

Cabinet

Date: 25 March 2019

Subject: Financial Report 2018/19 – January 2019

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 underspend at year-end of £2.48 million. 0.46% of gross budget.
- B. That Cabinet approve the adjustments to the Capital Programme contained in Appendix 5b
- 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	2019/20 Budget	Narrative
Corporate Service			
Customer Contact Programme	(1,499,010)	1,499,010	Reprofiled in accordance with projected spend
Environment and Regeneration			
Cycle Route Imps - Beddington Lane Cycle Routes	(135,000)	135,000	TfL Approved Re-profiling
Total	(1,634,010)	1,634,010	

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 This is the financial monitoring report for period 10, 31st January 2019 presented in line with the financial reporting timetable.
- This financial monitoring report provides-
- The income and expenditure at period 10 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 10 to 31st January 2019, the year-end forecast is a net £2.48m underspend compared to the current budget (£1.49m forecast underspend at period 9). This is before any contribution from the 2018/19 London Business Rates Pilot, which will not be notified until the new financial year. The forecast position has improved by £0.99m compared to last month.

Summary Position as at 31st January 2019

	Current Budget 2018/19 £000s	Full Year Forecast (Jan) £000s	Forecast Variance at year end (Jan) £000s	Forecast Variance at year end (Dec) £000s	Outturn variance 2017/18 £000s
Department					
3A. Corporate Services	11,320	9,362	(1,958)	(1,629)	(812)
3B. Children, Schools and Families	59,409	62,341	2,932	3,088	2,249
3C. Community and Housing	64,225	64,093	(132)	(113)	922
3D. Public Health	0	(0)	0	(0)	0
3E. Environment & Regeneration	18,746	17,451	(1,294)	(1,468)	(1,211)
Overheads	0	0	0	0	0
NET SERVICE EXPENDITURE	153,700	153,248	(452)	(122)	1,148
3E. Corporate Items					
Impact of Capital on revenue budget	8,404	8,930	526	526	(103)
Other Central budgets	(18,708)	(21,265)	(2,557)	(1,893)	(823)
Levies	938	938	0	0	0
TOTAL CORPORATE PROVISIONS	(9,366)	(11,397)	(2,031)	(1,367)	(926)
TOTAL GENERAL FUND	144,334	141,851	(2,483)	(1,489)	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	1	(2,482)	(2,483)	(1,489)	(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	2018/19 Full year Forecast (January)	2018/19 Full Year Forecast Variance (January)	2018/19 Full Year Forecast Variance (December)	2017/18 Outturn Variance
	£000	£000	£000	£000	£000
Customers, Policy & Improvement	3,651	3,589	-62	-8	46
Infrastructure & Technology	11,557	11,339	-218	-228	71
Corporate Governance	2,425	2,250	-176	-138	-229
Resources	6,298	5,809	-489	-470	-515
Human Resources	1,811	1,825	14	11	-207
Corporate Other	768	-260	-1,027	-795	22
Total (Controllable)	26,510	24,552	-1,958	-1,629	-812

Overview

At the end of period 10 (January) the Corporate Services (CS) department is forecasting an underspend of £1,958k 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 £329k compared to the period 9 (December) position.

Customers, Policy and Improvement - £62k 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 a favourable movement of £55k from the position reported in December. This is mainly due to increased registrars service income relating to marriage notices and citizenship ceremonies, as well as the identification of salary costs which are to be capitalised within the customer contact team. Additionally, community plan engagement work previously forecast to be carried out in 2018/19 will now take place in the next financial year.

Infrastructure & Technology - £218k under

There is a forecast underspend of £192k 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 an overspend on telecoms and 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 an adverse movement of £10k from the position reported in December. This is mainly due to increased agency staff forecasts in IT service delivery and facilities. These are largely offset by increased rental income from the Civic Centre.

Corporate Governance – £176k under

Merton's legal services outside of the SLLp model is forecasting a £91k 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 and electoral services are expected to be underspent as a household notification exercise has not been required.

There has been a favourable movement across Corporate Governance of £37k from the position reported in December due to the reduction in electoral services forecast and reduced agency spend within the SLLp budgets resulting in a small surplus being expected.

Resources - £489k under

The Merton Bailiff Service is forecasting to underspend by £308k mainly due to income in excess of the budget. This is in line with the 2017/18 position. There is a forecast underspend of £241k 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 £36k principally due to additional IT licence and postage costs.

Further underspends are forecast within the Director of Corporate Services budget (£57k) due to unused consultancy budget, Financial Strategy and Capital (£54k) due to vacancies and within the Assistant Director's budget (£60k) mainly within consultancy. These will be used to part fund a forecast overspend of £116k 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 £19k from the position reported in December, mainly due to increased bailiff income and reduced benefits administration staffing costs.

Human Resources – £14k 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 £3k from the position reported in December, mainly due to increased external training and the cost of the recent staff survey.

Corporate Items - £1,027k under

The Housing Benefit budget shows a forecast surplus of £1.32m 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 triggering the lower error rate threshold in 17/18 has reduced the subsidy receivable.

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 £232k from the position reported in December, mainly due to a reduced forecast for corporately funded items as, at this point in the year, it is likely that a significant portion of this budget will not be utilised.

Environment & Regeneration

Environment & Regeneration	2018/19 Current Budget	Full year Forecast (Jan)	Forecast Variance at year end (Jan)	Forecast Variance at year end Oct (Dec)	2017/18 Outturn Variance
	£000	£000	£000	£000	£000
Public Protection	(11,078)	(11,903)	(825)	(950)	(1,602)
Public Space	14,944	13,603	(1,341)	(1,330)	632
Senior Management	1,005	998	(7)	(36)	3
Sustainable Communities	8,520	9,399	879	848	(244)
Total (Controllable)	13,391	12,097	(1,294)	(1,468)	(1,211)

Description	2018/19 Current Budget	Forecast Variance at year end (Jan)	Forecast Variance at year end (Dec)	2017/18 Variance at year end
	£000	£000	£000	£000
Overspend within Regulatory Services	578	186	170	78
Underspend within Parking Services	(12,599)	(1,081)	(1,166)	(1,663)
Overspend within Safer Merton & CCTV	943	70	46	(47)
Total for Public Protection	(11,078)	(825)	(950)	(1,602)
Underspend within Waste Services	13,785	(1,668)	(1,469)	97
Underspend within Leisure & Culture	833	(77)	(76)	(166)
Overspend within Greenspaces	1,252	194	143	754
Overspend within Transport Services	(926)	210	72	(53)
Total for Public Space	14,944	(1,341)	(1,330)	632
Underspend within Senior Management & Support	1,005	(7)	(36)	3
Total for Senior Management	1,005	(7)	(36)	3
Overspend within Property Management	(2,819)	556	634	(422)
Overspend within Building & Development Control	(32)	252	250	397
Overspend within Future Merton	11,371	71	(36)	(219)
Total for Sustainable Communities	8,520	879	848	(244)
Total Excluding Overheads	13,391	(1,294)	(1,468)	(1,211)

Overview

The department is currently forecasting an underspend of £1,294k 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 £1,081k

The underspend is mainly as a result of additional penalty charge notices being issued, following the implementation of the ANPR system across the borough (£1,121k).

Included within this forecast is employee related overspend of c£139k 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 to 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 £1,668k

The forecast underspend is largely as a result of an in-year underspend on disposal costs of £1,928k, 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 eight months, the authority will benefit from reduced disposal costs leading to an estimated cost reduction of c£1,200k 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, and IT integration costs (£332k).

Sustainable Communities

Property Management overspend of £556k

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 (£693k). 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 £127k.

