

Period	Homelessness Prevention Targets
Full Year Target	450
Target YTD	338
Achieved - Sept'18	243
Achieved - Oct'18	263
Achieved - Nov'18	313
Achieved - Dec'18	346

Homeless prevention includes, legal advocacy on behalf of private tenants' rights, prevention advice against unlawful eviction and harassment, money management, housing options, relationship breakdowns, rights to homes, access to social housing, seeking accommodation in homeless hostel and/or private rented sector, and mediation with family members to prevent exclusion and homelessness.

Analysis of Housing Temporary Accommodation Expenditure

The diagram below shows the forecasted variance for financial year 2018.19 of the boroughs temporary accommodation provision as at December 2018. There has been a gradual reduction in numbers of households in temporary accommodation with a corresponding reduction in expenditure.

Housing	Budget 2018/19 £000	Forecast Variance (Dec'18) £'000	Forecast Variances (Nov'18) £000	Outturn Variances (Mar'18) £000
Temporary Accommodation-Expenditure	2,330	541	627	909
Temporary Accommodation-Client Contribution	(140)	(576)	(585)	(595)
Temporary Accommodation-Housing Benefit Income	(2,000)	97	87	(160)
Temporary Accommodation-Subsidy Shortfall	322	414	414	517
Temporary Accommodation- Grant	-	(481)	(466)	(406)
Sub-total Temporary Accommodation	**512**	**(5)**	**77**	**259**
Housing Other Budgets- Over(under)spend	1,336	190	132	(3)
Total	**1,848**	**185**	**209**	**256**

Temporary Accommodation (TA) Movements to date

The data below shows the number of households i.e. families and single (placements) in temporary accommodation.

Temporary Accommodation	Numbers IN	Numbers OUT	Total for the Month
March 2017	-	-	186
March 2018	16	16	165
April 2018	22	17	170
May 2018	21	16	175
June 2018	14	17	172
July 2018	15	12	175
August 2018	16	15	176
September 2018	11	13	174
October 2018	14	20	168
November 2018	14	13	169
December 2018	11	13	167

Public Health - Forecasting a breakeven position

This service is reporting a breakeven position at as December 2018. The pressure in sexual health reported in September is being mitigated by offsetting efficiencies in staffing and other direct budgets together with savings anticipated from sexual health through residents moving from out of borough providers and channel shift for asymptomatic clients from use of clinics to on-line Pan London service

Corporate Items

The details comparing actual expenditure up to 31 December 2018 against budget are contained in Appendix 2. The main areas of variance as at 31 December 2018 are:-

Corporate Items	Current Budget 2018/19 £000s	Full Year Forecast (Dec.) £000s	Forecast Variance at year end (Dec.) £000s	Forecast Variance at year end (Nov.) £000s	2016/17 Year end Variance £000s
Impact of Capital on revenue budget	**8,403**	**8,930**	**527**	**527**	**(103)**
Investment Income	(759)	(1,000)	(241)	(141)	408
Pension Fund	3,346	3,346	0	0	(389)
Pay and Price Inflation	1,122	744	(378)	(150)	(736)
Contingencies and provisions	4,419	3,769	(650)	(350)	(2,447)
Income Items	(1,367)	(1,991)	(624)	(624)	(104)
Appropriations/Transfers	(2,554)	(2,554)	0	0	2,445
Central Items	**4,207**	**2,314**	**(1,893)**	**(1,265)**	**(823)**
Levies	938	938	0	0	0
Depreciation and Impairment	(19,008)	(19,008)	0	0	0
TOTAL CORPORATE PROVISIONS	**(5,459)**	**(6,825)**	**(1,366)**	**(738)**	**(926)**

There are a number of revisions to the forecast for corporate items based on spend up to December 2018:-

a) The forecast for investment income has been reviewed and it is anticipated that investment income in 2018/19 will be c. £1m which is an improvement of £0.1m on the previous forecast. This is due to a small increase in investment rates and the balance under investment.
b) It is anticipated that the budget provision for excess inflation will not be required in 2018/19 and the balance of £228k can be released.
c) No additional requirements are anticipated against the Single Status provision and an underspend of £50k will result.
d) The budget of £200k provided to cover for loss of income arising from the closure of car parking on the P3/P4 sites will not be required.
e) Based on current expenditure, it is anticipated that there will be an underspend of £150k on the Apprenticeship levy budget, an increase of £50k on the previous forecast.

