

## Cabinet

Date: 16 December 2019

### Subject: Financial Report 2019/20 – October 2019

Lead officer: Roger Kershaw

Lead member: Mark Allison

### Recommendations:

- A. That Cabinet note the financial reporting data for month 7, October 2019, relating to revenue budgetary control, showing a forecast net underspend at year-end of £1,068k, -0.2% of gross budget.
- B. That Cabinet approves £165,620 from the Outstanding Council Programme Board (OCPB) Reserve relating to the Children, Schools and Families Merton Improvement Board (MIB) project bid for the scanning and digital archiving of files.
- C. That Cabinet note the contents of Section 4 and approve the amendments to the Capital programme Contained in Appendix 5b.

That Cabinet note the contents of Section 4 and the amendments to the Capital Programme contained in Appendix 5b and approve the amendments in the Table below:

- D. That Cabinet note that there will be a separate report on the wider impact of the DSG on the MTFs to the January 2020 Cabinet meeting.

Scheme	2019/20 Budget	2020/21 Budget	2021/22 Budget	2022/23 Budget	Narrative
Business Systems- Capita Housing	(100,000)	100,000			Re-profiled in accordance with projected spend
Customer Contact	(150,000)	150,000			Re-profiled in accordance with projected spend
Library Enhancement Works- West Barnes Library Re-fit	(200,000)	200,000			Re-profiled in accordance with projected spend
Disabled Facilities Grants	100,000	647,100			Additional budget funded by grant
Unallocated Primary School Project	(157,000)				Proposed virement to fund projected costs
Morden Area Regeneration- Transportation Enhancements	(500,000)			500,000	Re-profiled in accordance with projected spend
<b>Total</b>	<b>(1,007,000)</b>	<b>1,097,100</b>	<b>0</b>	<b>500,000</b>	

## 1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

1.1 This is the financial monitoring report for period 7, 31<sup>st</sup> October 2019 presented in line with the financial reporting timetable.

This financial monitoring report provides -

- The income and expenditure at period 7 and a full year forecast projection.
- An update on the capital programme and detailed monitoring information;
- An update on Corporate Items in the budget 2019/20;
- Progress on the delivery of the 2019/20 revenue savings

## 2. THE FINANCIAL REPORTING PROCESS

- 2.1 The budget monitoring process in 2019/20 continues to focus on children's social care, which overspent in 2018/19 and continues to have budget pressures. There are also significant pressures on the Dedicated Schools Grant (DSG) which are being monitored.
- 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 2019/20 FORECAST OUTTURN BASED UPON LATEST AVAILABLE DATA

**Executive summary** – At period 7 to 31<sup>st</sup> October 2019, the year-end forecast is a net £1,068k underspend compared to the current budget. This excludes any monies due from the last year of the Business Rates London Pilot Pool.

### Summary Position as at 31<sup>st</sup> October 2019

	Current Budget 2019/20	Full Year Forecast (Oct)	Forecast Variance at year end (Oct)	Forecast Variance at year end (Sept)	Outturn variance 2018/19
	£000s	£000s	£000s	£000s	£000s
<b>Department</b>					
3A. Corporate Services	11,495	11,204	(291)	(342)	(2,511)
3B. Children, Schools and Families	61,361	62,573	1,212	1,581	2,271
3C. Community and Housing	63,747	63,713	(34)	(610)	(197)
3D. Public Health	0	12	12	12	0
3E. Environment & Regeneration	15,968	15,300	(668)	(820)	(1,526)
Overheads	0	0	0	0	(33)
<b>NET SERVICE EXPENDITURE</b>	<b>152,570</b>	<b>152,802</b>	<b>232</b>	<b>(178)</b>	<b>(1,996)</b>
<b>3E. Corporate Items</b>					
Impact of Capital on revenue budget	10,481	10,332	(149)	(149)	403
Other Central budgets	(20,735)	(21,886)	(1,151)	(1,151)	(6,064)
Levies	949	949	0	0	0
<b>TOTAL CORPORATE PROVISIONS</b>	<b>(9,305)</b>	<b>(10,605)</b>	<b>(1,300)</b>	<b>(1,300)</b>	<b>(5,661)</b>
<b>TOTAL GENERAL FUND</b>	<b>143,265</b>	<b>142,197</b>	<b>(1,068)</b>	<b>(1,478)</b>	<b>(7,657)</b>
<b>FUNDING</b>					
Revenue Support Grant	0	0	0	0	0
Business Rates	(44,026)	(44,026)	0	0	0
Other Grants	(8,169)	(8,169)	0	0	0
Council Tax and Collection Fund	(91,070)	(91,070)	0	0	0
<b>FUNDING</b>	<b>(143,265)</b>	<b>(143,265)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>NET</b>	<b>0</b>	<b>(1,068)</b>	<b>(1,068)</b>	<b>(1,478)</b>	<b>(7,657)</b>

The current level of GF balances is £13.778m and the minimum level reported to Council for this is £12.53m.

### 3. DEPARTMENTAL SUMMARY OF CURRENT POSITION

#### Corporate Services

Division	2019/20 Current Budget £000	2019/20 Full year Forecast (October) £000	2019/20 Full Year Forecast Variance (October) £000	2019/20 Full Year Forecast Variance (September) £000	2018/19 Outturn Variance £000
Customers, Policy & Improvement	3,710	3,585	(125)	(139)	(246)
Infrastructure & Technology	11,795	12,076	281	269	(64)
Corporate Governance	2,438	2,310	(128)	(120)	(294)
Resources	5,887	5,813	(73)	(246)	(707)
Human Resources	1,919	2,149	230	230	16
Corporate Other	834	359	(476)	(336)	(1,216)
<b>Total (Controllable)</b>	<b>26,583</b>	<b>26,292</b>	<b>(291)</b>	<b>(342)</b>	<b>(2,511)</b>

#### Overview

At the end of period 7 (October) the Corporate Services (CS) department is forecasting an underspend of £291k at year end. The underspend forecast has reduced by £51k since period 6 (September).

#### Customers, Policy and Improvement - £125k under

Customer Contact is forecasting a £59k underspend due to lower than budgeted licence costs. There is a forecast underspend of £49k on Cash Collections, capturing future year savings early in 2019/20. The Translations Service has a forecast underspend of £24k, mainly as a result of additional income from internal translation requests compared to the budgeted amount and a vacancy within the team. Marketing and Communications have a £45k underspend forecast from less than budgeted spend on the council magazine and graphic design. A further £48k underspend is forecast on Community Engagement, this is a result of maternity leave in the team and other underspends on running costs.

A £19k overspend is forecast on the Registrars Service relating to various running cost budgets such as ground maintenance and marketing as well as a partially underachieved staffing saving in year (2019-20 CS05). This is partly offset by the overachievement of income; however, income for 19/20 is expected to be £61k less than that achieved in 18/19 due to the Home Office no longer providing additional work. Additionally, Press and PR are forecasting a £46k overspend due to the underachievement of income and the use of agency staff.

The forecast underspend in CPI has reduced by £14k since period 6. This is mainly due to an increased agency forecast within Press and PR.

### **Infrastructure & Technology - £281k over**

I&T are forecasting overspends on Telecoms of £58k due to delays in the PABX telecoms implementation and £69k on the Professional Development Centre (Chaucer Centre) due to the underachievement of rental income. There is also a £200k overspend forecast for Microsoft Licences which is a best estimate of the cost at this stage, pending the outcome of a procurement exercise. Facilities Management are forecasting a £36k overspend reflecting the use of agency staff and only a partial achievement of a saving in year (2018-19 CS04) following a recent restructure of the energy team. Facilities are forecasting a further £51k overspend on the external fees account due to the use of additional agency staff during the year. The Business Systems Team is also forecasting an overspend of £82k due to recruitment costs, hardware purchases, IT licences and the underachievement of income.

Various underspends within the division are partly offsetting the above overspends. The Print and Post Room are forecasting a £40k underspend with a vacancy held in the team. The Corporate Print Strategy is forecasting a £54k underspend due to less than budgeted multi-functional device (MFD) costs. Additionally, Transactional Services are forecasting a £63k underspend resulting from the recovery of expenses in previous years and there is a £71k underspend forecast on Garth Road Archive Storage due to rental income.

The forecast overspend in I&T has increased by £12k since period 6. This is mainly due to an increased IT support and maintenance forecast in the Business Systems Team which is partly offset with increased room bookings income from the Professional Development Centre (Chaucer Centre).

### **Corporate Governance – £128k under**

The underspend within Corporate Governance is formed of £21k from various running cost budgets held by the AD, £31k from Democracy Services largely due to vacancies and £15k running costs. A further £38k underspend is forecast in the Information Governance team due to vacancies and consultants budget not required in year. Additionally, Legal Services outside of SLLp are forecasting a £30k underspend due to expenditure budgets not required in year.

The South London Legal Partnership (SLLp) is forecasting a £10k deficit, of which £2k is attributable to Merton. The SLLp deficit has reduced from £66k in period 6 largely due to increased chargeable hours income from partners.

The forecast underspend on Corporate Governance has increased by £8k from the position at period 6. This is mainly due to the improved SLLp position.

### **Resources - £73k under**

There are various underspends forecast within Senior Management, made up of the Chief Executive's budget (£40k under), Director of Corporate Services (£76k under) and AD Resources (£43k under) due to subscription and consultancy budgets not expected to be required in year.

Accountancy has a £87k overspend forecast on Corporate Accountancy and £9k overspend on the Budget Management Team largely due to agency spend.