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 for the Council's accounts.

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 £444k mainly due to conducting the back log of rent reviews in line with the tenancy agreements. Approximately £242k relates to ongoing rental income but £202k is one-off due this year only.

Development & Building Control overspend by £252k

The section is forecasting to underachieve on income by £359k, 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 (Jan) £000	Forecast Variance at year end (Jan) £000	Forecast Variance at year end (Dec) £000	2017/18 Variance at year end £000
Education	22,214	22,458	244	380	(703)
Social Care and Youth Inclusion	21,500	25,074	3,574	3,498	3,596
Cross Department budgets	480	446	(34)	(30)	(95)
PFI	8,075	7,722	(353)	(363)	(342)
Redundancy costs	2,124	1,625	(499)	(397)	(207)
Total (controllable)	54,393	57,325	2,932	3,088	2,249

Overview

At the end of January Children Schools and Families has a forecast overspend of £2.932m on local authority funded services; a reduction in overspend from December'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, is forecast to result in an increased 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	Jan £000	Dec £000	2017/18 £000
Procurement & School organisation	643	(381)	(381)	(319)

SEN transport	4,133	1,164	1,017	566
Short breaks	217	192	207	64
My futures team	509	(135)	(135)	(212)
Early Years services	3,115	(294)	(133)	(114)
Other small over and underspends	13,597	(302)	(195)	(688)
Subtotal Education	22,214	244	380	(703)
Fostering and residential placements (ART)	7,094	1,232	1,000	813
Un-accompanied asylum seeking children (UASC)	902	642	851	693
Community Placement	0	500	500	750
No Recourse to Public Funds (NRPF)	21	290	294	353
MASH & First Response staffing	1,587	324	311	403
Legal costs	514	298	215	126
Other small over and underspends	11,382	288	327	458
Subtotal Children's Social Care and Youth Inclusion	21,500	3,574	3,498	3,596

Education Division

Procurement and school organisation budgets are forecast to underspend by £381k because of lower spend on revenue 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 £1.164m at the end of the financial year, which includes £958k maintained school taxi cost and £245k direct payments. The forecast outturn for maintained school taxis is £3.266m, circa £543k 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 £32k higher than in December due to a further increase in demand from in-year pupils being placed in out of borough special schools and the result of a review of the forecasting model to provide a more accurate spend projection. The direct payments forecast has also increased by £80k. Although there continues to be significant pressure on this budget, it provides a more cost effective home to school travel option for SEND children.

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 £192k. This relates to an increase in caseload from 398 in April 2018 to 447 in January 2019. 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 affect 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.

As part of management action, where possible in the Early Years' service, recruitment to vacancies in some areas were delayed with the aim to reduce the overall in-year departmental overspend. Additional work has also been undertaken to maximise income generating opportunities. This resulted in an overall underspend of £294k, an increase over an underspend of £133k last month..

There are various other small over and underspends forecast across the division netting to a £302k underspend. These combine with the items described above to arrive at the total reported divisional overspend of £244k.

Children's Social Care and Youth Inclusion Division

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 January 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 January placements forecast overspend has increased by £232k, mainly due to a re-classification of some supported housing cases from UASC to indigenous care leavers resulting in an offsetting reduction in UASC cost.

Service	Budget £000	Forecast spend £000	Variance		Placements	
			Jan £000	Dec £000	Jan No	Dec No
Residential Placements	2,271	2,662	391	414	18	19
Independent Agency Fostering	1,816	1,976	160	151	38	36
In-house Fostering	978	1,428	450	440	61	62
Secure accommodation	136	132	(4)	(7)	1	1
Mother and baby	101	89	(12)	(57)	1	1
Supported lodgings/housing	1,792	2,039	247	59	56	50
Total	7,094	8,326	1,232	1,000	175	169

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 £391k. This is a reduction of £23k in cost, in January due to 1 new residential placement and 2 residential placements ending,
- The agency fostering expenditure is forecast to be overspent by £160k. The increase of £9k in January is due to having 2 new placements. We have also included the financial effect of 2 placements ending in first week of February, although numbers will only be adjusted in February.
- The in-house foster carer expenditure is forecast to overspend by £450k. The increase of £10k in January is due to one new placement cost which moved from the UASC budget due to a reclassification of these placements by the Home Office. This was partially offset by 2 placements ending.
- The secure accommodation expenditure is forecast to be underspent by £4k in January. This forecasted underspend has decreased from last month due to the extension of the placement.
- The mother and baby assessment unit expenditure is forecast to underspend by £12k. The increase of £45k is due to extension of an existing placement with an extra parent joining the placement.
- We are forecasting that the budget for the semi-independent accommodation and supported lodgings/housing placements will overspend by £247k in January. The increase of £188k is due to the classification of some UASC supported housing cases as indigenous care leavers resulting in a reduction in UASC cost.

At the end of January, UASC placements and previously UASC that are now Care Leavers are expected to overspend by £642k, down from £851k last month.

Service	Budget £000	Forecast spend £000	Variance		Placements	
			Jan £000	Dec £000	Jan No	Dec No
Independent Agency Fostering	372	407	35	43	9	10
In-house Fostering	363	537	174	156	25	21
Supported lodgings/housing	167	600	433	652	24	29
Total	902	1,544	642	851	58	60

At the end of January, we had 34 placements for UASC young people under 18 but this is expected to reduce over the next month. Merton receives UASC grant towards these placements although it is not sufficient to cover the full cost. The overall cost for UASC fostering has increased from £199k in December to £209k in January. The increase is due to a net of 3 new placements.

The overall cost for Semi- Independent has decreased from £652k to £433k from last month. This is due to reclassification of some UASC supported housing cases as indigenous care leavers resulting in a reduction in UASC cost. At the end of January we have forecast for 24 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 age 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 will be turning 18 during this financial year.

For 2017/18 Merton received additional UASC capacity support funding of £94k. If Central Government provide this funding again in 2018/19, we would expecting a higher allocation as we have now reached our target of UASC numbers equivalent to 0.07% of our child population on the Pan London Rotas which for Merton is 33.

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 and is forecast to overspend by £290k in the current financial year. This is about £88k less than last year's overspend. The NRPF worker is working closely with housing colleagues to manage cases as they arise and also 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 £324k 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 in this area.

Legal costs are expected to overspend by £298k. 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. The investment in the FDAC is intended to reduce placement costs due to fewer children coming into care.

There are various other small over and underspends forecast across the division netting to a £288k overspend. These combine with the items described above to arrive at the total reported divisional overspend of £3.574m.

Dedicated Schools Grant (DSG)

DSG funded services are forecast to overspend by £4.821m. 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 £3.635m on Independent Day School provision. This is £33k 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 January we had 202 placements, an increase of 8 since last month.

Other pressures include £659k on EHCP allocations to Merton primary and secondary schools, £888k on EHCP allocations to out of borough maintained primary, secondary and special schools, and £1.109m on one-to-one support, OT/SLT and other therapies as well as alternative education. We are also forecasting £439k 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 £680k underspend on independent residential placements, £305k on the growth fund and £231k on de-delegated parenting cover. Additional High Needs grant has also been received from the ESFA of £483k. The table below shows the increase in number of EHCPs over the past 4 years. In January there were 1,712 EHCPs. The number of EHCPs reported has gone down from 1,763 in December due to the final stages of ceasing EHCPs for a number of young people. The young people were not receiving any education and therefore had no cost attached to them. Neither the parents nor young people have responded to requests for a meeting to agree ceasing the plans. We have therefore removed these from the overall number for budget monitoring and statistical return purposes.