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*	8,636	0	8,636	27,985	0	27,985	3,945	0	3,945	12,083	0	12,083
C&H	1,118	0	1,118	480	0	480	630	0	630	280	0	280
CSF	8,620	777	9,397	16,702	(63)	16,639	3,202	0	3,202	650	0	650
E&R	18,050	(45)	18,005	10,159	0	10,159	7,517	0	7,517	7,264	0	7,264
TOTAL	**36,424**	**732**	**37,156**	**55,325**	**(63)**	**55,262**	**15,294**	**0**	**15,294**	**20,277**	**0**	**20,277**

* Includes £23 million Housing Company Expenditure which is currently being re-profiled

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

Capital Budget Monitoring December 2018

Department	Actuals	Budgeted Spend to Date	Variance to Date	Final Budget	Final Forecast 2018/19	Full Year Variance
Corporate Services	3,975,379	5,248,010	(1,272,631)	8,636,160	8,604,110	(32,050)
Community and Housing	634,666	745,090	(110,424)	1,118,010	1,117,995	(15)
Children Schools & Families	4,777,283	5,646,970	(869,687)	9,396,180	9,395,680	(500)
Environment and Regeneration	11,155,169	10,740,355	414,814	18,004,740	18,012,738	7,998
Total	**20,542,497**	**22,380,425**	**(1,837,928)**	**37,155,090**	**37,130,522**	**(24,568)**

a) Corporate Services – All budget managers apart from epayments system (which is showing a £32k in year underspend) are projecting a full spend.

b) Community and Housing – All budget managers are projecting a full year spend against budget.

c) Children, Schools and Families – Devolved Formula Capital has been increased by £714k, funded by central government grant. This additional funding will be paid to schools within their February 2019 advances. Two virements are proposed:

I. £183k from Harris Wimbledon to Perseid Expansion to fund the final outturn on the project. There is sufficient budget within the Harris Wimbledon to meet the estimated cost of the scheme

II. £71k from the Capital Maintenance Budget (£8k from 2018/19 and £63k from 2019/20) to Merton Abbey £51k and Wimbledon Park £20k

All budget managers are projecting a full year spend against their adjusted budget. Officers are currently finalising the required stamp duty payments for the new secondary school and the final accounts on Harris Merton.

d) Environment and Regeneration – All budget managers are projecting a full year spend against budget apart from parks which are showing a slight overspend of £9k. If necessary, this overspend will be offset against next year's budget. The following virements are proposed between TfL Schemes with £45k being transferred to Revenue:

	2018/19 Budget	Virements	Funding Adjustments	Revised 2018/19 Budget
	£	£		£
Higways & Footways - Cauality Reduction & Schools	**204,570**	145,000		**349,570**
Higways & Footways -A298/A238 Strategic Corridor	**81,000**	(81,000)		**0**
Cycle Route Imps - Beddington Lane Cycle Route	**351,000**	(45,000)	(45,000)	**261,000**
Cycle Route Imps - Cycle Imps Residential Streets	**180,000**	45,000		**225,000**
Mitcham Trans Imps - Figges March	**214,000**	(64,000)		**150,000**
Total	**1,030,570**	**0**	**(45,000)**	**985,570**

4.3 Appendix 5b details the adjustments being made to the Capital Programme this month, these are summarised below.

Scheme		2018/19 Budget	2019/20 Budget	Narrative
Children, Schools and Families	-			
Devolved Formula Capital	(1)	713,860		Additional Government Ringfenced Funding 2018/19
Harris Academy Wimbledon	(1)	(183,160)		Virement to cover final contractual costs
Perseid Expansion	(1)	183,160		Virement to cover final contractual costs
Unallocated School Capital Maintenance		(7,640)	(63,000)	Virements to cover urgent capital maintenance work
Merton Abbey Capital Maintenance		50,560		Virements to cover urgent capital maintenance work
Wimbledon Park Capital Maintenance		20,080		Virements to cover urgent capital maintenance work
Environment and Regeneration				
Higways & Footways - Cauality Reduction & Schools	(1)	145,000		Virement between TfL funded Schemes
Higways & Footways -A298/A238 Strategic Corridor	(1)	(81,000)		Virement between TfL funded Schemes
Cycle Route Imps - Beddington Lane Cycle Route		(90,000)		Virement between TfL funded Schemes with £45k to Revenue
Cycle Route Imps - Cycle Imps Residential Streets		45,000		Virement between TfL funded Schemes
Mitcham Trans Imps - Figges March	(1)	(64,000)		Virement between TfL funded Schemes
Total		**731,860**	**(63,000)**	

(1) Requires Cabinet Approval

4.4 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		88	402	(20,388)	**8,636**
Community & Housing	773	165	(5)	146	40	0	**1,118**
Children Schools & Families	15,158	924		1,831	15	(8,531)	**9,397**
Environment and Regeneration	21,853	919		1,895		(6,663)	**18,005**
Total	**61,266**	**7,059**	**(5)**	**3,960**	**457**	**(35,581)**	**37,156**

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

Depts.	Spend To December 2015	Spend To December 2016	Spend to December 2017	Spend to December 2018	Variance 2015 to 2018	Variance 2016 to 2018	Variance 2017 to 2018
CS	713	348	1,799	3,975	3,262	3,627	2,176
C&H	1,345	1,386	581	635	(710)	(752)	54
CSF	11,159	9,684	3,969	4,777	(6,382)	(4,907)	809
E&R	5,553	7,834	9,660	11,155	5,602	3,322	1,495
Total Capital	**18,770**	**19,252**	**16,009**	**20,542**	**1,772**	**1,291**	**4,534**

Outturn £000s	29,327	30,626	32,230	
Budget £000s				37,156
Projected Spend December 2018 £000s				37,131
Percentage Spend to Budget				55.29%
% Spend to Outturn/Projection	64.00%	62.86%	49.67%	55.33%
Monthly Spend to Achieve Projected Outturn £000s				5,529

4.6 December is three quarters of the way into the financial year and departments have spent just over 50% of the budget. Spend to date is higher than the three previous financial years shown.