A £80k overspend is forecast on the Financial Information System (FIS) team mainly due to additional system support costs, with a business case pending to review ongoing budget pressures within the team.

The Insurance and Treasury teams are forecasting an overspend of £103k due to property valuation fees ahead of a re-tendering of insurance contracts, partly offset by a recharge of staff time to the pension fund.

The Merton and Sutton Bailiff Services are forecasting to underspend by £116k due to additional income in excess of the budget. Benefits Administration is forecasting a £260k underspend mainly due to additional income from DWP for various schemes though this is in part offset by agency spend. There is a forecast overspend of £197k on Local Taxation Services due to various running costs and agency spend which is not fully offset by additional income relating to the cost of collection for NDR and council tax.

The forecast underspend in the Resources division has reduced by £172k compared to period 6. This is largely due to property valuation fees for insurance, increased agency spend in the Budget Management Team following appointment of interims to cover vacant posts, an increased forecast on the Financial Information System for system support and a reduced summons income forecast on local taxation services as the dates we can apply to courts for summonses has changed. These have been partly offset by reduced banking charges, reduced agency usage in Benefits Administration and an improved position on the Sutton Bailiff Service.

### **Human Resources – £230k over**

Learning and Development is forecasting a £142k overspend due to recruitment costs as well as interim cover for the Head of Organisational Development and HR Strategy post. £57k of the L&D overspend relates to training, a review of the planned training for the rest of the year is being carried out and the forecast will be updated in line with this in the coming months. The overspend forecast in Learning and Development also includes an additional temporary resource to assist with implementing the new recruitment system.

The HR AD budget is also forecasting an overspend of £48k due to the interim cover of the Head of HR post and recruitment costs. A significant budget pressure within HR is from the Transactions budget which is currently forecasting a £75k overspend. This is due to a £15k budget pressure on DBS recharges to clients, which no longer include an internal admin charge as the work is carried out by the London Borough of Kingston, and the remainder relates to the shared payroll system and iTrent client team charges, also by the London Borough of Kingston. The underachievement of schools buyback income is also contributing to the HR overspend.

Payroll has an underspend forecast of £30k as a result of a restructure in year, which captures part of a future year saving early, and a vacancy held in the team.

Overall the HR overspend has remained at the same level since period 6.

### **Corporate Items - £476k under**

The Housing Benefit Rent Allowances budget shows a forecast surplus of £1.23m on the account against a budgeted surplus of £1m. The additional surplus relates to a £500k underspend against the budget to top-up the bad debt provision, part offset by an overpayment recovery shortfall.

An additional surplus of £80k is forecast following the introduction of a scheme to recover old housing benefit debts which had previously been written off, due to new access to information from HMRC. The corporately funded items budget has a forecast underspend of £115k due to budget not expected to be required in year.

The Coroners Court is forecasting an overspend of £46k, incorporating a contingency for additional charges from Westminster. This part offsets with £40k additional income from the Magistrates court. A further £38k underspend is forecast on the pensions added years budget.

The forecast underspend on corporate items has increased by £138k since period 6 due to an increased recovery of old housing benefit debts and the recognition of budget not required in year on the corporately funded items account.

## Environment & Regeneration

<b>Environment &amp; Regeneration</b>	<b>2019/20 Current Budget</b>	<b>Full year Forecast (Oct)</b>	<b>Forecast Variance at year end (Oct)</b>	<b>Forecast Variance at year end (Sept)</b>	<b>2018/19 Outturn Variance</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Public Protection	(13,030)	(13,179)	(149)	30	(753)
Public Space	14,629	14,307	(322)	(515)	(1,449)
Senior Management	975	1,090	115	103	(17)
Sustainable Communities	8,230	7,917	(313)	(438)	694
<b>Total (Controllable)</b>	<b>10,804</b>	<b>10,135</b>	<b>(669)</b>	<b>(820)</b>	<b>(1,525)</b>

<b>Description</b>	<b>2019/20 Current Budget</b>	<b>Forecast Variance at year end (Oct)</b>	<b>Forecast Variance at year end (Sept)</b>	<b>2018/19 Variance at year end</b>
	<b>£000</b>			<b>£000</b>
		<b>£000</b>	<b>£000</b>	
Overspend within Regulatory Services	640	67	65	112
Underspend within Parking Services	(14,541)	(338)	(164)	(964)
Overspend within Safer Merton & CCTV	871	122	129	99
<b>Total for Public Protection</b>	<b>(13,030)</b>	<b>(149)</b>	<b>30</b>	<b>(753)</b>
Underspend within Waste Services	13,672	(127)	(239)	(1,611)
Underspend within Leisure & Culture	416	(254)	(253)	(222)
Overspend within Greenspaces	1,236	23	(57)	145
Overspend within Transport Services	(695)	36	34	239
<b>Total for Public Space</b>	<b>14,629</b>	<b>(322)</b>	<b>(515)</b>	<b>(1,449)</b>
Overspend within Senior Management & Support	975	115	103	(17)
<b>Total for Senior Management &amp; Support</b>	<b>975</b>	<b>115</b>	<b>103</b>	<b>(17)</b>
Underspend within Property Management	(2,691)	(199)	(234)	368
Underspend within Building & Development Control	4	(73)	(119)	275
Underspend within Future Merton	10,917	(41)	(85)	51
<b>Total for Sustainable Communities</b>	<b>8,230</b>	<b>(313)</b>	<b>(438)</b>	<b>694</b>
<b>Total Excluding Overheads</b>	<b>10,804</b>	<b>(669)</b>	<b>(820)</b>	<b>(1,525)</b>

### Overview

The department is currently forecasting an underspend of £669k at year end. The main areas of variance are Parking Services, Safer Merton & CCTV, Waste Services, Leisure & Culture, Senior Management & Support, and Property Management.

## **Public Protection**

### **Parking Services underspend of £338k**

The underspend is mainly as a result of additional penalty charge notices being issued, following the implementation of the ANPR system across the borough (£749k), and P&D income (£498k).

The section has a £1,900k saving this year relating to the review of parking charges, based on an October start date. Cabinet approved a revised set of charges in September and officers are preparing to follow the statutory order making process. The forecast reflects a prudent approach to the delayed implementation, and associated income of £950k.

### **Safer Merton & CCTV overspend of £122k**

The section is forecasting to overspend on annual network and connection costs by £28k, and by c£40k on one-off CCTV upgrade and relocation costs. In addition, the CCTV section has a 2019/20 saving of £100k relating to charging local businesses for monitoring of their CCTV, which will not be achieved, coupled with the underachievement of its current income budget by £49k.

Elsewhere within the section, underspends on employees (£30k) and income contributions (£65k) are helping to partially mitigate these pressures.

The CCTV budgets are currently being reviewed by the Safer Merton & CCTV manager and the AD of Public Protection in order to mitigate these pressures, which may include an alternative saving being presented to Cabinet in due course.

## **Public Space**

### **Waste Services underspend of £127k**

The section is forecast to underspend on disposal costs by £559k. Following the introduction of the new wheelie bin service we have seen a significant reduction in the level of general refuse being collected and disposed of through our energy waste facility at Beddington, alleviating the need for landfill and the associated landfill tax charges.

Over this period, we have seen a 12% reduction in refuse, which equates to a monthly average reduction of over 500 tonnes per month this financial year. The main contributor to this success is the increase in food waste participation which has seen an increase of over 66% or 184 tonnes per month.

This underspend is being partially offset by an overspend on its waste collection and street cleansing contract of £275k. This is largely due to the internal debt charge of £676k for capital spend, along with recharges for additional services being undertaken by the service provider.

The section is also forecasting to overspend on its employee costs by £99k, which is mainly due to a delay in fully implementing a 2018/19 saving (ENR6 £200k), and the temporary employment of a Public Space Inspector which will be in place for six months to provide greater resilience in the monitoring of our service provider performance.

### **Leisure & Culture underspend of £254k**

The forecast underspend is mainly as a result of the final year, under the previous contractual agreement, of the profit share arrangement with our service provider for the Leisure Centres Contract (£214k). Changes to this contract came into effect from 1<sup>st</sup> December 2018, which has



resulted in future guaranteed annual income, now being built into the Medium Term budget. Due to this guaranteed income the likelihood of future profit shares is now unlikely.

### **Senior Management & Support**

#### **Senior Management & Support overspend of £115k**

The overspend relates to the parking review project currently being undertaken to analyse and develop the Council's staff travel plans and reduction in car use.

### **Sustainable Communities**

#### **Property Management underspend of £199k**

The principal reason for the forecast underspend relates to exceeding the commercial rental income expectations by £716k, which includes £150k of one-off income from conducting the backlog of rent reviews in line with the tenancy agreements.

This is being partially offset by an overspend of £432k on premises related expenditure, in particular, utility and repairs & maintenance costs. In addition, a £102k overspend on supplies & services is being forecast, mainly relating to employment of consultants to progress rent reviews due to lack of internal resource, and valuations to support asset valuations.