+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 £210k underspend which, combined with the items above, equates to the net overspend of £4.821m.

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.

The Early Years block of the DSG is normally adjusted in the June following the end of the financial year as it is based on January census information. We process an estimated adjustment as part of year-end to account for this. We are not able to forecast this adjustment yet and are therefore expecting a change to the net DSG overspend.

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 fourteen in 2018/19. We will not know the position for 2019/20 until June 2019. 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 SWs).

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

This month we have had 1 new residential placement and 2 residential placements ended, one being for respite. We continue to use the Panel processes 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 16 new foster care placements of which 3 are for Supported Lodgings, 3 are for Connected Persons and 10 are new foster carers. Of the 10 new foster carers, 2 have been recruited direct from an IFA and another 3 had been with an IFA but had left their employ and had now subsequently come to work for Merton. We forecast a further 2 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 the same time last year. Our aim is to slow down the increase in more expensive agency foster placements. 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 are also targeting our recruitment to increase our number of in-house mother and child foster placements. One family remains in a residential parenting assessment for the Court directed placement extension 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. We continue to convene the SIA Panel which will record costs incurred. We have commenced work to identify our Housing Benefit payments and what we should be getting and what are the actuals received. This work is still in progress and with the aim of reporting at the end of year.

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 January, fully utilising these cost-effective placements. We expect to be able to procure further placements of this type in the next financial year.

Our average placements costs against each budget code are reported each month. Due to the low numbers in mother and baby units and UASC IFAs, small changes in numbers result in big variations in the average weekly unit costs as detailed in the following table.

Description	Sep	Oct	Nov	Dec	Jan	Movement from last month	Jan
	£	£	£	£	£		
ART Independent Agency Fostering	887	889	901	904	906	● 2	38
ART In-house Fostering	428	442	437	442	445	● 3	61
UASC Independent Agency (Grant)	791	794	797	803	804	● 1	8
UASC In house Fostering (Grant)	505	496	497	500	492	● -8	20
UASC Independent Agency (Non-Grant)	764	764	791	792	548	● -244	1
UASC In house Fostering (Non-Grant)	455	436	445	456	487	● 31	5
ART Residential Placements	4,029	4,032	4,071	4,068	3,977	● -91	18
ART Secure Accommodation	3,918	3,823	2,663	2,822	2,841	● 19	1
ART Mother & Baby Unit		3,357	3,357	3,357	3,516	● 159	1
Supported Housing & Lodgings (Art 16+ Accommodation)	634	644	659	677	661	● -16	56
Supported Housing & Lodgings - UASC (Grant)	838	793	788	771	772	● 1	7
Supported Housing & Lodgings - UASC (Non Grant)	505	500	499	487	447	● -40	17

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. We continue to focus our foster carer recruitment on carers for teenagers to mitigate these potential additional costs.

Children with additional needs

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 £1.753m, however that figure masks substantial one 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	Jan overspend forecast £000	Dec overspend forecast £000	2017/18 over £000
Supported lodgings/housing- care leavers	1,792	247	59	156
Supported lodgings/housing- UASC	167	433	652	520
UASC	734	209	199	173
No Recourse to Public Funds (NRPF)	21	290	294	353
Total	2,478	1,179	1,204	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 £132k as at period 10 January 2019.

Adult Social Care is currently forecasting an under spend of £376k, Housing and Libraries service are forecasting a combined overspend of £244k. Public Health and Merton Adult Learning continues to forecast a breakeven position for 2018.19.

Community and Housing	2018/19 Current Budget £000	Forecast (Jan'19) £'000	Forecast Variance (Jan'19) £000	Forecast Variance (Dec'19) £000	2017/18 Outturn Variance £000
Access and Assessment	45,956	45,681	(275)	(380)	455
Commissioning	4,578	4,366	(212)	17	211
Direct Provision	4,480	4,529	49	(26)	(195)
Directorate	973	1,035	62	69	181
Adult Social Care	55,987	55,611	(376)	(320)	652
Libraries and Heritage	2,131	2,158	27	22	20
Merton Adult Learning	(11)	(11)	0	0	(6)
Housing General Fund	1,848	2,065	217	185	256
Sub-total	59,955	59,823	(132)	(113)	922
Public Health	(143)	(143)	0	0	0
Grand Total	59,812	59,680	(132)	(113)	922

Access & Assessment - £275k underspend

The Access & Assessment underspend has decreased slightly, but is still forecast to have a small underspend by year-end. The impact of winter is starting to be felt by the department. The reablement service has been full and the number of referrals to home care has increased. The Winter Warm & Well programme (funded from the Winter Pressures Grant) with the voluntary sector is in progress, providing a range of solutions and interventions, around fuel poverty, small grants to meet immediate issues, increased capacity for the handyman scheme and the 'Tuned In' project in Wimbledon Art Space.

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

Access & Assessment	Forecast Variances Jan'19 £'000	Forecast Variances Dec'18 £000	Outturn Variances March 18 £000
Underspend on Concessionary Fares- (Postage/taxi-cards)	(104)	(104)	(100)
Overspend on Better Care Fund Risk Share	0	0	425
Other	(354)	(483)	(307)
Placements	(287)	40	1,671
Income	470	167	(1,234)
Total	(275)	(380)	455

Adult Social Care savings not deferred 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 21 packages between December and January and a cumulative reduction of 94 since April 2018. There is currently a downward trend in the number of packages but a spike is expected before March 2019.

Total Number of Clients with an external care package

Placements	Nos. of Clients Jan'19	Nos. of Clients Dec'18	Nos. of Client Nov'18	Nos. of Client Apr'18
Older People	1069	1092	1104	1167
Physical/Sensory	208	206	207	219
Learning Disabilities	361	361	363	356
LD Housing Support	3	3	3	2
Mental Health	129	129	130	125
MH Housing Support	14	14	13	11
Substances Misuse	3	3	4	1
Grand Total	1787	1808	1824	1881

Commissioning - £212k underspend

The commissioning service is currently forecasting an under spend of £212k as at January 2019. This is due to the revision of forecasted spend in several areas.

Direct Provision - £49k overspend (Internal Care Provision)

Direct Provision service is currently forecasting an over spend of £49k as at January 2019. This is due to an additional cost of regrading a group of residential staff, as well as a re-stating of costs for Supported Living staff following a series of journals from the Learning Disability team regarding The Gables. This is now felt to be the true forecast figure for the year.

We have also seen increased costs of utilities, and analysis will be completed over the next quarter to enable an accurate forecast for next year.

There have also been some unforeseen costs from Transport services, passing on high maintenance and repair bills, including around changes to leased vehicles.

C&H - Other Services

Libraries - £27k overspend

The Library & Heritage Service is forecasting an over spend of £27k which is an increase of £5K. This is due to a small decrease in anticipated client receipts and an increase in utilities costs.

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 service continues to forecast a breakeven position as at January 2019.

Housing - £217k overspend

The housing service is forecasting an over spend as at January 2019 of £217k. This service forecasted overspend continues to fluctuate based on a small increase in demand between December and January. This is due to the unpredictability surrounding the shortfall on subsidy, demand for temporary accommodation, 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 continues to be exceeded each month.