Department	Spend To Nov 2018 £000s	Spend To Dec 2018 £000s	Increase £000s
CS	3,534	3,975	441
C&H	608	635	27
CSF	4,297	4,777	480
E&R	9,897	11,155	1,258
Total Capital	**18,336**	**20,542**	**2,206**

4.7 During December 2018 officers spent £2.206 million. To achieve the projected outturn officers will need to spend an average of £5.529 million per month to the financial year-end.

5. DELIVERY OF SAVINGS FOR 2018/19

Department	Target Savings 2018/19	Projected Savings 2018/19	Period 9 Forecast Shortfall	Period 8 Forecast Shortfall	Period Forecast Shortfall (P8)	2019/20 Expected Shortfall
	£000	£000	£000	£000	%	£000
Corporate Services	2,024	1,519	505	505	25.0%	385
Children Schools and Families	489	489	0	0	0.0%	0
Community and Housing	2,198	1,998	200	200	9.1%	(18)
Environment and Regeneration	1,874	1,401	473	473	25.2%	80
Total	**6,585**	**5,407**	**1,178**	**1,178**	**17.9%**	**447**

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 Period 9 Projected shortfall	2019/20 Period 9 Projected shortfall	2018/19 Period 8 Projected shortfall	2019/20 Period 8 Projected shortfall
	£000	£000	£000	£000	£000	£000
Corporate Services	2,316	196	0	0	0	0
Children Schools and Families	2,191	7	0	0	0	0
Community and Housing	2,673	19	0	0	0	0
Environment and Regeneration	3,134	2,188	666	45	666	45
Total	**10,314**	**2,410**	**666**	**45**	**666**	**45**

Appendix 7 details the progress on savings for 2017/18 by department and the impact on the current year and next 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
Appendix 8 –	Debt report

14. BACKGROUND PAPERS

14.1 Budgetary Control files held in the Corporate Services department.

15. REPORT AUTHOR

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APPENDIX 1

Summary Position as at 31st December 2018

	Original Budget 2018/19 £000s	Current Budget 2018/19 £000s	Full Year Forecast (Dec) £000s	Forecast Variance at year end (Dec) £000s	Forecast Variance at year end (Nov) £000s	Outturn variance 2017/18 £000
Department	-	-	-	-	-	-
3A.Corporate Services	9,495	10,934	9,305	(1,629)	(1,424)	(812)
3B.Children, Schools and Families	56,145	56,540	59,627	3,088	3,341	2,249
3C.Community and Housing	-	-	-			-
Adult Social Care	58,778	59,210	58,890	(320)	(341)	646
Libraries & Adult Education	2,771	2,694	2,716	22	13	20
Housing General Fund	2,207	2,141	2,326	185	208	256
3D.Public Health	(0)	(0)	(0)	(0)	0	0
3E.Environment & Regeneration	17,951	18,314	16,846	(1,468)	(844)	-1,211
NET SERVICE EXPENDITURE	**147,345**	**149,832**	**149,709**	**-123**	**953**	**1,148**
3E.Corporate Items	-	-	-	-		-
Impact of Capital on revenue budget	8,403	8,403	8,930	527	527	(103)
Other Central items	(12,353)	(14,801)	(16,694)	(1,893)	(1,265)	(823)
Levies	938	938	938	0	0	0
TOTAL CORPORATE PROVISIONS	**(3,012)**	**(5,459)**	**(6,825)**	**(1,366)**	**(738)**	**(926)**
TOTAL GENERAL FUND	**144,333**	**144,373**	**142,884**	**-1,489**	**215**	**222**
-	-	-	-	-		-
Funding						
- Business Rates	(45,636)	(45,636)	(45,636)	0	0	182
- RSG	0	0	0	0	0	1
- Section 31 Grant	(1,975)	(1,975)	(1,975)	0	0	(672)
- New Homes Bonus	(2,371)	(2,371)	(2,371)	0	0	2
- PFI Grant	(4,797)	(4,797)	(4,797)	0	0	0
- Adult Social Care Grant 2017/18	(2,115)	(2,115)	(2,115)	0	0	0
Grants	**(56,894)**	**(56,894)**	**(56,894)**	**0**	**0**	**(487)**
Collection Fund - Council Tax Surplus(-)/Deficit	(1,653)	(1,653)	(1,653)	0	0	0
Collection Fund - Business Rates Surplus(-)/Deficit	1,223	1,223	1,223	0	0	0
Council Tax						
- General	(86,678)	(86,678)	(86,678)	0	0	0
- WPCC	(331)	(331)	(331)	0	0	0
Council Tax and Collection Fund	**(87,439)**	**(87,439)**	**(87,439)**	**0**	**0**	**0**
FUNDING	**(144,333)**	**(144,333)**	**(144,333)**	**0**	**0**	**(487)**
NET	**(0)**	**40**	**(1,449)**	**(1,489)**	**215**	**(265)**