## Children Schools and Families

Children, Schools and Families	2019/20 Current Budget £000	Full year Forecast Oct £000	Forecast Variance at year end (Oct) £000	Forecast Variance at year end (Sep) £000	2018/19 Variance at year end £000
Education	24,894	25,173	279	310	(37)
Social Care and Youth Inclusion	19,571	21,343	1,772	2,128	3,211
Cross Department budgets	1,029	997	(32)	(30)	(20)
PFI	8,573	8,135	(438)	(459)	(354)
Redundancy costs	2,183	1,814	(369)	(368)	(529)
<b>Total (controllable)</b>	<b>56,250</b>	<b>57,462</b>	<b>1,212</b>	<b>1,581</b>	<b>2,271</b>

### Overview

At the end of October Children Schools and Families forecast to overspend by £1,212m on local authority funded services, a reduction in overspend of £369k from September's outturn forecast. The pressure 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 has managed to hold steady our number of children in care through a combination of actions, which are detailed in the management action section below. However, EHCP numbers continue to rise from 1,941 in September to 1,957 in October, an increase of 16.

The CSF department received £500k growth for 2019/20 which was all allocated against the SEN transport cost due to the continuing pressure in this area.

### Local Authority Funded Services

The table below details the significant budget variances identified to date:

Description	Budget £000	Oct £000	Sep £000	2018/19 £000
Procurement & School organisation	594	(202)	(200)	(411)
SEN transport	4,705	1,097	1,097	1,223
Early Years services	3,117	(216)	(206)	(349)
CWD team staffing	571	(72)	(72)	(88)
Internal legal hard charge	543	(133)	(144)	(32)
Other small over and underspends	15,364	(195)	(165)	(380)
<b>Subtotal Education</b>	<b>24,894</b>	<b>279</b>	<b>310</b>	<b>(37)</b>
Fostering and residential placements (ART)	7,111	696	696	1,057
Un-accompanied asylum seeking children (UASC)	75	281	551	488
Community Placement	0	385	385	500
No Recourse to Public Funds (NRPF)	21	141	141	301
MASH & First Response staffing	1,618	311	267	354
Legal costs	526	224	209	280
Other small over and underspends	10,220	(266)	(121)	231
<b>Subtotal Children's Social Care and Youth Inclusion</b>	<b>19,571</b>	<b>1,772</b>	<b>2,128</b>	<b>3,211</b>

### Education Division

The procurement and school organisation budget is forecast to underspend by £202k because of lower spend on revenue budgets. This budget relates to the revenue cost of construction projects and is affected by slippage of capital schemes. The majority of this is used for temporary

classrooms usually required due to rising pupil demand when it is not viable to provide permanent buildings.

The SEN transport budget is forecast to overspend by £1.097m. The forecast for maintained school taxis is £3.569m, circa £284k more than last year. This is our best estimate based on the information available at the end of October. The current estimated cost includes a small forecast for new placements that may be required towards the end of the year. There is a risk that this cost can increase more than currently allowed for as we have seen a major increase in the number of EHCPs, although not all plans will necessarily be eligible for support under Merton's transport policy. To support the cost pressure in this area, the £500k growth allocated to the department in 2019/20 has been allocated against this budget. However, this has been insufficient to cover the full extent of the growth in this area.

As part of management action to reduce the overall in-year departmental overspend, where possible in the Early Years' service, recruitment to vacancies is being delayed. At the end of September this is estimated to deliver a £216k underspend.

The Children with Disabilities (CWD) team, which transferred to the Education division this year, is holding vacant posts which is expected to deliver a £72k underspend in the current financial year. Some of this underspend is being used to offset agreed social work activities in the fostering service.

The internal legal hard charging budget is estimated to underspend by £133k. This forecast is based on spend to date and will fluctuate if usage increases towards year-end.

There are various other small over and underspends forecast across the division netting to a £195k underspend. These combine with the items described above to arrive at the total divisional overspend forecast of £279k.

#### Children's Social Care and Youth Inclusion Division

At the end of October Merton had 161 looked after children (LAC). This is a decrease of 3 children from September. The numbers of Looked after Children (LAC) in Merton remain relatively stable and we continue to maintain relatively low levels of children in care as detailed in the table below:

<b>Overview</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
Number of children in care as at 31st March	163	152	154	160
Of which UASC	22	20	28	34
Rate per 10,000	35	33	33	34
London Rate	51	50	49	tbc
England Rate	60	62	64	tbc

The complexity of a significant proportion of cases is causing cost pressures as detailed below.

<b>Service</b>	<b>Budget £000</b>	<b>Oct forecast £000</b>	<b>Variance</b>		<b>Placements</b>	
			<b>Oct £000</b>	<b>Sep £000</b>	<b>Oct No</b>	<b>Sep No</b>
Residential Placements	2,305	2,005	(300)	(300)	15	15
Independent Agency Fostering	1,753	1,953	200	200	42	41
In-house Fostering	993	1,697	704	704	70	68
Secure accommodation	138	138	0	0	0	1
Mother and baby	103	103	0	0	0	1
Supported lodgings/housing	1,819	1,911	92	92	61	58
<b>Total</b>	<b>7,111</b>	<b>7,807</b>	<b>696</b>	<b>696</b>	<b>188</b>	<b>184</b>

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 placement forecasts includes a prediction of costs expected for known placements as well as an estimated cost for movement in placements, including new cases, expected during the year. These assumptions are reviewed and updated every month and estimates adjusted accordingly to provide our best estimate of full year costs.

- The Residential placement expenditure is forecast to underspend by £300k at the end of the financial year. We currently have 15 residential (including 10 respite).
- The Independent Agency Fostering expenditure is forecast to overspend by £200k. We currently have 42 placements, an increase of one placement from last month. The cost difference of the increased placement is contained within the expected movement built into the full year estimated cost.
- The In-house Foster carer expenditure is forecast to overspend by £704k. We currently have 70 placements. There has been 2 new placements during October. The cost difference of this change in placements is contained within the expected movement built into the full year estimated cost.
- The Youth Justice secure accommodation expenditure is projected to spend to budget in October. We currently have no placements but are forecasting for additional placements expected by the end of financial year.
- The mother and baby assessment unit expenditure is forecast budget for the current year. We currently have no placements but are forecasting for additional placements expected by the end of financial year.
- We are forecasting that the budget for the semi-independent accommodation and supported lodgings/housing placements will overspend by £92k in October. There has been 5 new placements while 2 placements ended. The cost difference of this change in placements is contained within the expected movement built into the full year estimated cost.
- At the end of October, UASC placements and previous UASC that are now Care Leavers were forecasting to overspend by £273k, down from £551k in September. This is mainly due to an increased forecast in UASC grant expected based on the latest information available.

Service	Budget £000	Oct forecast £000	Variance		Placements	
			Oct £000	Sep £000	Oct No	Sep No
Independent Agency Fostering	380	496	116	111	12	13
In-house Fostering	325	685	360	660	33	32
Supported lodgings/housing	570	675	105	505	24	24
UASC grant	(1,200)	(1,500)	(300)	(725)		
<b>Total</b>	<b>75</b>	<b>356</b>	<b>281</b>	<b>551</b>	<b>69</b>	<b>69</b>

At the end of October, we had 35 placements for UASC young people under 18. Of these, 33 were placed in foster care and 2 in semi-independent accommodation. The administration's commitment (in line with other London Labour Councils) for Merton is 37 (0.08% of the child population). We receive UASC grant towards these placements although it is not sufficient to cover the full cost of placement, subsistence and social work intervention.

Merton had 42 young people aged 18+ who were formerly UASC in our care at the end of September, 12 in foster care, 22 in semi-independent accommodation and 8 who received non-accommodation related support. Once UASC young people reach age 18, we retain financial responsibility for them as Care Leavers until their immigration status is resolved.

We are currently forecasting to 'over-achieve' our projected UASC grant income by £300k. The grant income is offset against the additional costs incurred through having higher numbers of UASC in our care.

We are estimating a £385k spend on the un-budgeted community placement for the current financial year. This includes a £485k estimated cost for 2019/20 reduced by an over accrual in 2018/19 of £100k. The figure is our best current estimate and is subject to change as the case is extremely complex and regularly reviewed. Forecast costs are currently based on an interim arrangement in place while further work is undertaken to secure the right long term support arrangements, although it may not be possible to establish permanent arrangements until the young person is an adult.

The NRPF budget is forecast to overspend by £141k in the current financial year. This is £160k 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 enquiry and assessment approaches have resulted in a reduction of overall numbers from a peak of 30 in 2016/17 to a current caseload of 6 families where we support 9 children with accommodation and 6 with subsistence.

We are forecasting to overspend by £311k on the MASH and First Response teams' staffing costs. This is because the team is covering 11 vacancies out of an establishment of 30 with agency staff due to difficulty in recruiting permanent members of staff in this area.

Legal costs are forecast to overspend by £224k, up from £209 in September. This cost relates 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. The evidence is that this is effective in those cases that go through the FDAC process, but that this is more than offset by increases in other placement costs.

There are various other small over and underspends forecast across the division netting to a £266k underspend. These combine with the items described above to arrive at the total divisional forecast overspend of £1.772m.

### **Dedicated Schools Grant (DSG)**

DSG funded services are forecast to overspend by £10.359m, an increase of £367k over last month. The DSG had a cumulative overspend of £2.909m at the end of 2018/19. The overspend in the current financial year will be adding to this balance, currently estimated at £13.268m. In light of this and the wider impact on the MTFs over the next four years, there will be a separate report on the DSG to Cabinet in January 2020.

The main reason for the variance relates to a £6.639m overspend on Independent Day School provision. This is a £117k increase from September 2019. The reason for the increase is the increase in placements from 257 in September to 261 in October. Based on past years' experience, we would expect this number to increase further towards the end of the year. We are seeking to increase the number of local maintained special school places in the borough, in order to reduce these costs, but it will take time to bring these additional places on stream. At present the annual

increase in the number of EHCPs significantly exceeds the number of additional special school places we are able to create in the borough. Based on the number of new EHCPs still being awarded following assessment, we would expect this cost to still increase towards year-end and the £13.268m cumulative deficit to increase further.