Period	Homelessness Prevention Targets
Full Year Target	450
Target YTD	375
Achieved - Sept'18	243
Achieved - Oct'18	263
Achieved - Nov'18	313
Achieved - Dec'18	346
Achieved - Jan'19	387

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 January 2019. 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 (Jan'19) £'000	Forecast Variances (Dec'18) £000	Outturn Variances (Mar'18) £000
Temporary Accommodation-Expenditure	2,330	574	541	909
Temporary Accommodation-Client Contribution	(140)	(532)	(576)	(595)
Temporary Accommodation-Housing Benefit Income	(2,000)	135	97	(160)
Temporary Accommodation-Subsidy Shortfall	322	388	414	517
Temporary Accommodation- Grant	-	(481)	(481)	(406)
Sub-total Temporary Accommodation	512	84	(5)	259
Housing Other Budgets- Over(under)spend	1,336	133	190	(3)
Total	1,848	217	185	256

Temporary Accommodation (TA) Movements to date

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

Based on data below to date the service currently accommodate on an average 172 clients. This is less than numbers as at March 2017 but more than that of March 2018.

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
January 2019	19	15	171

Public Health - Forecasting a breakeven position

Public Health continues to report a break-even position. This assumes potential pressures are fully neutralised by the potential capacities. The remaining shortfall in Sexual Health Services are mitigated by:

- Efficiencies emanating from re-commissioning the Substance Misuse Detox contract and 1 FTE and a part-year staff vacant post.
- Savings from the repatriation of Sexual Health clients to local providers and the channel shift of asymptomatic clients from use of clinics to the online Pan-London Service.

The department maintains a culture of effective cost control.

Corporate Items

The details comparing actual expenditure up to 31 January 2019 against budget are contained in Appendix 2. The main areas of variance as at 31 January 2019 are:-

Corporate Items	Current Budget 2018/19 £000s	Full Year Forecast (Jan.) £000s	Forecast Variance at year end (Jan.) £000s	Forecast Variance at year end (Dec.) £000s	2016/17 Year end Variance £000s
Impact of Capital on revenue budget	8,403	8,930	527	527	(103)
Investment Income	(759)	(1,031)	(272)	(241)	408
Pension Fund	3,346	3,096	(250)	0	(389)
Pay and Price Inflation	1,122	744	(378)	(378)	(736)
Contingencies and provisions	4,419	3,386	(1,033)	(650)	(2,447)
Income Items	(1,367)	(1,991)	(624)	(624)	(104)
Appropriations/Transfers	(2,593)	(2,593)	0	0	2,445
Central Items	4,168	1,611	(2,557)	(1,893)	(823)
Levies	938	938	0	0	0
Depreciation and Impairment	(22,876)	(22,876)	0	0	0
TOTAL CORPORATE PROVISIONS	(9,367)	(11,397)	(2,030)	(1,366)	(926)

There are a number of revisions to the forecast for corporate items based on spend up to 31 January 2019:-

- It is anticipated that there will be an underspend of £0.250m within the budget provision for the Pension Fund which relates to auto enrolment because these costs are being contained within departmental employees budgets.
- An increase in the underspend in the Corporate contingency of £0.250m is anticipated.
- The balance of £0.083m in the budget provided to cover for loss of Housing Benefit Administration Grant will not be required.
- Based on current expenditure, it is anticipated that there will be an underspend of £0.200m on the Apprenticeship Levy budget, an increase of £0.050m on the previous forecast.
- There has been a small increase in the forecast for investment income of £0.031m.

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	(1,565)	7,071	27,985	1,499	29,484	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	9,397	0	9,397	16,639	0	16,639	3,202	0	3,202	650	0	650
E&R	18,005	(310)	17,695	10,159	436	10,595	7,517	0	7,517	7,264	0	7,264
TOTAL	37,156	(1,875)	35,281	55,325	1,935	57,197	15,294	0	15,294	20,277	0	20,277

* Includes £23 million Housing Company Budget

4.2 The table below summarises the position in respect of the 2018/19 Capital Programme as at January 2019. The detail is shown in Appendix 5a

Capital Budget Monitoring January 2019

Department	Actuals	Budgeted Spend to Date	Variance to Date	Final Budget	Final Forecast 2018/19	Full Year Variance
Corporate Services	4,307,711	5,491,795	(1,506,084)	7,070,720	6,985,574	(85,146)
Community and Housing	706,809	838,090	(131,281)	1,118,010	1,030,184	(87,826)
Children Schools & Families	5,271,775	7,076,970	(1,805,195)	9,396,180	9,254,756	(141,424)
Environment and Regeneration	11,857,815	11,348,520	509,295	17,694,680	17,652,461	(42,220)
Total	22,144,110	24,755,375	(2,933,265)	35,279,590	34,922,974	(356,616)

- a) Corporate Services – All budget managers are projecting a full year spend apart from:
 - Business Systems are projecting an in year underspend of £53k
 - E-payments £32k in year underspend based on profiled spend
 Customer contact budget of £1,499 has been re-profiled into 2019-20 and the planned replacement programme within Infrastructure and Transactions has been reduced by £66k to reflect the movement of items to revenue expenditure.
- b) Community and Housing – All budget managers are projecting a full year spend apart from Disabled Facilities Grant which is projecting an in year underspend of £47k and Telehealth projected in-year underspend by £40k.
- c) Children, Schools and Families – All budget managers are projecting a full year spend apart from Harris Academy Wimbledon which is projecting an in year underspend of £141k.
- d) Environment and Regeneration – All budget areas are projecting full spend apart from
 - Fleet vehicles are projecting a £45k in year underspend and have requested that up to £38k be slipped into 2019/20.
 - Parks are showing a small overspend of £3k which will be contained within other E&R capital budgets.

The following TfL re-profiling from 2018-19 to 2019-20 is being actioned:

Scheme		2018/19 Budget	2019/20 Budget
Highways & Footways - Accessibility Programme		(30,980)	30,980
Highways & Footways - Casualty Red. & Schools		(73,770)	73,770
Highways & Footways - Safer Walking Routes		(16,000)	16,000
Highways & Footways - School Part Time Rd Closure	-	(60,000)	60,000
Cycle Route Imps - Cycle Imps Residential Sts		(45,000)	45,000
Cycle Route Imps - Beddington Lane Cycle Routes	(1)	(135,000)	135,000
Mitcham Transport Imps - Figges Marsh		(45,000)	45,000
Mitcham Transport Imps - Mitcham Town Centre		(30,100)	30,100

The following items have been added to the programme funded by revenue contributions and London Marathon Trust:

Scheme		2018/19 Budget	Narrative
On Street Parking - P&D		36,720	Purch of new P&D Machines funded from Revenue
CCTV Investment		33,730	Purch of new CCTV Cameras funded from Revenue
Property Management Enhancement		41,840	Purch of new Boiler funded from Revenue
Sports Facilities - Leisure Centres Plant & Machinery		13,500	London Maraton Trust Grant

4.3 The table below compares capital expenditure (£000s) to January 2019 to that achieved over the last few years:

Depts.	Spend To January 2016	Spend To January 2017	Spend to January 2018	Spend to January 2019	Variance 2016 to 2019	Variance 2017 to 2019	Variance 2018 to 2019
CS	713	547	6,289	4,308	3,595	3,760	(1,982)
C&H	1,345	1,606	776	707	(638)	(899)	(69)
CSF	11,159	10,623	4,379	5,272	(5,887)	(5,351)	892
E&R	5,553	9,128	10,743	11,858	6,305	2,730	1,115
Total Capital	18,770	21,904	22,188	22,144	3,374	240	(43)

Outturn £000s	29,327	30,626	32,230	
Budget £000s				35,281
Projected Spend January 2019 £000s				34,923
Percentage Spend to Budget				62.77%
% Spend to Outturn/Projection	64.00%	71.52%	68.84%	63.41%
Monthly Spend to Achieve Projected Outturn £000s				6,389

4.4 January is ten months into the financial year and departments have spent just over 64% of the budget. Spend to date is higher than two of the three previous financial years shown.