Appendix 2

3E.Corporate Items	Council 2018/19 £000s	Original Budget 2018/19 £000s	Current Budget 2018/19 £000s	Year to Date Budget (Dec.) £000s	Year to Date Actual (Dec.) £000s	Full Year Forecast (Dec.) £000s	Forecast Variance at year end (Dec.) £000s	Forecast Variance at year end (Nov.) £000s	Outturn Variance 2017/18 £000s
Cost of Borrowing	8,403	8,403	8,403	4,736	4,059	8,930	527	527	(103)
Revenue Impact of Capital	**8,403**	**8,403**	**8,403**	**4,736**	**4,059**	**8,930**	**527**	**527**	**(103)**
Investment Income	**(759)**	**(759)**	**(759)**	**(569)**	**(593)**	**(1,000)**	**(241)**	**(141)**	**408**
Pension Fund	**3,346**	**3,346**	**3,346**	**3,346**	**3,469**	**3,346**	**0**	**0**	**(389)**
Corporate Provision for Pay Award	2,108	2,108	744		0	744	0	0	0
Provision for excess inflation	378	378	378		0	(0)	(378)	(150)	(436)
Utilities Inflation Provision	0	0	0		0	0	0	0	(300)
Pay and Price Inflation	**2,486**	**2,486**	**1,122**	**0**	**0**	**744**	**(378)**	**(150)**	**(736)**
Contingency	1,500	1,500	1,500		0	1,250	(250)	(250)	(1,500)
Single Status/Equal Pay	100	100	100		31	50	(50)	0	(96)
Bad Debt Provision	500	500	500		0	500	0	0	395
Loss of income arising from P3/P4	200	200	200		0	0	(200)	0	(400)
Loss of HB Admin grant	179	179	83		0	83	0	0	(179)
Apprenticeship Levy	450	450	450	338	206	300	(150)	(100)	(235)
Revenuisation and miscellaneous	1,361	1,361	1,586	1,222	393	1,586	0	0	(432)
Contingencies & provisions	**4,291**	**4,291**	**4,419**	**1,560**	**629**	**3,769**	**(650)**	**(350)**	**(2,447)**
Other income	0	0	0	0	(630)	(624)	(624)	(624)	(56)
CHAS IP/Dividend	(1,367)	(1,367)	(1,367)	(935)	(935)	(1,367)	0	0	(48)
Income items	**(1,367)**	**(1,367)**	**(1,367)**	**(935)**	**(1,565)**	**(1,991)**	**(624)**	**(624)**	**(104)**
Appropriations: CS Reserves	0	0	(815)	(815)	(815)	(815)	0	0	0
Appropriations: E&R Reserves	4	4	(361)	(361)	43	(361)	0	0	2
Appropriations: CSF Reserves	49	49	17	17	(32)	17	0	0	0
Appropriations: C&H Reserves	(104)	(104)	(104)	(104)	0	(104)	0	0	(600)
Appropriations:Public Health Reserves	(1,200)	(1,200)	(1,200)	(1,200)	0	(1,200)	0	0	600
Appropriations:Corporate Reserves	(91)	(91)	(91)	(91)	0	(91)	0	0	2,443
Appropriations/Transfers	**(1,342)**	**(1,342)**	**(2,554)**	**(2,554)**	**(804)**	**(2,554)**	**0**	**0**	**2,445**
Depreciation and Impairment	**(19,008)**	**(19,008)**	**(19,008)**	**0**	**0**	**(19,008)**	**0**	**0**	**0**
Central Items	**(3,950)**	**(3,950)**	**(6,398)**	**5,584**	**5,195**	**(7,764)**	**(1,366)**	**(738)**	**(926)**
Levies	**938**	**938**	**938**	**775**	**775**	**938**	**0**	**0**	**0**
TOTAL CORPORATE PROVISIONS	**(3,012)**	**(3,012)**	**(5,459)**	**6,359**	**5,971**	**(6,825)**	**(1,366)**	**(738)**	**(926)**

Appendix 3

Pay and Price Inflation as at December 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 2.1% and RPI at 2.7% 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%. The Chief Officers pay award is 2% for 2018/19.