Other overspends include £772k on EHCP allocations to Merton primary and secondary schools, £1.791m on EHCP allocations to out of borough maintained primary, secondary and special schools, and £1.236m on one-to-one support, OT/SLT and other therapies as well as alternative education.

The table below shows the increase in number of EHCPs over the past 4 years since the entitlement changed following the implementation of the Children and Families Act. At the end of October 2019 there were 1,957 EHCPs, a 14% increase year to date.

Type of Provision	Jan 2016 Total Statements and EHCPs		Jan 2017 Total Statements and EHCPs		Jan 2018 Total Statements and EHCPs		Jan 2019 Total Statements and EHCPs	
	No	%	No	%	No	%	No	%
Early Years (inc. Private & Voluntary Settings)	0	0%	1	0%	7	0%	7	0%
Mainstream Schools (inc. Academies)	422	39%	461	37%	526	35%	584	34%
Additional Resourced Provision	110	10%	111	9%	116	8%	125	7%
State Funded Special Schools	358	33%	388	31%	416	27%	440	26%
Independent Schools	132	12%	153	12%	176	12%	228	13%
Post 16 College and traineeships	25	2%	93	7%	183	12%	212	12%
Post 16 Specialist	10	1%	25	2%	44	3%	37	2%
Alternative Education	15	1%	10	1%	22	1%	28	2%
No placement (including NEET)	3	0%	0	0%	28	2%	51	3%
<b>Total</b>	<b>1075</b>	<b>100%</b>	<b>1242</b>	<b>100%</b>	<b>1518</b>	<b>100%</b>	<b>1712</b>	<b>100%</b>
Change over previous year				16%		22%		13%

There are various other smaller over and underspends forecast across the DSG netting to a £79k underspend which, combined with the items above, equates to the net overspend of £10.359m. This will be added to Merton's negative reserve and conversations continue with government over the funding of this.

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 await the response to the national consultation relating to the treatment of DSG deficits.

The Early Years block of the DSG is normally adjusted in the July following the end of the financial year as it is based on January census information. We are therefore not in a position to estimate this adjustment until year-end. For 2018/19 this additional grant was £338k.

Merton was required to return to the DfE a Deficit Recovery Plan for the DSG, which is a 5-year plan, taking us up to 2023/24. A full update will be included in a separate report on the DSG which is planned for Cabinet in January 2020.

Although the pressures on the high needs block are clear from the budget monitoring figures highlighted above and continue into 2019/20 and beyond, some schools are also having trouble in setting balanced budgets with the funding provided to them through the funding formula. The Finance Service monitors this closely, and before any deficit budget is agreed, work is undertaken with the school to ensure they are maximising every opportunity to reduce costs and spend wisely. The number of schools setting deficit budgets has reduced from 14 in 2018/19 to 13 in 2019/20. There are various reasons for schools requiring to set deficit budgets including unfunded non-teacher pay increases, increased costs 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. Total school balances, including capital balances, did however increase last year.

Merton has been working in conjunction with Association of Directors for Children's Services (ADCS), Society for London Treasurers (SLT), London Councils and the Children's Commissioner to lobby Central Government for additional funding. All commissioned analysis shows that the funding shortfall is a national issue that requires additional grant funding.

## **Management action**

### Staffing report

We continue to reduce the use of agency by imposing a three month recruitment drag, where appropriate, for non-social work posts. We continue to prioritise meeting our statutory duties when determining whether recruitment drag may be applied to any vacant post. Children's Social Care and Youth Inclusion are currently reviewing the distribution of social work staffing to ensure workloads in the MASH and First Response Service are at a level that supports recruitment and retention of permanent staff.

### Placements

We continue to use the Panel processes to ensure that spending on IFAs instead of in-house placements can be justified, 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 recruited 5 new foster carers this year so far and are taking 3 families to the November panel. However, the target for this financial year is to recruit 20 new foster carers and we are therefore behind target.

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 trauma based training and support to enable them to take and retain children with more challenging behaviours in placement and implementing the Mockingbird Model. We are also targeting our recruitment to increase our number of in-house mother and child foster placements.

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 Semi-Independent Accommodation (SIA) Panel which will record costs incurred. We are working to identify our Housing Benefit payments and what we should be getting and what are the actuals received. This work is continuing with the aim to further reduce under-achievement of housing benefits during this year.

We have contracted with a provider to block purchase five independent units for care leavers aged 18+ to act as a step down into permanent independent living. Building on these cost reductions, we expect to be able to procure further placements of this type in 2019/20 and 2020/21.

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.

Our average placements costs against each budget code are reported each month. Due to the low numbers in UASC independent agency (non-grant) placements and secure accommodation units, small changes in numbers result in big variations in the average weekly unit costs as detailed in the following table.

Weekly cost 2019-20								
	May	June	July	Aug	Sep	Oct	Movement from last month	Oct
Description	£	£	£	£	£	£	£	No
ART Independent Agency Fostering	879	854	889	896	922	910	● -11	42
ART In-house Fostering	438	443	430	432	441	420	● -21	70
UASC Independent Agency (Grant)	822	822	821	864	819	818	● -1	10
UASC In house Fostering (Grant)	410	388	452	451	450	482	● 31	23
UASC Independent Agency (Non-Grant)	802	802	802	802	661	599	● -62	2
UASC In house Fostering (Non-Grant)	409	417	405	393	402	420	● 17	10
ART Residential Placements	3,919	3,887	3,886	3,916	3,925	3,870	● -56	15
ART Secure Accommodation	1,323	1,890	1,890	2,457	1,984	1,804	● -181	0
ART Mother & Baby Unit	4,204	4,204	3,401	3,306	3,306	3,405	● 99	0
Supported Housing & Lodgings (Art 16+ Accommodation)	611	619	627	619	683	687	● 4	61
Supported Housing & Lodgings - UASC (Grant)	788	736	687	687	771	708	● -63	2
Supported Housing & Lodgings - UASC (Non Grant)	451	410	400	428	432	436	● 4	22

### Children with additional needs

We are working with colleagues in CCGs through the tripartite process in order to secure appropriate health contribution to funding for children with complex needs, particularly through continuing healthcare (CHC) funding. This is an area we need to improve with closer working with the CCG 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 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, although there is evidence that other LAs are not making best use of this and it is likely to be decommissioned.

### **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 £698k, 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:

<b>Description</b>	<b>Budget £000</b>	<b>Oct overspend forecast £000</b>	<b>Sep overspend forecast £000</b>	<b>2018/19 over £000</b>
Supported lodgings/housing- care leavers	1,819	92	92	52
Supported lodgings/housing- UASC	570	105	505	774
UASC	705	476	771	211
No Recourse to Public Funds (NRPF)	21	141	141	301
UASC grant	(1,200)	(300)	(725)	
<b>Total</b>	<b>1,915</b>	<b>514</b>	<b>784</b>	<b>1,338</b>

The above table summarises the placement cost in relation to additional burdens. On top of these costs there will also be staffing costs to supporting these cases.

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. 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 is 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 have 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).
- SEND tribunals will cover all elements of children care packages, not just education.
- New requirement of social work visits to children in residential schools and other provision.

Further new burdens are expected for 2019/20 including the DfE requirement for new assessment process for all social workers (National Assessment and Accreditation System).

## Community and Housing

### Overview

Community and Housing is currently forecasting an underspend of £22k as at October 2019. The department continues to have under and over spends in a number of its services except in Merton Adult Learning which continues to forecast a breakeven position.

### Community and Housing Summary Outturn Position

<b>Community and Housing</b>	<b>2019/20 Current Budget £000</b>	<b>2019/20 Forecast Spend £'000</b>	<b>2019/20 Forecast Variance (Oct'19) £000</b>	<b>2019/20 Forecast Variance (Sept'19) £000</b>	<b>2018/19 Outturn Variance £000</b>
<b>Access and Assessment</b>	45,199	44,732	(467)	(907)	(258)
<b>Commissioning</b>	4,438	4,334	(104)	(91)	(5)
<b>Direct Provision</b>	4,706	4,774	68	77	6
<b>Directorate</b>	1,142	1,454	312	255	90
<b>Adult Social Care</b>	<b>55,485</b>	<b>55,294</b>	<b>(191)</b>	<b>(666)</b>	<b>(167)</b>
<b>Libraries and Heritage</b>	2,186	2,254	68	72	45
<b>Merton Adult Learning</b>	(8)	(8)	0	0	0
<b>Housing General Fund</b>	1,905	1,994	89	(16)	(73)
<b>Other Services Sub-total</b>	<b>4,083</b>	<b>4,240</b>	<b>157</b>	<b>56</b>	<b>(28)</b>
<b>Public Health</b>	(148)	(136)	12	12	0
<b>Grand Total Controllable</b>	<b>59,420</b>	<b>59,399</b>	<b>(22)</b>	<b>(598)</b>	<b>(195)</b>

### Adult Social Care

#### Access & Assessment - £467k underspend

This service is currently forecasting an underspend of £467k as of October 2019. This change in forecast is mainly due to an increase in gross placements, and an increase in forecasted salaries especially in the Mental Health Team to cover sickness and to increase the team capacity on a temporary basis.