Department	Spend To Dec 2018 £000s	Spend To Jan 2019 £000s	Increase £000s
CS	3,975	4,308	333
C&H	635	707	72
CSF	4,777	5,272	495
E&R	11,155	11,858	703
Total Capital	20,542	22,144	1,602

4.5 During January 2019 officers spent £1.602 million, which highlights that it is highly unlikely that a projected Authority wide spend of £35 million will be achieved. Moving budget into subsequent financial years will be progressed as part of slippage within the closing of accounts 2018/19 process.

5. DELIVERY OF SAVINGS FOR 2018/19

Department	Target Savings 2018/19 £000	Projected Savings 2018/19 £000	Period 10 Forecast Shortfall £000	Period 9 Forecast Shortfall £000	Period Forecast Shortfall (P10) %	2019/20 Expected Shortfall £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	2,061	137	200	6.2%	18
Environment and Regeneration	1,874	1,401	473	473	25.2%	0
Total	6,585	5,470	1,115	1,178	16.9%	403

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	201	100	0	0	0
Environment and Regeneration	3,134	2,188	705	45	666	45
Total	10,314	2,592	805	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 – 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.

15. REPORT AUTHOR

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APPENDIX 1

Summary Position as at 31st January 2019

	Original Budget 2018/19 £000s	Current Budget 2018/19 £000s	Full Year Forecast (Jan) £000s	Forecast Variance at year end (Jan) £000s	Forecast Variance at year end (Dec) £000s	Outturn variance 2017/18 £000
Department	-	-	-	-	-	-
3A. Corporate Services	9,495	11,320	9,362	(1,958)	(1,629)	(812)
3B. Children, Schools and Families	56,145	59,409	62,341	2,932	3,088	2,249
3C. Community and Housing	-	-	-	-	-	-
Adult Social Care	58,778	59,257	58,881	(376)	(320)	646
Libraries & Adult Education	2,771	2,829	2,856	27	22	20
Housing General Fund	2,207	2,141	2,358	217	185	256
3D. Public Health	(0)	(0)	(0)	0	(0)	0
3E. Environment & Regeneration	17,951	18,746	17,451	(1,294)	(1,468)	-1,211
NET SERVICE EXPENDITURE	147,345	153,701	153,250	-451	-123	1,148
3E. Corporate Items						
Impact of Capital on revenue budget	8,403	8,403	8,930	-	527	(103)
Other Central items	(12,353)	(18,708)	(21,265)	(2,557)	(1,893)	(823)
Levies	938	938	938	0	0	0
TOTAL CORPORATE PROVISIONS	(3,012)	(9,367)	(11,397)	(2,030)	(1,366)	(926)
TOTAL GENERAL FUND	144,333	144,334	141,853	-2,481	-1,489	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)	1	(2,480)	(2,481)	(1,489)	(265)

Appendix 2

3E. Corporate Items	Council 2018/19 £000s	Original Budget 2018/19 £000s	Current Budget 2018/19 £000s	Year to Date Budget (Jan.) £000s	Year to Date Actual (Jan.) £000s	Full Year Forecast (Jan.) £000s	Forecast Variance at year end (Jan.) £000s	Forecast Variance at year end (Dec.) £000s	Outturn Variance 2017/18 £000s
Cost of Borrowing	8,403	8,403	8,403	5,263	4,953	8,930	527	527	(103)
Revenue Impact of Capital	8,403	8,403	8,403	5,263	4,953	8,930	527	527	(103)
Investment Income	(759)	(759)	(759)	(633)	(677)	(1,031)	(272)	(241)	408
Pension Fund	3,346	3,346	3,346	3,346	3,469	3,096	(250)	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)	(378)	(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)	(378)	(736)
Contingency	1,500	1,500	1,500		0	1,000	(500)	(250)	(1,500)
Single Status/Equal Pay	100	100	100		16	50	(50)	(50)	(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)	(200)	(400)
Loss of HB Admin grant	179	179	83		0	0	(83)	0	(179)
Apprenticeship Levy	450	450	450	338	225	250	(200)	(150)	(235)
Revenuisation and misc.	1,361	1,361	1,586	1,306	455	1,586	0	0	(432)
Contingencies/provisions	4,291	4,291	4,419	1,643	696	3,386	(1,033)	(650)	(2,447)
Other income	0	0	0	0	(631)	(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)	(1,566)	(1,991)	(624)	(624)	(104)
Appropriations: CS Reserves	0	0	(815)	(815)	(815)	(815)	0	0	0
Appropriations: E&R Reserves	4	4	(400)	(400)	43	(400)	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)	(2,593)	(2,593)	(804)	(2,593)	0	0	2,445
Depreciation/Impairment	(19,008)	(19,008)	(22,876)	(22,873)	(22,873)	(22,876)	0	0	0
Central Items	(3,950)	(3,950)	(10,305)	(16,781)	(16,801)	(12,335)	(2,030)	(1,366)	(926)
Levies	938	938	938	849	849	938	0	0	0
CORPORATE PROVISIONS	(3,012)	(3,012)	(9,367)	(15,932)	(15,951)	(11,397)	(2,030)	(1,366)	(926)

Pay and Price Inflation as at January 2019

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 3.3% 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 1.8% in January 2019, down from 2.1% in December 2018. The Consumer Prices Index including owner occupiers' housing costs (CPIH) 12-month inflation rate was 1.8% in January 2019, down from 2.0% in December 2018. The largest downward contribution to the change in the 12-month rate came from electricity, gas and other fuels, with prices overall falling between December 2018 and January 2019 compared with price rises the same time a year ago. These downward effects were partially offset by air fares, with prices falling between December 2018 and January 2019 by less than a year ago. The RPI 12-month rate for January 2019 stood at 2.5%, down from 2.7% in December 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 conclude that “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 (February 2019)			
	Lowest %	Highest %	Average %
2019 (Quarter 4)			
CPI	1.4	3.5	1.9
RPI	2.1	4.2	2.8
LFS Unemployment Rate	3.6	4.8	4.1
2020 (Quarter 4)			
CPI	1.6	4.0	2.1
RPI	2.3	4.5	3.2
LFS Unemployment Rate	3.3	5.3	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 2019 to 2023 are summarised in the following table:-

Medium-term Forecasts for the UK Economy

Source: HM Treasury - Forecasts for the UK Economy (February 2019)					
	2019	2020	2021	2022	2023
	%	%	%	%	%
CPI	1.9	2.0	2.0	2.0	2.1
RPI	2.8	3.2	3.2	3.2	3.2
LFS Unemployment Rate	4.1	4.2	4.4	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:-

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

FUTURE KEY ANNOUNCEMENTS

The Chancellor of the Exchequer, Philip Hammond will present his Spring Statement to Parliament on Wednesday 13 March 2019. The Statement will respond to the forecast from the Office for Budget Responsibility (OBR).

The OBR is expected to produce its latest “Economic and Fiscal Outlook” at the same time and the Spring Statement will comment on this. The Economic and Fiscal Outlook is expected to look at the main developments since the OBR’s last forecast in October 2018 and the latest external forecasts for the UK economy. It is anticipated that the OBR will set out its forecasts for the economy over a five year horizon and include its assumptions regarding the UK’s exit from the EU, its latest forecast changes in light of recent developments and the effect of any relevant Government policies announced since the October 2018 publication.

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 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.”