Prices:
The Consumer Prices Index (CPI) 12-month rate was 2.1% in December 2018, down from 2.3% in November 2018.The Consumer Prices Index including owner occupiers' housing costs (CPIH) 12-month inflation rate was 2.0% in December 2018, down from 2.2% in November 2018.The largest downward contributions to change in the 12-month rate came from falls in petrol prices and from air fares, where ticket prices rose between November and December 2018, but by less than a year ago. These downward effects were offset by upward contributions from a variety of categories including accommodation services and, to a lesser extent, mobile phone charges, games, toys and hobbies, and food. The RPI 12-month rate for December 2018 stood at 2.7%, down from 3.2% in November 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 6 February 2019, the MPC voted unanimously to maintain Bank Rate at 0.75%. 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 minutes of the meeting the MPC state that "CPI inflation fell to 2.1% in December and is expected to decline to slightly below the MPC's 2% target in the near term, largely due to the sharp fall in petrol prices which has occurred since November. As that effect unwinds, CPI inflation rises above 2%. The MPC judges that demand and potential supply are currently broadly in balance. The weaker near-term outlook is likely to lead to a small margin of slack opening up this year. Thereafter, demand growth exceeds the subdued pace of supply growth and excess demand builds over the second half of the forecast period. As a result, domestic inflationary pressures firm, as the upward pressure on inflation of sterling's past depreciation wanes. Under the assumptions that condition the February Report, inflation settles at a rate a little above the target."

The MPC's updated projections for inflation and activity are set out in the February Inflation Report published on 7 February 2019.

In the February Inflation Report, the MPC considers what the prospects for inflation are for the period under review. It states that ” inflation is expected to fall to 1.8% in January, and to remain just below the target throughout 2019. That forecast is lower than in the November Report, mainly reflecting the continued impact of lower petrol prices. It also includes the estimated impact of measures announced in Budget 2018. These measures include a freeze in the rate of fuel duty and some alcohol duties, which together reduce inflation by just under 0.1 percentage points from early 2019. Over the forecast period as a whole, external cost pressures are expected to be lower compared with recent years. Domestic cost pressures are expected to continue to strengthen. Inflation expectations, which can influence wage and price-setting decisions, remain consistent with inflation returning to the target in the medium term.“ The MPC recognises that UK GDP growth seems to have slowed and expect it to remain subdued during most of 2019 which reflects a weakening of global growth and “the intensification of Brexit uncertainties”. The MPC concludes that “conditioned on paths for interest and exchange rates that are somewhat more stimulative than in November, UK GDP growth begins to pick up later this year and is expected to be a little stronger in the medium term than was projected three months ago. Although it remains modest by historical standards, demand growth exceeds potential supply growth on average over the forecast. As a result, excess demand builds over the second half of the forecast period, raising domestic inflationary pressures. In the near term, inflation is expected to fall to slightly below the MPC’s 2% target, largely reflecting the sharp fall in oil prices which has occurred since November. As that effect unwinds, CPI inflation rises above 2%, and remains a little above the target for the rest of the forecast period.”

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

Short Term Forecasts for the UK Economy

Source: HM Treasury - Forecasts for the UK Economy (January 2019)			
2018 (Quarter 4)	Lowest %	Highest %	Average %
CPI	2.2	2.6	2.3
RPI	3.0	3.8	3.2
LFS Unemployment Rate	3.8	4.2	4.1
2019 (Quarter 4)	Lowest %	Highest %	Average %
CPI	1.4	3.5	1.9
RPI	2.1	4.2	2.9
LFS Unemployment Rate	3.6	4.5	4.1

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

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

Long-term Forecasts for the UK Economy

Source: HM Treasury - Forecasts for the UK Economy (November 2018)					
	2018	2019	2020	2021	2022
	%	%	%	%	%
CPI	2.5	2.1	2.0	2.0	2.1
RPI	3.4	3.2	3.1	3.3	3.3
LFS Unemployment Rate	4.1	4.1	4.2	4.4	4.4

Office for Budget Responsibility– Fiscal and economic outlook (October 2018)
The Office for Budget Responsibility (OBR) published its 2018 "Economic and fiscal outlook" at the same time as the Budget 2018 on 29 October 2018. Some of the key forecasts for the economy and public finances are included in the following table:-

Table 7: OBR Fiscal and Economic Outlook for the UK Economy

	Outturn 2017/18	Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24
Gross Domestic Product (GDP) Growth (%)	1.7	1.3	1.6	1.4	1.4	1.5	1.6
Public Sector Net Borrowing (£bn)	39.8	25.5	31.8	26.7	23.8	20.8	19.8
Public Sector Net Borrowing (% of GDP)	1.9	1.2	1.4	1.2	1.0	0.9	0.8
Public Sector Net Debt (%)	85.0	83.7	82.8	79.7	75.7	75.0	
CPI (%)	2.7	2.6	2.0	2.0	2.1	2.1	2.0
RPI (%)	3.6	3.5	3.1	3.1	3.2	3.1	3.1
LFS Unemployment Rate (%)	4.4	4.0	3.7	3.8	3.9	3.9	4.0