The net underspend is largely due to savings for 2020/21 being achieved in advance, which is therefore a one off position and will be netted off once the saving is removed from the budget in the new financial year. It is also important to note that included in Adult Social Care income is £300k Independent Living Fund (ILF) grant, which ceases next year.

Winter planning is well underway with health partners. A difficult period is expected given that the NHS has experienced significant pressures over the summer. The department is investing the Winter Grant in additional capacity for assessments and care, and in the voluntary sector with the Winter Warm project.

**The table below shows significant movement in budget variances in the Access & Assessment division**

<b>Access &amp; Assessment</b>	<b>Forecast Variance Oct'19 £000</b>	<b>Forecast Variance Sept'19 £000</b>	<b>Outturn Variances March 19 £000</b>
Underspend on Concessionary Fares-(taxi-cards scheme)	(91)	(92)	(42)
Equipment	99	70	95
Other- Incl. Employee Related & Premises	99	(48)	(104)
Placements & Placements Other	1,776	1,513	1,111
Income (IBCF & ILF, Client Contribution)	(2,350)	(2,350)	(1,318)
<b>Total Controllable</b>	<b>(467)</b>	<b>(907)</b>	<b>(258)</b>

**Direct Provision-£68k overspend**

This service is currently forecasting an overspend of £68k which is a reduction of a further £9k since September 2019.

The service continue to overspend on salaries at Meadowsweet, JMC and the Supported living services.

Overspends in direct provision continues to be of concern and is subject to further investigation. There are some areas where the budgets are not aligned to real costs and will be addressed in setting the 2020/21 budget. There is a misalignment between capacity and usage in day care that needs to be addressed as part of the review of the local offer. However, there are also concerns about the sickness levels in some units which are causing additional costs. These are being addressed through management action with individuals and through deploying staff across the homes to cover shifts. We are trialling the use of day service staff to cover some residential shifts.

**C&H-Other Services**

**Libraries-£68k overspend**

The library service is currently forecasting an overspend of £68k which is a reduction of £4k since September. Increases in the September budget monitoring report were investigated and forecast corrected.

The current overspend and slight reduction since September is due to a combination of items, such as an increase in building related expenditure, reduction in salary forecasts and increase in expected income from lettings

**Merton Adult Learning continues to forecast a breakeven position.**

**Housing - £89k overspend**

The Housing service is currently forecasting an overspend of £89k as at October 2019 which is an increase £105k since September 2019. This is due a reduction in the forecasted income from housing benefit, client contributions in temporary accommodation and other an increase in forecasted salary in the Housing Environmental Team. The service will investigate the fluctuations in clients contribution levels to ascertain the reasons for the monthly variations.

The housing enforcement budget reflects the increased capacity within the team to allow the service to work with private Landlords and their agents to improve housing conditions in the borough and to take a robust approach to housing enforcement. This has proved to be successful and in recent months we have seen three prosecutions against Landlords who have flouted the Law. This enforcement approach is a central plank to the work of the team and contributes to improving housing conditions in the borough.

The temporary accommodation budget continues to fluctuate to reflect numbers of households being admitted into temporary accommodation, numbers of households leaving temporary accommodation and the income received from households living in temporary accommodation via Housing Benefit.

Housing benefit Income and subsidy costs are affected by the fluctuation in the number of households accessing the service in accordance with the provisions of the Housing Act.

Since the introduction of the Homelessness Reduction Act 2017 (HRA), the service is required by statute to deliver homelessness prevention activities (now referred to as 'Prevention & Relief Duties'). Accordingly, the prevention of homelessness remains a central plank to the work of the team and contributes to the wider council prevention agenda, which is seeking to ensure that households are able to continue to occupy their homes and avoid the trauma that a homelessness episode brings. It is also the case that the service is required to deliver outcomes to the rough sleeper population in line with MHCLG and the GLA requirements.

The service, in partnership with ST Mungo's, and grant funding from the MHCLG, has successfully opened a rough sleeper's hub, located in the Mitcham area. The hub provides 18 bed spaces for those most entrenched rough sleepers. As part of services these individuals will have their housing and support needs assessed and appropriate pathways drawn up so as to minimise the risk of their returning to rough sleeping.

The hub is one of a number of initiatives that are being developed following successful applications to MHCLG for grant funding. These include:-

**Rough Sleeping Initiative, Rapid Rehousing Pathway, Controlling Migration Fund, And Outreach Rapid Response Team. These projects are all in progress and will contribute to the reduction of vulnerable rough sleepers sleeping**

### **Prevention Activities undertaken as part of the New Burdens for Housing**

Activities undertaken to prevent homelessness:-

- Rent rescue
- Rent Deposits
- Landlord liaison and negotiation with excluder
- Referrals to landlords, hostels and supported housing providers
- Legal advice on security of tenure, i.e. non-compliant s21 Housing Act 1988 notices
- Advice on prevention from eviction and landlord harassment
- Advice on income maximisation and welfare benefits

The table below shows the number of homelessness prevented to October 2019.

Period	Homelessness Prevention Targets 2019-20
Full Year Target	450
<b>Target YTD</b>	<b>263</b>
Achieved-Apr'19	57
Achieved-May'19	86
Achieved-June'19	118
Achieved-July'19	152
Achieved-Aug'19	193
Achieved-Sept'19	233
Achieved-Oct'19	273

The service has exceeded its target to date and it is expected to over achieve its annual prevention target.

### Analysis of Housing and Temporary Accommodation Expenditure

The table below shows the analysis of housing expenditure to October 2019.

Housing	Budget 2019/20 £000	Forecast (Oct'19) £'000	Forecast Variances (Oct'19) £'000	Forecast Variances (Sept'19) £000	Outturn Variances (March'19) £000
Temporary Accommodation-Expenditure	2,368	2,961	593	593	562
Temporary Accommodation-Client Contribution	(140)	(448)	(308)	(362)	(518)
Temporary Accommodation-Housing Benefit Income	(2,005)	(2,449)	(444)	(503)	(26)
Temporary Accommodation-Subsidy Shortfall	322	1,042	720	766	455
Temporary Accommodation-Grant	0	(450)	(450)	(450)	(531)
Subtotal Temporary Accommodation	<b>544</b>	<b>656</b>	<b>112</b>	<b>45</b>	<b>(58)</b>
Housing Other Budgets-Over/(under)spend	1,361	1,338	(23)	(61)	(15)
<b>Total Controllable</b>	<b>1,905</b>	<b>1,994</b>	<b>89</b>	<b>(16)</b>	<b>(73)</b>

### Temporary Accommodation (TA) movement to October 2019

The data below shows the total number of households (i.e. families and single occupants) in temporary accommodation as at October 2019.

Temporary Accommodation	Numbers IN	Numbers OUT	Total for the Month	2018/19
Mar'17	-	-	186	
Mar'18	16	16	165	
Mar'19	15	11	174	
April'19	15	11	178	170
May'19	15	16	177	175
June'19	11	18	170	172
July'19	16	20	166	175
Aug'19	16	14	168	176
Sept'19	14	13	169	174
Oct'19	17	12	174	168

### **Public Health - £12k overspend (No Change)**

During October this service adjusted its forecast to reflect pension adjustments, increase in the Health & Wellbeing Project cost and a decrease in legal costs but has maintained a forecasted overspend of £12k.

## Corporate Items

The details comparing actual expenditure up to 31 October 2019 against budget are contained in Appendix 2. Based on expenditure and income as at 31 October 2019 there is an underspend of £1.300m forecast on corporate items as summarised in the following table:-

Corporate Items	Current Budget 2019/20 £000s	Full Year Forecast (Oct.) £000s	Forecast Variance at year end (Oct.) £000s	Forecast Variance at year end (Sep.) £000s	Outturn Variance 2018/19 £000s
<b>Impact of Capital on revenue budget</b>	<b>10,481</b>	<b>10,332</b>	<b>(149)</b>	<b>(149)</b>	<b>403</b>
Investment Income	(664)	(1,143)	(479)	(479)	(364)
Pension Fund	3,279	3,179	(100)	(100)	(254)
Pay and Price Inflation	200	200	0	0	(1,122)
Contingencies and provisions	3,560	3,232	(327)	(327)	(3,366)
Income Items	(1,503)	(1,749)	(245)	(245)	(956)
Appropriations/Transfers	(2,704)	(2,704)	0	0	(6)
<b>Central Items</b>	<b>2,168</b>	<b>1,017</b>	<b>(1,151)</b>	<b>(1,152)</b>	<b>(6,068)</b>
Levies	949	949	0	0	0
Depreciation and Impairment	(22,903)	(22,903)	0	0	4
<b>TOTAL CORPORATE PROVISIONS</b>	<b>(9,305)</b>	<b>(10,605)</b>	<b>(1,300)</b>	<b>(1,300)</b>	<b>(5,661)</b>

Although there is no change to the forecast variance of £1.300m at year end, the figures in the table above have been adjusted to reflect the transfer of the following amounts, where budgets are planned to be available, to the Spending Review Reserve

	£000
Excess Inflation provision	250
Contingency	500
Apprenticeship Levy	200
Revenuisation and miscellaneous	300
<b>Total</b>	<b>1,250</b>

The addition of these amounts will increase the balance on the Spending Review Reserve to £5.745m.