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

Description	Actuals to Date 2018/19	Budget Year to Date	Year to Date Variance	Final Budget 2018/19	Forecast Outturn	Full Year Variance
Capital	22,144,110	24,755,375	(2,933,265)	35,279,590	34,922,974	(356,616)
Corporate Services	4,307,711	5,491,795	(1,506,084)	7,070,720	6,985,574	(85,146)
Customer, Policy and Improvement	4,305	600,000	(595,695)	500,300	500,300	0
Customer Contact Programme	4,305	600,000	(595,695)	500,300	500,300	0
Facilities Management Total	2,432,222	2,611,505	(179,283)	3,214,220	3,214,220	0
Works to other buildings	186,323	585,040	(398,717)	695,040	513,396	(181,644)
Civic Centre	214,587	282,715	(68,128)	481,430	648,808	167,378
Invest to Save schemes	2,031,312	1,743,750	287,562	2,037,750	2,052,016	14,266
Infrastructure & Transactions	1,645,184	2,081,740	(436,556)	2,216,850	2,163,754	(53,096)
Business Systems	59,149	164,240	(105,091)	255,490	202,394	(53,096)
Social Care IT System	48,000	12,500	35,500	62,500	62,500	0
Disaster recovery site	393,638	350,000	43,638	394,290	394,290	0
Planned Replacement Programme	1,144,397	1,555,000	(410,603)	1,504,570	1,504,570	0
Resources	0	132,050	(132,050)	211,850	179,800	(32,050)
Financial System	0	59,000	(59,000)	97,000	97,000	0
ePayments System	0	32,050	(32,050)	32,050	0	(32,050)
Invoice Scanning SCIS/FIS	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
Investments	161,000	0	(161,000)	861,000	861,000	0
Housing Company	161,000	0	(161,000)	861,000	861,000	0
Community and Housing	706,809	838,090	(131,281)	1,118,010	1,030,184	(87,826)
Adult Social Care	0	43,750	(43,750)	43,750	3,645	(40,105)
Telehealth	0	43,750	(43,750)	43,750	3,645	(40,105)
Housing	668,958	727,600	(58,642)	917,520	870,000	(47,520)
Disabled Facilities Grant	668,958	727,600	(58,642)	917,520	870,000	(47,520)
Libraries	37,851	66,740	(28,889)	156,740	156,539	(201)
Library Enhancement Works	(1,000)	16,740	(17,740)	16,740	16,706	(34)
Libraries IT	38,851	50,000	(11,149)	140,000	139,833	(167)

Capital Budget Monitoring January 2019

Description	Actuals to Date 2018/19	Budget Year to Date	Year to Date Variance	Final Budget 2018/19	Forecast Outturn	Full Year Variance
Children Schools & Families	5,271,775	7,076,970	(1,805,195)	9,396,180	9,254,756	(141,424)
Primary Schools	644,711	725,560	(80,849)	899,050	898,421	(629)
Hollymount	55,166	0	55,166	59,000	59,000	0
Hatfeild	37,324	41,000	(3,676)	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	60,190	0
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	43,571	(9)
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	92,593	99,240	(6,647)	100,920	100,300	(620)
Lonesome	47,690	55,000	(7,310)	81,290	81,290	0
Stanford	98,000	112,700	(14,700)	112,700	112,700	0
Secondary School	2,614,266	4,259,210	(1,644,944)	4,800,430	4,659,631	(140,799)
Harris Academy Morden	0	104,000	(104,000)	104,000	104,000	0
Harris Academy Merton	417,938	383,130	34,808	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	2,175,047	3,735,580	(1,560,533)	3,641,840	3,501,041	(140,799)
SEN	1,661,785	2,033,890	372,105	2,571,140	2,571,141	1
Perseid	1,002,078	805,960	196,118	1,271,120	1,271,121	1
Cricket Green	652,215	1,150,000	(497,785)	1,200,000	1,200,000	0
Unlocated SEN	7,492	77,930	(70,438)	100,020	100,020	0
CSF Schemes	351,013	58,310	292,703	1,125,560	1,125,563	3
CSF IT Schemes	56,513	58,310	(1,797)	58,310	58,310	0
Devolved Formula Capital	294,500	0	294,500	1,067,250	1,067,253	3

Description	Actuals to Date 2018/19	Budget Year to Date	Year to Date Variance	Final Budget 2018/19	Forecast Outturn	Full Year Variance
Environment and Regeneration	11,857,815	11,348,520	509,295	17,694,680	17,652,461	(42,220)
Public Protection and Developm	0	140,930	(140,930)	300,420	300,415	(5)
On Street Parking - P&D	0	0	0	36,720	36,720	0
CCTV Investment	0	0	0	73,220	73,215	(5)
Public Protection and Developm	0	140,930	(140,930)	190,480	190,480	0
Street Scene & Waste	2,707,799	2,293,060	414,739	5,114,060	5,069,642	(44,418)
Fleet Vehicles	0	337,100	(337,100)	472,600	427,593	(45,007)
GPS Vehical Tracking Equipment	2,460	0	2,460	0	0	0
Alley Gating Scheme	7,833	15,000	(7,167)	25,000	25,000	0
Smart Bin Leases - Street Scen	6,552	0	6,552	5,500	6,552	1,052
Waste SLWP	2,690,954	1,940,960	749,994	4,610,960	4,610,497	(463)
Sustainable Communities	9,150,016	8,914,530	235,486	12,280,200	12,282,404	2,204
Street Trees	14,169	17,690	(3,521)	57,690	57,690	0
Raynes Park Area Roads	0	0	0	26,110	26,110	0
Highways & Footways	2,808,484	3,063,350	(254,866)	4,042,190	4,042,190	0
Cycle Route Improvements	324,993	417,120	(92,127)	480,980	480,980	0
Mitcham Transport Improvements	32,079	246,680	(214,601)	138,900	138,900	0
Tackling Traffic Congestion	(18)	0	(18)	0	(1)	(1)
Mitcham Area Regeneration	39,340	114,360	(75,020)	136,360	136,369	9
Wimbledon Area Regeneration	9,003	0	9,003	25,000	25,000	0
Borough Regeneration	364,205	224,820	139,385	560,050	560,050	0
Property Management Enhancemen	0	0	0	41,840	41,841	1
Morden Leisure Centre	4,844,414	4,546,760	297,654	5,864,530	5,864,530	0
Sports Facilities	212,969	0	212,969	386,960	386,600	(360)
Parks	500,378	283,750	216,628	519,590	522,144	2,554

Virement, Re-profiling and New Funding - January 2019

Appendix 5b

		2018/19 Budget	Virements	Funding Adjustments	Reprofiling	Revised 2018/19 Budget	2019/20 Budget	Movement	Revised 2019/20 Budget	Narrative
-	-	£	£		£	£	£		£	
Corporate Service	-									
Customer Contact Programme	(1)	1,899,010			(1,499,010)	400,000	250,000	1,499,010	1,749,010	Reprofiled in accordance with projected spend
Planned Replacement Programme		1,571,000		(66,430)		1,504,570	0		0	Items being moved to Revenue budget reduced
Environment and Regeneration										
On Street Parking - P&D		0		36,720		36,720	60,000		60,000	Purch of new P&D Machines funded from Revenue
CCTV Investment		39,490		33,730		73,220	0		0	Purch of new CCTV Cameras funded from Revenue
Property Management Enhancement		0		41,840		41,840	0		0	Purch of new Boiler funded from Revenue
Highways & Footways - Accessibility Programme		197,680			(30,980)	166,700		30,980	30,980	TfL Approved Re-profiling
Highways & Footways - Casualty Red. & Schools		349,570			(73,770)	275,800		73,770		TfL Approved Re-profiling
Highways & Footways - Safer Walking Routes		18,000			(16,000)	2,000		16,000		TfL Approved Re-profiling
Highways & Footways - School Part Time Rd Closure		74,000			(60,000)	14,000		60,000		TfL Approved Re-profiling
Cycle Route Imps - Cycle Imps Residential Sts		225,000			(45,000)	180,000		45,000	45,000	TfL Approved Re-profiling
Cycle Route Imps - Beddington Lane Cycle Routes	(1)	261,000			(135,000)	126,000		135,000		TfL Approved Re-profiling
Mitcham Transport Imps - Figges Marsh		150,000			(45,000)	105,000		45,000	45,000	TfL Approved Re-profiling
Mitcham Transport Imps - Mitcham Town Centre		64,000			(30,100)	33,900	425,000	30,100	455,100	TfL Approved Re-profiling
Sports Facilities - Leisure Centres Plant & Machinery		190,510		13,500		204,010			0	London Maraton Trust Grant
Total		5,039,260	0	59,360	(1,934,860)	3,163,760	735,000	1,934,860	2,385,090	