Appendix 4

Treasury Management: Outlook

At its meeting ending on 6 February 2019, the MPC voted unanimously to maintain Bank Rate at 0.75%. 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 February Inflation Report was published on 7 February 2019. As is to be expected the outcome of the Brexit negotiations is seen as key but uncertain with the MPC noting that "The economic outlook will continue to depend significantly on the nature of EU withdrawal, in particular: the new trading arrangements between the European Union and the United Kingdom; whether the transition to them is abrupt or smooth; and how households, businesses and financial markets respond. The appropriate path of monetary policy will depend on the balance of these effects on demand, supply and the exchange rate. The monetary policy response to Brexit, whatever form it takes, will not be automatic and could be in either direction. The MPC judges at this month's meeting that the current stance of monetary policy is appropriate. The Committee will always act to achieve the 2% inflation target."

In terms of prospects for interest rates and economic growth, the MPC conclude that "Over the past few months, market expectations for the path of Bank Rate have fallen. That path currently implies a gradual rise in Bank Rate to around 1.1% by the end of the forecast period, around 25 basis points lower than at the time of the November 2018 Report. At the same time, UK equity prices are a little lower and corporate bond spreads higher. There have been similar developments in financial conditions in other advanced economies, which have occurred alongside the weaker outlook for global growth. The sterling exchange rate has been volatile, largely reflecting Brexit news, but starts the projection a little lower than in November. Four-quarter UK GDP growth is projected to decline in 2019, before rising to 2% by the end of the forecast period. That is lower than in the November Report in the near term, reflecting the impact of heightened uncertainty, weaker global GDP growth and tighter financial and credit conditions. Further out, UK GDP growth picks up as uncertainty wanes and as the stimulus from looser fiscal policy and lower paths for interest and exchange rates more than offsets the impact of lower global activity and tighter financial conditions. In the medium term, growth is higher than in the November Report. Over the forecast as a whole, growth remains modest by historical standards."

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.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	End Q.3 2021	End Q.4 2021	End Q.1 2022
Feb.'19	0.7	0.7	0.8	0.9	0.9	0.9	1.0	1.0	1.0	1.1	1.1	1.1	1.1
Nov.'18	0.8	0.9	0.9	1.0	1.1	1.1	1.2	1.2	1.3	1.3	1.4	1.4	
Aug.'18	0.7	0.8	0.9	0.9	1.0	1.0	1.0	1.1	1.1	1.1	1.1		
May '18	0.8	0.9	1.0	1.0	1.1	1.1	1.2	1.2	1.2	1.2			
Feb.'18	0.8	0.9	0.9	1.0	1.0	1.1	1.1	1.1	1.2				
Nov.'17	0.8	0.8	0.8	0.9	0.9	0.9	1.0	1.0					
Aug.'17	0.5	0.6	0.6	0.7	0.7	0.7	0.8						
May '17	0.4	0.4	0.4	0.5	0.5	0.5							
Feb'17	0.5	0.5	0.6	0.6	0.7								
Nov.'16	0.3	0.3	0.4	0.4									
Aug.'16	0.2	0.2	0.2										
May '16	0.7	0.8											
Feb. '16	1.1												

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 in the February Inflation report are based on four key assumptions:-

Key Judgement 1: global GDP growth weakens further and settles at close to its potential rate.

Key Judgement 2: UK domestic demand growth is soft over much of 2019, due in part to elevated Brexit uncertainties, before picking up.

Key Judgement 3: potential supply continues to grow at subdued rates and excess demand emerges over the forecast.

Key Judgement 4: CPI inflation is supported by strengthening domestic inflation, although it falls slightly below the target temporarily due to lower energy prices