## 4 Capital Programme 2019-23

4.1 The Table below shows the movement in the 2019/23 corporate capital programme since the last meeting of Cabinet:

Depts	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	Revised Budget 22/23	Variance	Revised Budget 22/23
CS	9,669	(250)	<b>9,419</b>	26,328	250	<b>26,578</b>	4,245		<b>4,245</b>	16,075		<b>16,075</b>
C&H	1,196	(100)	<b>1,096</b>	1,118	847	<b>1,965</b>	913		<b>913</b>	882		<b>882</b>
CSF	9,204	39	<b>9,243</b>	5,816	(30)	<b>5,786</b>	3,150		<b>3,150</b>	1,900		<b>1,900</b>
E&R	14,593	(504)	<b>14,089</b>	8,379	0	<b>8,379</b>	7,504		<b>7,504</b>	4,401	500	<b>4,901</b>
<b>TOTAL</b>	<b>34,662</b>	<b>(816)</b>	<b>33,846</b>	<b>41,641</b>	<b>1,067</b>	<b>42,709</b>	<b>15,812</b>	<b>0</b>	<b>15,812</b>	<b>23,258</b>	<b>500</b>	<b>23,758</b>

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

	Actuals	Budgeted Spend to Date	Variance to Date	Final Budget	Final Forecast 2019/20	Full Year Variance
Corporate Services	1,658,728	2,211,180	(552,452)	9,418,690	9,244,186	(174,504)
Community and Housing	501,952	428,700	73,252	1,096,240	1,096,240	0
Children Schools & Families	5,582,849	4,190,203	1,392,647	9,242,400	9,106,765	(135,635)
Environment and Regeneration	3,242,322	5,490,075	(2,247,753)	14,089,060	14,069,055	(20,005)
<b>Total</b>	<b>10,985,851</b>	<b>12,320,158</b>	<b>(1,334,306)</b>	<b>33,846,390</b>	<b>33,516,246</b>	<b>(330,144)</b>

- a) Corporate Services – All budget managers are projecting a full spend against budget, apart from Customer Contact which is currently showing in year slippage of £324k slippage. Two budget have been re-profiled from 2019-20 to 2020-21, these are Business Systems – Capita Housing £100,000 and Customer Contact £150,000, both changes reflect expected spending patterns.
- b) Community and Housing – All budget managers are projecting a full year spend. West Barnes Library Re-Fit has been re-profiled to 2020-21 (£200k) and £747k has been added to Disabled Facilities Grants (£100k in 2019-20 and £647 in 2020-21) funded by grant income.
- c) Children, Schools and Families – Officers are currently projecting in year slippage of £136k (£87k in Primary, £29k Secondary and £19k in SEN). The following amendments have been made to the budget this month

Scheme	2019/20 Budget	2020/21 Budget
<b>Children, Schools and Families</b>		
Unallocated Primary School Project	(157,000)	
West Wimbledon capital maintenance	20,000	
Hatfield capital maintenance	18,560	
Garfield capital maintenance	34,000	
Abbotsbury capital maintenance	113,000	
Gorrige Park capital maintenance	55,000	
Haslemere capital maintenance	(34,000)	
Liberty capital maintenance	15,000	
Lonesome capital maintenance	55,000	
Sherwood capital maintenance	(15,000)	
William Morris capital maintenance	(83,000)	
Harris Academy Morden	(38,560)	
Rutlish capital maintenance	18,570	
Perseid capital maintenance	30,000	(30,000)
Cricket Green capital maintenance	7,000	
<b>Total</b>	<b>38,570</b>	<b>(30,000)</b>

\* Requires Cabinet approval

- d) Environment and Regeneration – Officers are projecting full spend on all budgets apart from Alleygating which is showing an underspend of £20k. The following three adjustments have been made to the department's budget this month:

Scheme	2019/20 Budget	2022/23 Budget
Morden Area Regeneration- Transportation Enhancements*	(500,000)	500,000
Highways & Footways - Safer Walking Routes	(2,000)	
Highways & Footways - School part time closure	(2,380)	
<b>Total</b>	<b>(504,380)</b>	<b>500,000</b>

\* Requires Cabinet approval



4.3 The table below summarises the movement in the Capital Programme for 2019/20 since its approval in March 2019 (£000s):

Depts.	Original Budget 19/20	Net Slippage 2018/19	Adjustments	New External Funding	New Internal Funding	Re-profiling	Revised Budget 19/20
Corporate Services	28,857	1,686			60	(21,184)	9,419
Community & Housing	971	225				(100)	1,096
Children Schools & Families	10,203	566		594	50	(2,170)	9,243
Environment and Regeneration	13,498	404		394	359	(566)	14,089
<b>Total</b>	<b>53,529</b>	<b>2,881</b>	<b>0</b>	<b>988</b>	<b>469</b>	<b>(24,020)</b>	<b>33,846</b>

4.4 The table below compares capital expenditure (£000s) to October 2019 to that in previous years':

Depts.	Spend To October 2016	Spend To October 2017	Spend to October 2018	Spend to October 2019	Variance 2016 to 2019	Variance 2017 to 2019	Variance 2018 to 2019
CS	279	1,386	2,991	1,659	1,380	273	(1,333)
C&H	1,155	392	492	502	(653)	110	10
CSF	3,144	2,746	3,565	5,583	2,439	2,837	2,018
E&R	7,201	6,332	6,581	3,242	(3,959)	(3,090)	(3,339)
<b>Total Capital</b>	<b>11,779</b>	<b>10,856</b>	<b>13,630</b>	<b>10,986</b>	<b>(793)</b>	<b>130</b>	<b>(2,644)</b>

Outturn £000s	30,626	32,230	31,424	
Budget £000s				33,846
Projected Spend October 2019 £000s				33,516
Percentage Spend to Budget				32.46%
% Spend to Outturn/Projection	38.46%	33.68%	43.37%	32.78%
Monthly Spend to Achieve Projected Outturn £000s				4,506

4.5 October is seven months into the financial year and departments have spent just over 34% of the budget. Spend to date is lower than two of the three previous financial years shown.

Department	Spend To September 2019 £000s	Spend To October 2019 £000s	Increase £000s
CS	1,131	1,659	528
C&H	414	502	88
CSF	4,752	5,583	831
E&R	2,851	3,242	391
<b>Total Capital</b>	<b>9,148</b>	<b>10,986</b>	<b>1,838</b>

4.6 During October 2019 officers spent £1.838 million, which highlights that it is highly unlikely that a projected Authority wide spend of just under £33 million will be achieved, but funding has been based on 88.5% being achieved. Time will continue to be spent with budget managers to re-profile budgets into subsequent financial years.

## 5. DELIVERY OF SAVINGS FOR 2019/20

Department	Target Savings 2019/20	Projected Savings 2019/20	Period 7 Forecast Shortfall	Period Forecast Shortfall (P6)	Period 6 Forecast Shortfall	2020/21 Expected Shortfall
	£000	£000	£000	%	£000	£000
Corporate Services	1,484	1,401	83	5.6%	83	35
Children Schools and Families	572	572	0	0.0%	0	0
Community and Housing	1,534	1,413	121	7.9%	121	0
Environment and Regeneration	3,370	2,097	1,273	37.8%	1,273	130
<b>Total</b>	<b>6,960</b>	<b>5,483</b>	<b>1,477</b>	<b>21.2%</b>	<b>1,477</b>	<b>165</b>

Appendix 6 details the progress on savings for 2019/20 by department.

### Progress on savings 2018/19

Department	Target Savings 2018/19	2018/19 Shortfall	2019/20 Projected shortfall	2020/21 Projected shortfall
	£000	£000	£000	£000
Corporate Services	2,024	505	395	10
Children Schools and Families	489	0	0	0
Community and Housing	2,198	442	0	0
Environment and Regeneration	926	523	147	47
<b>Total</b>	<b>5,637</b>	<b>1,470</b>	<b>542</b>	<b>57</b>

Appendix 7 details the progress on unachieved savings from 2018/19 by department and the impact on the current year and next year.

### Progress on savings 2017/18

Department	Target Savings 2017/18	2017/18 Shortfall	2018/19 shortfall	2019/20 Projected shortfall
	£000	£000	£000	£000
Corporate Services	2,316	196	0	0
Children Schools and Families	2,191	7	0	0
Community and Housing	2,673	0	0	0
Environment and Regeneration	3,134	2,188	694	305
<b>Total</b>	<b>10,314</b>	<b>2,391</b>	<b>694</b>	<b>305</b>

Appendix 8 details the progress on unachieved savings from 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 2019/20
Appendix 5b -	Detail of Virements
Appendix 5c -	Summary of Capital Programme Funding
Appendix 6 –	Progress on savings 2019/20
Appendix 7 –	Progress on savings 2018/19
Appendix 8 -	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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Summary Position as at 31<sup>st</sup> October 2019