1) Requires Cabinet Approval

Capital Programme Funding Summary 2018/19

	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
Current Capital Programme	22,139	15,016	37,155
<u>Corporate Services</u>			
Customer Contact	(1,499)	0	(1,499)
Planned Replacement Programme	(66)	0	(66)
<u>Environment and Regeneration</u>			
On Street Parking - P&D	37	0	37
CCTV Investment	34	0	34
Property Management Enhancement	42	0	42
Highways & Footways - Accessibility Programme	0	(31)	(31)
Highways & Footways - Casualty Red. & Schools	0	(74)	(74)
Highways & Footways - Safer Walking Routes	0	(16)	(16)
Highways & Footways - School Part Time Rd Closure	0	(60)	(60)
Cycle Route Imps - Cycle Imps Residential Sts	0	(45)	(45)
Cycle Route Imps - Beddington Lane Cycle Routes	0	(135)	(135)
Mitcham Transport Imps - Figges Marsh	0	(45)	(45)
Mitcham Transport Imps - Mitcham Town Centre	0	(30)	(30)
Sports Facilities - Leisure Centres Plant & Machinery	0	14	14
Proposed Capital Programme	20,686	14,594	35,280

Capital Programme Funding Summary 2019/20

	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
Approved Capital Programme	49,235	6,028	55,263
<u>Corporate Services</u>			
Customer Contact	1,499	0	1,499
<u>Environment and Regeneration</u>			
Highways & Footways - Accessibility Programme	0	31	31
Highways & Footways - Casualty Red. & Schools	0	74	74
Highways & Footways - Safer Walking Routes	0	16	16
Highways & Footways - School Part Time Rd Closure	0	60	60
Cycle Route Imps - Cycle Imps Residential Sts	0	45	45
Cycle Route Imps - Beddington Lane Cycle Routes	0	135	135
Mitcham Transport Imps - Figges Marsh	0	45	45
Mitcham Transport Imps - Mitcham Town Centre	0	30	30
Proposed Capital Programme	50,734	6,464	57,198

APPENDIX 6

Department	Target Savings 2018/19	Projected Savings 2018/19	Period 10 Forecast Shortfall	Period 9 Forecast Shortfall	Period Forecast Shortfall (P10)	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	2,061	137	200	6.2%	18
Environment and Regeneration	1,874	1,401	473	473	25.2%	0
Total	6,585	5,470	1,115	1,178	16.9%	403

Jan-19											APPENDIX 6
DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2018/19											
Ref	Description of Saving	2018/19 Savings Required £000	2018/19 Expected Savings £000	Shortfall £000	RAG	2019/20 Savings Expected £000	2019/20 Expected Shortfall £000	19/20 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Under spend? Y/N
Adult Social Care											
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	987	0	G	987	0	G	John Morgan		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	87	13	R	100	0	G	Richard Ellis	Balance deferred to 2019/20	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	14	24	R	38	0	G	Steve Langley	£38k deferred to 2019/20. Impact offset by in year one off savings	Y
CH71	Transport: moving commissioned taxis to direct payments. Service users can purchase taxi journeys more cheaply than the council.	50	50	0	G	50	0	G	Phil Howell		Y
CH72	Reviewing transport arrangements for in-house units, linking transport more directly to the provision and removing from the transport pool.	100	0	100	R	100	0	A	Richard Ellis	£100k deferred to 2019/20. Impact offset by in year one off savings	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	231	0	G	231	0	G	Richard Ellis		Y
Subtotal Adult Social Care		1,506	1,369	137		1,506	0				
Library & Heritage Service											
CH56	Introduce a coffee shop franchise across 6 libraries	30	30	0	G	30	0	G	Anthony Hopkins		Y
Housing Needs & Enabling											
CH42	Further Staff reductions. This will represent a reduction in staff from any areas of the HNES & EHH :	62	62	0	G	62	0	G	Steve Langley		Y
Public Health											
CH75	Public Health: health related services in other budgets	600	420	180	R	582	18	R	Dagmar Zeuner	Shortfall offset by CH85 and CH86(see below)	Y
CH85	Review of external Woodland Day Care Contract	0	30	(30)	G	30	0	G	Phil Howell	Offset CH75 above	Y

DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2018/19

Ref	Description of Saving	2018/19 Savings Required £000	2018/19 Expected Savings £000	Shortfall £000	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
CH86	The proposal is to reduce the long-term pressures that arise from winter peaks in activity and provide a period of recuperation for some residents in residential or nursing care as well as utilize this service to prevent admission to hospital if needed.	0	150	(150)	G	150	0	G	John Morgan	Offset CH75 above	Y
Total C & H Savings for 2018/19		2,198	2,061	137		2,360	18				

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
	<u>Schools</u>								
CSF2015-03	Increased income from schools and/or reduced LA service offer to schools	200	0	G	0	G	Jane McSherry		N
	<u>Commissioning, Strategy and Performance</u>								
CSF2015-04	Commissioning rationalisation	60	0	G	0	G	Leanne Wallder		N
	<u>Cross cutting</u>								
CSF2017-01	Review of non-staffing budgets across the department	106	0	G	0	G	Jane McSherry		N
CSF2017-02	Reduction in business support unit staff	33	0	G	0	G	Jane McSherry		N
	<u>Children Social Care</u>								
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
	Total Children, Schools and Families Department Savings for 2017/18	489	0		0				