Capital Budget Monitoring December 2018

	Actuals	Budgeted Spend to Date	Variance to Date	Final Budget	Final Forecast 2018/19	Full Year Variance
Capital	**20,542,497**	**22,380,425**	**(1,837,928)**	**37,155,090**	**37,130,522**	**(24,568)**
Corporate Services	**3,975,379**	**5,248,010**	**(1,272,631)**	**8,636,160**	**8,604,110**	**(32,050)**
Customer, Policy and Improvmen	**4,305**	**600,000**	**(595,695)**	**1,999,310**	**1,999,310**	**0**
Customer Contact Programme	4,305	600,000	(595,695)	1,999,310	1,999,310	0
Facilities Management Total	**2,389,138**	**2,380,720**	**8,418**	**3,214,220**	**3,214,220**	**0**
Works to other buildings	172,612	520,040	(347,428)	695,040	647,043	(47,997)
Civic Centre	199,823	268,430	(68,607)	481,430	517,007	35,577
Invest to Save schemes	2,016,703	1,592,250	424,453	2,037,750	2,050,170	12,420
Infrastructure & Transactions	**1,330,036**	**1,908,740**	**(578,704)**	**2,283,280**	**2,283,280**	**(0)**
Business Systems	59,149	164,240	(105,091)	255,490	255,490	(0)
Social Care IT System	48,000	12,500	35,500	62,500	62,500	0
Disaster recovery site	393,638	315,000	78,638	394,290	394,290	0
Planned Replacement Programme	829,249	1,417,000	(587,751)	1,571,000	1,571,000	0
Resources	**26,900**	**132,050**	**(105,150)**	**211,850**	**179,800**	**(32,050)**
Financial System	26,900	59,000	(32,100)	97,000	97,000	0
ePayments System	0	32,050	(32,050)	32,050	0	(32,050)
Kofax Scanning	0	41,000	(41,000)	82,800	82,800	0
Corporate Items	**65,000**	**66,500**	**(1,500)**	**66,500**	**66,500**	**0**
Acquisitions Budget	65,000	66,500	(1,500)	66,500	66,500	0
Housing Company	160,000	160,000	0	861,000	861,000	0
Community and Housing	**634,666**	**745,090**	**(110,424)**	**1,118,010**	**1,117,995**	**(15)**
Adult Social Care	**0**	**43,750**	**(43,750)**	**43,750**	**43,750**	**0**
Telehealth	0	43,750	(43,750)	43,750	43,750	0
Housing	**588,426**	**634,600**	**(46,174)**	**917,520**	**917,520**	**0**
Disabled Facilities Grant	588,426	634,600	(46,174)	917,520	917,520	0
Libraries	**46,239**	**66,740**	**(20,501)**	**156,740**	**156,725**	**(15)**
Library Enhancement Works	7,388	16,740	(9,352)	16,740	16,892	152
Libraries IT	38,851	50,000	(11,149)	140,000	139,833	(167)

Capital Budget Monitoring December 2018

	Actuals	Budgeted Spend to Date	Variance to Date	Final Budget	Final Forecast 2018/19	Full Year Variance
Children Schools & Families	**4,777,283**	**5,646,970**	**(869,687)**	**9,396,180**	**9,395,680**	**(500)**
Primary Schools	**638,428**	**725,560**	**(87,132)**	**899,050**	**898,550**	**(500)**
Hollymount	55,166	0	55,166	59,000	59,000	0
Hatfeild	35,324	41,000	(5,676)	41,000	41,000	0
Joseph Hood	2,836	2,900	(64)	2,900	2,900	0
Dundonald	12,385	50,980	(38,595)	60,190	60,090	(100)
Merton Abbey	0	0	0	50,560	50,560	0
Poplar	34,910	47,590	(12,680)	47,590	47,590	0
Wimbledon Park	21,126	23,500	(2,374)	43,580	43,180	(400)
Abbotsbury	(628)	0	(628)	0	0	0
Morden	64,841	76,380	(11,539)	76,380	76,380	0
Cranmer	49,912	54,600	(4,688)	54,600	54,600	0
Gorringe Park	28,051	30,670	(2,620)	30,670	30,670	0
Haslemere	45,618	50,000	(4,382)	52,230	52,230	0
Liberty	55,577	70,000	(14,423)	74,440	74,440	0
Links	(690)	0	(690)	0	0	0
Singlegate	0	11,000	(11,000)	11,000	11,000	0
St Marks	88,311	99,240	(10,929)	100,920	100,920	0
Lonesome	47,690	55,000	(7,310)	81,290	81,290	0
Stanford	98,000	112,700	(14,700)	112,700	112,700	0
Unallocated School Capital Maint.	0	0	0	0	0	0
Secondary School	**2,344,288**	**3,459,210**	**(1,114,922)**	**4,800,430**	**4,800,430**	**(0)**
Harris Academy Morden	0	104,000	(104,000)	104,000	104,000	0
Harris Academy Merton	329,708	323,130	6,578	444,090	444,090	0
Raynes Park	0	0	0	574,000	574,000	0
Ricards Lodge	0	15,000	(15,000)	15,000	15,000	0
Rutlish	21,282	21,500	(218)	21,500	21,500	0
Harris Academy Wimbledon	1,993,298	2,995,580	(1,002,282)	3,641,840	3,641,840	(0)
SEN	**1,473,004**	**1,403,890**	**69,114**	**2,571,140**	**2,571,140**	**0**
Perseid	965,798	675,960	289,838	1,271,120	1,271,120	0
Cricket Green	500,714	650,000	(149,286)	1,200,000	1,200,000	0
Unlocated SEN	6,493	77,930	(71,437)	100,020	100,020	0
CSF Schemes	**321,563**	**58,310**	**263,253**	**1,125,560**	**1,125,560**	**0**
CSF IT Schemes	56,513	58,310	(1,797)	58,310	58,310	0
Devolved Formula Capital	265,050	0	265,050	1,067,250	1,067,250	0