	Original Budget 2019/20 £000s	Current Budget 2019/20 £000s	Year to Date Budget (Oct) £000s	Year to Date Actual (Oct) £000s	Full Year Forecast (Oct) £000s	Forecast Variance at year end (Oct) £000s	Forecast Variance at year end (Sept) £000s	Outturn variance 2018/19 £000
<b>Department</b>	-	-	-	-	-	-	-	-
3A. Corporate Services	10,930	11,495	14,608	15,034	11,204	(291)	(342)	(2,511)
3B. Children, Schools and Families	60,819	61,361	29,054	21,197	62,573	1,212	1,581	2,271
<b>3C. Community and Housing</b>	-	-	-	-	-	-	-	-
Adult Social Care	58,657	58,650	32,368	35,471	58,459	(191)	(667)	(169)
Libraries & Adult Education	2,878	2,878	1,880	2,397	2,946	68	72	45
Housing General Fund	2,219	2,219	778	186	2,308	89	(15)	(73)
3D. Public Health	0	0	(1,671)	(2,626)	12	12	12	0
3E. Environment & Regeneration	15,832	15,968	2,352	(12,640)	15,300	(668)	(820)	(1,526)
Overheads	0	0	0	0	0	0	0	(33)
<b>NET SERVICE EXPENDITURE</b>	<b>151,335</b>	<b>152,570</b>	<b>79,367</b>	<b>59,019</b>	<b>152,802</b>	<b>232</b>	<b>-178</b>	<b>(1,996)</b>
<b>3E. Corporate Items</b>	-	-	-	-	-	-	-	-
Impact of Capital on revenue budget	10,481	10,481	3,684	3,898	10,332	(149)	(149)	403
Other Central items	(19,500)	(20,735)	(214)	3,691	(21,886)	(1,151)	(1,151)	(6,064)
Levies	949	949	433	433	949	0	0	0
<b>TOTAL CORPORATE PROVISIONS</b>	<b>(8,070)</b>	<b>(9,305)</b>	<b>3,903</b>	<b>8,022</b>	<b>(10,605)</b>	<b>(1,300)</b>	<b>(1,300)</b>	<b>(5,661)</b>
<b>TOTAL GENERAL FUND</b>	<b>143,264</b>	<b>143,265</b>	<b>83,270</b>	<b>67,041</b>	<b>142,197</b>	<b>(1,068)</b>	<b>(1,478)</b>	<b>(7,657)</b>
<b>Funding</b>	-	-	-	-	-	-	-	-
- Business Rates	(44,026)	(44,026)	0	0	(44,026)	0	0	0
- RSG	0	0	0	0	0	0	0	0
- Section 31 Grant	0	0	(2,398)	(2,398)	0	0	0	0
- New Homes Bonus	(2,108)	(2,108)	(1,581)	(1,581)	(2,108)	0	0	0
- PFI Grant	(4,797)	(4,797)	(2,398)	(2,398)	(4,797)	0	0	0
- Brexit Grant	(210)	(210)	(210)	(210)	(210)	0	0	0
- Adult Social Care Grant	(1,054)	(1,054)	(3,582)	(3,582)	(1,054)	0	0	0
<b>Grants</b>	<b>(52,195)</b>	<b>(52,195)</b>	<b>(10,169)</b>	<b>(10,169)</b>	<b>(52,195)</b>	<b>0</b>	<b>0</b>	<b>-</b>
Collection Fund - Council Tax Surplus(-)/Deficit	(1,949)	(1,949)	0	0	(1,949)	0	0	0
Collection Fund - Business Rates Surplus(-)/Deficit	3,250	3,250	0	0	3,250	0	0	0
<b>Council Tax</b>	-	-	-	-	-	-	-	-
- General	(92,028)	(92,028)	0	0	(92,028)	0	0	0
- WPCC	(343)	(343)	0	0	(343)	0	0	0
<b>Council Tax and Collection Fund</b>	<b>(91,070)</b>	<b>(91,070)</b>	<b>0</b>	<b>0</b>	<b>(91,070)</b>	<b>0</b>	<b>0</b>	<b>-</b>
<b>FUNDING</b>	<b>(143,265)</b>	<b>(143,265)</b>	<b>(10,169)</b>	<b>(10,169)</b>	<b>(143,265)</b>	<b>0</b>	<b>0</b>	<b>-</b>
<b>NET</b>	<b>(0)</b>	<b>0</b>	<b>73,101</b>	<b>56,872</b>	<b>(1,068)</b>	<b>(1,068)</b>	<b>(1,478)</b>	<b>(7,657)</b>

## Appendix 2

3E. Corporate Items	Council 2019/20 £000s	Original Budget 2019/20 £000s	Current Budget 2019/20 £000s	Year to Date Budget (Oct.) £000s	Year to Date Actual (Oct.) £000s	Full Year Forecast (Oct.) £000s	Forecast Variance at year end (Oct.) £000s	Forecast Variance at year end (Sep.) £000s	Outturn Variance 2018/19 £000s
Cost of Borrowing	10,481	10,481	10,481	3,684	3,898	10,332	(149)	(149)	403
<b>Impact of Capital on revenue budget</b>	<b>10,481</b>	<b>10,481</b>	<b>10,481</b>	<b>3,684</b>	<b>3,898</b>	<b>10,332</b>	<b>(149)</b>	<b>(149)</b>	<b>403</b>
<b>Investment Income</b>	<b>(664)</b>	<b>(664)</b>	<b>(664)</b>	<b>(387)</b>	<b>(525)</b>	<b>(1,143)</b>	<b>(479)</b>	<b>(479)</b>	<b>(364)</b>
<b>Pension Fund</b>	<b>3,429</b>	<b>3,429</b>	<b>3,279</b>	<b>3,552</b>	<b>3,552</b>	<b>3,179</b>	<b>(100)</b>	<b>(100)</b>	<b>(254)</b>
Corporate Provision for Pay Award	877	877	(0)		0	(0)	0	0	(744)
Provision for excess inflation	450	450	200		0	200	0	0	(378)
<b>Pay and Price Inflation</b>	<b>1,327</b>	<b>1,327</b>	<b>200</b>	<b>0</b>	<b>0</b>	<b>200</b>	<b>0</b>	<b>0</b>	<b>(1,122)</b>
Contingency	1,500	1,500	750		0	750	0	0	(1,398)
Single Status/Equal Pay	100	100	50		0	50	0	0	(84)
Bad Debt Provision	500	500	500		0	500	0	0	(33)
Loss of income arising from P3/P4	200	200	100		0	0	(100)	(100)	(200)
Loss of HB Admin grant	83	83	34		0	0	(34)	(34)	(83)
Apprenticeship Levy	450	450	250	146	234	250	0	0	(217)
Revenuisation and miscellaneous	2,070	2,070	1,875		257	1,682	(193)	(193)	(1,351)
<b>Contingencies and provisions</b>	<b>4,904</b>	<b>4,904</b>	<b>3,560</b>	<b>146</b>	<b>491</b>	<b>3,232</b>	<b>(327)</b>	<b>(327)</b>	<b>(3,366)</b>
Other income	0	0	0	0	(245)	(245)	(245)	(245)	(953)
CHAS IP/Dividend	(1,407)	(1,407)	(1,503)	(821)	(830)	(1,503)	0	0	(3)
<b>Income items</b>	<b>(1,407)</b>	<b>(1,407)</b>	<b>(1,503)</b>	<b>(821)</b>	<b>(1,075)</b>	<b>(1,749)</b>	<b>(245)</b>	<b>(245)</b>	<b>(956)</b>
Appropriations: CS Reserves	(711)	(711)	(1,077)	(1,077)	(421)	(1,077)	0	0	0
Appropriations: E&R Reserves	(146)	(146)	(347)	(347)	0	(347)	0	0	0
Appropriations: CSF Reserves	9	9	(586)	(586)	(976)	(586)	0	0	0
Appropriations: C&H Reserves	(104)	(104)	(104)	(104)	0	(104)	0	0	0
Appropriations: Public Health Reserves	(1,200)	(1,200)	(1,200)	(1,200)	0	(1,200)	0	0	0
Appropriations: Corporate Reserves	(2,034)	(2,034)	611	611	2,645	611	0	0	(6)
<b>Appropriations/Transfers</b>	<b>(4,186)</b>	<b>(4,186)</b>	<b>(2,704)</b>	<b>(2,704)</b>	<b>1,248</b>	<b>(2,704)</b>	<b>0</b>	<b>0</b>	<b>(6)</b>
<b>Depreciation and Impairment</b>	<b>(22,903)</b>	<b>(22,903)</b>	<b>(22,903)</b>	<b>0</b>	<b>0</b>	<b>(22,903)</b>	<b>0</b>	<b>0</b>	<b>4</b>
<b>Central Items</b>	<b>(9,019)</b>	<b>(9,019)</b>	<b>(10,254)</b>	<b>3,470</b>	<b>7,589</b>	<b>(11,554)</b>	<b>(1,300)</b>	<b>(1,300)</b>	<b>(5,661)</b>
<b>Levies</b>	<b>949</b>	<b>949</b>	<b>949</b>	<b>433</b>	<b>433</b>	<b>949</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL CORPORATE PROVISIONS</b>	<b>(8,070)</b>	<b>(8,070)</b>	<b>(9,305)</b>	<b>3,903</b>	<b>8,022</b>	<b>(10,605)</b>	<b>(1,300)</b>	<b>(1,300)</b>	<b>(5,661)</b>

### Pay and Price Inflation as at October 2019

In 2019/20, the budget includes 2.8% for increases in pay and 1.5% for increases in general prices, with an additional amount, currently £0.450m, 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 1.5% and RPI at 2.1% this budget will only be released when it is certain that it will not be required.

### Pay:

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

### Prices:

The Consumer Prices Index (CPI) 12-month rate was 1.5% in October 2019, down from 1.7% in September 2019. The Consumer Prices Index including owner occupiers' housing costs (CPIH) 12-month inflation rate was 1.5% in October 2019, down from 1.7% in September 2019. The largest downward contributions to change in the inflation rate, between September and October 2019, came from electricity, gas and other fuels as a result of changes to the energy price cap. There were further downward contributions from furniture, household equipment and maintenance; and recreation and culture, which were partially offset by upward movements in clothing and footwear prices. The RPI rate for October 2019 was 2.1%, which is down from the figure of 2.4% in September 2019.