DEPARTMENT: ENVIRONMENT & 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
SUSTAINABLE COMMUNITIES											
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	A	James McGinlay	Performance dependent on full implementation of commercial property review.	N
ENV16	Traffic & Highways: Further reductions in the highways maintenance contract costs following reprourement	65							James McGinlay	For both 2018-19 and 2019-20 these savings are covered by Growth (ERG1)	N
ENV17	Traffic & Highways: Reduction in reactive works budget	35							James McGinlay	For both 2018-19 and 2019-20 these savings are covered by Growth (ERG1)	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 staff shortages and difficulty with filling 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	A	James McGinlay	Performance dependent on full implementation of commercial property review.	N
PUBLIC PROTECTION											
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	60	0	A	Cathryn James	Saving is being reviewed and an alternative saving may be required.	Y
ENV08	Regulatory Services: Funding of EH FTE by public health subsidy. As agreed between DPH and Head of PP .	40	0	40	R				Cathryn James	Alternative saving has been agreed for 2019/20.	Y
ENV09	Regulatory Services: Investigate potential commercial opportunities to generate income	50	0	50	R	50	0	A	Cathryn James	This saving is conditional on income being generated from chargeable business advice/consultancy. A new income generating Business Development team is proposed as part of the 2018/19 restructure of the Regulatory Services Partnership.	Y
ENR2	Parking & CCTV: Pay & Display Bays (On and off street)	44	0	44	R	44	0	G	Cathryn James	Saving is being reviewed and an alternative saving may be required. However, saving is being met from other income 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	Saving is being delayed as it will now form part of the wider discussion on parking charges.	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 & 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
PUBLIC SPACE											
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 (72-74%) are being achieved supported by the prosecution of non payment with full cost being award. We are currently forecasting an increase in the revenue recieved. This increase will be offered as a alternative saving.	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.	Y
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	COMPLETED - Guaranteed income being achieved. Risk is now managed by our collections contractor.	N
ENV32	Transport: Review of Business Support requirements	30	0	30	R				Anita Cacchioli	Alternative saving has been proposed as this saving can not be delivered. Please see E&R20	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	A	Anita Cacchioli	Saving forms part of Phase C.	Y
ENV38	Transport workshop: develop business opportunities to market Tacho Centre to external third parties	35	35	0	G	35	0	G	Anita Cacchioli	Saving forms part of Phase C.	Y
ENR5	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
ENR6	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. Scheduled for May 2019	Y
ENR7	Transport Services: Shared Fleet services function with LB Sutton	10	0	10	R				Anita Cacchioli	Alternative saving has been proposed as this saving can not be delivered. Please see E&R20	Y
Total Environment and Regeneration Savings 2018/19		1,874	1,401	473		1,794	0				

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/Underspend?
	Customers, Policy & Improvement								
CSD19	Staff reductions - Delete 1 FTE	49	0	G	0	G	James Flynn	Achieved via 0.5fte reduction in Community Engagement and remainder replaced with reduced Press & PR agency budget	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	G	0	G	Sean Cunniffe		Y
CSREP 2018-19 (16)	Operating cost reduction	11	0	G	0	G	Sophie Ellis		Y
	Infrastructure & Technology								
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 reduction	10	10	R	10	R	Clive Cooke	This saving will be met in the year from other underspends within I&T.	Y
CSREP 2018-19 (14)	M3 support to Richmond/Wandsworth	20	20	R	0	A	Clive Cooke	This is dependent on agreement with RSSP, may be at risk in 19/20 if they don't migrate to M3 system. Saving will be met in 18/19 from other underspends within I&T	Y
CSREP 2018-19 (15)	Street Naming and Numbering Fees/Charges Review	15	0	G	0	G	Clive Cooke		Y
	Corporate Governance								

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/Underspend?
CSD43	Share FOI and information governance policy with another Council	10	10	R	10	R	Karin lane	This saving will be met in the year from a salary underspend due to 2 staff members working slightly reduced hours. This may result in an overspend in future years if these staff wish to revert to their full time salary.	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
	<u>Resources</u>								
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
	<u>Human Resources</u>								
CSREP 2018-19 (12)	Reduction in posts across the department	185	0	G	0	G	Kim Brown		Y
	<u>Corporate</u>								
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
	Total Corporate Services Department Savings for 2018/19	2,024	505		385				

APPENDIX 7

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	201	100	0	0	0
Environment and Regeneration	3,134	2,188	705	45	666	45
Total	10,314	2,592	805	45	666	45

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/Underspend? Y/N
CSF2012-07	Children Social Care 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	7	R	0	G	0	G	Paul Angeli	The ETE saving was delivered from July 2017 and the short for the first quarter covered through reduced grant-funding for targeted intervention services.	N
	Total Children, Schools and Families Department Savings for 2017/18		7		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
	Business improvement									
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)
	Infrastructure & transactions									
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)
	Resources									
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
	Total Corporate Services Department Savings for 2017/18		196		0		0			

DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2017/18										APPENDIX 7	
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	R / A Included in Forecast Over/Underspend ? Y/N
Adult Social Care											
CH57	Staff savings: transfer of savings from housing	50	19	R	0	G	0	G	Richard Ellis	Achievable	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	0	G	Richard Ellis	Work on re-commissioning in progress. This savings has been replaced and moved to 2019/20 (£309k)	Y
Library & Heritage Service											
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	The new operating model went live in May 2018 and savings will continue to be achieved ongoing. The first year's underachievement was due to the savings only being realised over 11 months and increased one off spend for agency staff.	Y
Housing Needs & Enabling											
CH43	Further Staff reductions. This will represent a reduction in staff from any areas of the HNES & EHH :	100	49	R	0	G	0	G	Steve Langley	This savings was partly achieved in 2017/18 due to the reduction in one post in the team..	Y
Total C & H Savings for 2017/18			201		100		0				

DEPART DEPARTMENT: ENVIRONMENT & REGENERATION SAVINGS PROGRESS: 2017-18

Budget Manager	Ref	Description of Saving	2017/18 Savings Required £000	2017/18 Savings Achieved £000	Shortfall	17/18 RAG	2018/19 Savings Expected £000	2018/19 Expected Shortfall £000	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
SUSTAINABLE COMMUNITIES															
	ER23b	Restructure of team to provide more focus on property management and resilience within the team.	18	0	18	R	0	18	R	18	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
Neil Milligan	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
Neil Milligan	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
Neil Milligan	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
Neil Milligan	D&BC4	Deletion of 1 FTE (manager or deputy) within D&BC	45	0	45	R	45	0	G	45	0	G	James McGinlay		N
Neil Milligan	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
Neil Milligan	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
Paul McGarr	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	148	0	G	148	0	G	James McGinlay		N
Neil Milligan	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
PUBLIC PROTECTION															
Paul Foster	E&R14	Further expansion of the Regulatory shared service.	100	0	100	R	15	85	R	100	0	A	Cathryn James	Wandsworth staff joined the RSP on 1st November 2017. This saving is linked to efficiencies associated with the current management restructure of the RSP.	Y
	ENV02	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	0	190	R	190	0	A	Cathryn James	This saving is not currently being achieved as there has been slippage in the timetable for the restructure. Mitigation could come from increased revenue.	Y
	ENV03	Reduction number of CEO team leader posts from 4 to 3	45	0	45	R	0	45	R	0	45	R	Cathryn James	Alternative saving required	Y
Ben Stephens	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	7	43	R	0	50	R	50	0	A	Cathryn James		Y
PUBLIC SPACE															
Charles Baker	E&R16	Joint procurement of waste, street cleansing, winter maintenance and fleet maintenance services (Phase C)	1,500	795	705	R	1,268	232	R	1500	0	A	Anita Cacchioli	Actual savings delivered are being monitored closely	N
Doug Napier	E&R25	Joint procurement of greenspace services as part 2 of the Phase C SLWP procurement contract with LB Sutton	160	44	116	R	160	0	G	160	0	G	Anita Cacchioli		N
	ENV12	Loss of head of section/amalgamated with head of Greenspaces	70	0	70	R	0	70	R	70	0	A	Anita Cacchioli	Saving has been delayed but expected to be implemented next year.	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	70	0	G	70	0	A	Anita Cacchioli	Saving forms part of Phase C, but may not be achieved this financial year.	N
Doug Napier	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
Doug Napier	ENV21	Reduction in the grant to Wandle Valley Parks Trust	6	0	6	R	6	0	G	6	0	G	Anita Cacchioli		N
Doug Napier	ENV23	Further savings from the phase C procurement of Lot 2.	160	0	160	R	145	15	R	160	0	A	Anita Cacchioli	Saving forms part of Phase C, but will not be achieved this financial year.	N
Charles Baker	ENV25	Department restructure of the waste section	191	0	191	R	191	0	G	191	0	G	Anita Cacchioli		Y
Total Environment and Regeneration Savings 2016/17			3,134	946	2,188		2,048	705		2,708	45				

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