Appendix 5a

Capital Budget Monitoring December 2018

	Actuals	Budgeted Spend to Date	Variance to Date	Final Budget	Final Forecast 2018/19	Full Year Variance
Environment and Regeneration	**11,155,169**	**10,740,355**	**414,814**	**18,004,740**	**18,012,738**	**7,998**
Public Protection and Developm	**219**	**0**	**219**	**229,970**	**229,970**	**0**
CCTV Investment	219	0	219	39,490	39,490	0
Public Protection and Developm	0	0	0	190,480	190,480	0
Street Scene & Waste	**2,708,160**	**2,288,060**	**420,100**	**5,114,060**	**5,113,597**	**(463)**
Fleet Vehicles		337,100	(337,100)	472,600	472,600	0
GPS Vehical Tracking Equipment	2,460	0	2,460	0	0	0
Alley Gating Scheme	8,194	10,000	(1,806)	25,000	25,000	0
Smart Bin Leases - Street Scen	6,552	0	6,552	5,500	5,500	0
Waste SLWP	2,690,954	1,940,960	749,994	4,610,960	4,610,497	(463)
Sustainable Communities	**8,446,790**	**8,452,295**	**(5,505)**	**12,660,710**	**12,669,171**	**8,461**
Street Trees	0	0	0	57,690	57,690	0
Raynes Park Area Roads	0	0	0	26,110	26,110	0
Highways & Footways	2,571,894	2,700,350	(128,456)	4,222,940	4,222,950	10
Cycle Route Improvements	315,980	385,200	(69,220)	660,980	660,980	0
Mitcham Transport Improvements	26,743	236,680	(209,938)	214,000	214,000	0
Tackling Traffic Congestion	(18)	0	(18)	0	(1)	(1)
Mitcham Area Regeneration	39,340	104,360	(65,020)	136,360	136,369	9
Wimbledon Area Regeneration	0	0	0	25,000	25,000	0
Borough Regeneration	307,505	220,820	86,685	560,050	560,050	0
Morden Leisure Centre	4,562,131	4,546,760	15,371	5,864,530	5,864,530	0
Sports Facilities	183,407	0	183,407	373,460	373,100	(360)
Parks	439,808	258,125	181,683	519,590	528,392	8,802

Virement, Re-profiling and New Funding - December 2018

Appendix 5b

		2018/19 Budget	Virements	Funding Adjustments	Reprofiling	Revised 2018/19 Budget	2019/20 Budget	Movement	Revised 2019/20 Budget	Narrative
-	-	£	£		£	£	£		£	
Children, Schools and Families	-									
Devolved Formula Capital	(1)	**353,390**		713,860		**1,067,250**			**0**	Additional Government Ringfenced Funding 2018/19
Harris Academy Wimbledon	(1)	**3,825,000**	(183,160)			**3,641,840**	**3,153,510**		**3,153,510**	Virement to cover final contractual costs
Perseid Expansion	(1)	**1,087,960**	183,160			**1,271,120**			**0**	Virement to cover final contractual costs
Unallocated School Capital Maintenance		**7,640**	(70,640)		63,000	**0**	**650,000**	(63,000)	**587,000**	Virements to cover urgent capital maintenance
Merton Abbey Capital Maintenance		**0**	50,560			**50,560**			**0**	Virements to cover urgent capital maintenance
Wimbledon Park Capital Maintenance		**23,500**	20,080			**43,580**			**0**	Virements to cover urgent capital maintenance
Environment and Regeneration										
Higways & Footways - Cauality Reduction & Schools	(1)	**204,570**	145,000			**349,570**			**0**	Virement between TfL funded Schemes
Higways & Footways -A298/A238 Strategic Corridor	(1)	**81,000**	(81,000)			**0**			**0**	Virement between TfL funded Schemes
Cycle Route Imps - Beddington Lane Cycle Route		**351,000**	(45,000)	(45,000)		**261,000**			**0**	Virement between TfL funded Schemes with £45k to Revenue
Cycle Route Imps - Cycle Imps Residential Streets		**180,000**	45,000			**225,000**			**0**	Virement between TfL funded Schemes
Mitcham Trans Imps - Figges March	(1)	**214,000**	(64,000)			**150,000**			**0**	Virement between TfL funded Schemes
Total		**6,328,060**	**0**	**668,860**	**63,000**	**7,059,920**	**3,803,510**	**(63,000)**	**3,740,510**	

(1) Requires Cabinet Approval

Capital Programme Funding Summary 2018/19

	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
Approved Capital Programme	22,076	14,347	36,423
Children, Schools and Families			
Devolved Formula Capital	0	714	714
Schools Capital Maintenance	63	0	63
Environment and Regeneration			
Cycle Route Imps - Beddington Lane Cycle Route	0	(45)	(45)
Proposed Capital Programme	22,139	15,016	37,155

Capital Programme Funding Summary 2019/20

	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
Approved Capital Programme	49,298	6,028	55,326
Children, Schools and Families			
Schools Capital Maintenance	(63)	0	(63)
Proposed Capital Programme	49,235	6,028	55,263

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