### 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 November 2019, the MPC voted by a majority of 7-2 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 to its November meeting, the MPC note that "looking through Brexit-related volatility, underlying UK GDP growth has slowed materially this year and a small margin of excess supply has opened up. That slowdown reflects weaker global growth, driven by trade protectionism, and the domestic impact of Brexit-related uncertainties. In October, the UK and EU agreed a Withdrawal Agreement and Political Declaration as well as a flexible extension of Article 50. As a consequence, the perceived likelihood of a no-deal Brexit has fallen markedly and the sterling exchange rate has appreciated. These agreements are expected to remove some of the uncertainty facing businesses and households, and the MPC projects that UK GDP growth will pick up during 2020. This will be further supported by easier UK fiscal policy and a modest recovery in global growth."

The MPC state that "inflationary pressures are projected to lessen in the near term. CPI inflation is expected to decline to around 1¼% by the spring, owing to the temporary effect of falls in regulated energy and water prices. While unit labour costs have been growing at rates above those consistent with meeting the inflation target and core services CPI inflation has begun to increase somewhat, employment growth has slowed and pay growth is likely to fall back in the near term. In the second half of the MPC's forecast period, however, as a significant margin of excess demand emerges, domestic inflationary pressures are expected to build. Conditioned on current market yields, CPI inflation is projected to rise to slightly above 2% towards the end of the forecast period."

The next Bank Rate minutes will be published on 19 December 2019.

The Quarterly “Inflation Report now “The Monetary Policy Report”

Starting on 7 November, the Bank of England Inflation Report is to become the Monetary Policy Report. The Report is also to undergo some changes to its structure

These changes are part of the Bank’s ongoing efforts to improve its communications and ensure that those outside the institution have the information they need in order to understand our policy decisions and to hold the Bank to account.

Economic projections in the Monetary Policy Report for November 2019 are caveated by assumptions related to the eventual outcome of Brexit. The MPC say that “ Inflation has been close to 2% in recent months, averaging 1.8% during 2019 Q3. Over the past year or so, inflation has fallen, accounted for by weaker goods price inflation, which in turn has been driven partly by the fading impact from sterling’s past depreciation. In contrast, core services price inflation has increased. That is consistent with a rise in domestic price pressures, and is likely to reflect the gradual pass-through of the strong pickup in pay growth over the past few years.

CPI inflation CPI inflation is projected to decline notably in the near term reflecting the impact of lower regulated energy and utilities prices... Over the coming quarters, inflation will be affected by developments in a number of regulated prices. The price cap affecting household gas and electricity bills has fallen, which will reduce the contribution of energy prices to inflation, as will the fall in sterling oil prices over the past year. In addition, water bills are projected to fall in April 2020 in line with the draft determination of the regulator, Ofwat. CPI inflation is expected to fall to an average of 1.2% in 2020 Q2 as a result. ...but further out inflation rises, supported by building excess demand. Inflation picks up as those temporary effects begin to fade towards the end of 2020. It is supported by rising excess demand, which leads to stronger domestic inflationary pressures. Wage growth is projected to be around 3¾% over the second half of the forecast period, supported by low unemployment. Taken together with weak productivity growth, that means unit labour cost growth is robust. CPI inflation is projected to rise to 2.0% in the second year of the MPC’s forecast, and 2.2% in the third year.”

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

Source: HM Treasury - Forecasts for the UK Economy (October 2019)			
	Lowest %	Highest %	Average %
2019 (Quarter 4)			
CPI	1.5	2.3	1.9
RPI	2.2	3.2	2.6
LFS Unemployment Rate	3.8	4.3	4.0
2020 (Quarter 4)			
CPI	1.7	3.3	2.1
RPI	2.0	4.2	2.9
LFS Unemployment Rate	3.8	5.7	4.2

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:-

Source: HM Treasury - Forecasts for the UK Economy (August 2019)					
	2019	2020	2021	2022	2023
	%	%	%	%	%
CPI	1.9	2.0	2.0	2.1	2.1
RPI	2.7	2.8	3.0	3.2	3.2
LFS Unemployment Rate	3.9	4.1	4.3	4.3	4.3

Due to the general election on 12 December there will be no publication of Forecasts for the UK Economy in November. The next publication will be on the 18th December covering both short and medium term forecasts.



## Treasury Management: Outlook

At its meeting ending on 6 November 2019, the MPC voted by a majority of 7-2 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 to the November 2019 meeting the MPC state that “for the majority of members of the Committee, the existing stance of monetary policy was appropriate at this meeting. Although the global outlook had deteriorated further, recent UK economic data had not, on the whole, surprised to the downside. The MPC’s central projection assumed that UK GDP growth recovered during 2020, as uncertainties facing businesses and households reduced in response to recent Brexit developments. There were, so far, few data points available that allowed the economic impact of these developments to be assessed. There were some signs that the labour market was starting to loosen, but it remained tight and standard measures of domestically generated inflationary pressures had tended to firm. Unit labour costs had been growing at rates above those consistent with meeting the inflation target in the medium term, and core services CPI inflation, excluding rents, had risen to rates consistent with meeting the target. Although the global equilibrium interest rate might have fallen somewhat, the recent reduction in domestic Brexit uncertainties and the easier stance of fiscal policy could push up on UK equilibrium interest rates. Two members preferred a 25 basis point cut in Bank Rate at this meeting. The UK economy already had a modest but rising amount of spare capacity, and core inflation was subdued. The headline unemployment rate was likely to be a lagging indicator of labour market tightness; other indicators, including vacancies and short-term unemployment, suggested that the labour market was turning. There were downside risks to the MPC’s projections from a weaker world outlook and from more persistent Brexit uncertainties affecting corporate and household spending. As a result, these members judged that some extra stimulus was needed now to ensure a sustained return of inflation to the target.

The next Bank Rate minutes will be published on 19 December 2019.

### The Quarterly “Inflation Report now “The Monetary Policy Report”

Starting on 7 November, the Bank of England Inflation Report is to become the Monetary Policy Report. The Report is also to undergo some changes to its structure

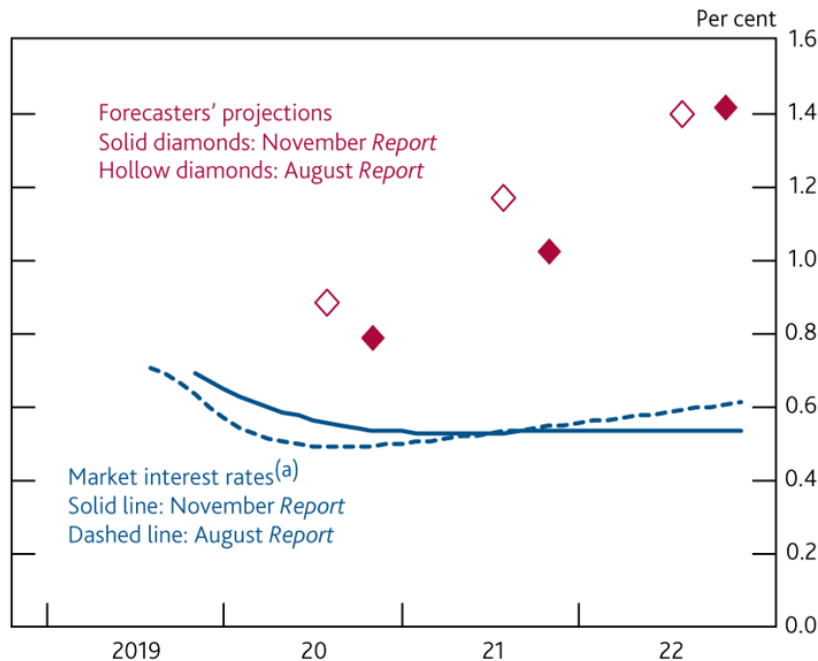
These changes are part of the Bank’s ongoing efforts to improve its communications and ensure that those outside the institution have the information they need in order to understand our policy decisions and to hold the Bank to account.

The outlook for interest rates looking forward will be heavily dependent on the Brexit outcome. The MPC say that “reflecting government policy, the MPC’s projections are now conditioned on the assumption that the UK moves to a deep free trade agreement with the EU. They are also conditioned on the current market path for interest rates, which projects that Bank Rate will be below its current level over the forecast period. Under those assumptions, UK demand is projected to recover and to grow faster than the subdued pace of supply growth. This recovery reflects the assumed reduction in the uncertainty facing businesses and households, more supportive fiscal policy and a gradual pickup in global growth.

External forecasters’ central projections for Bank Rate in one and two years’ time were lower, on average, than three months ago, while they were broadly similar at the three-year horizon (See Chart). The average central projection for Bank Rate remained well above the market-implied path upon which the MPC’s November Report forecast assumptions are conditioned.

	2019 Qtr.4	2020 Qtr.4	2021 Qtr.4	2022 Qtr.4
MPC's Market implied Bank Rate (November 2019)	0.7	0.5	0.5	0.5
External forecasters projections (November 2019)		0.8	1.0	1.4

## Market interest rates and averages of forecasters' central projections of Bank Rate



Sources: Bloomberg Finance L.P. and projections of outside forecasters as of 25 October 2019 and 19 July 2019.

(a) Estimated using instantaneous forward overnight index swap rates in the 15 working days to 30 October 2018 and 24 July 2019 respectively.

Source: Monetary Policy Report November 2019 (Bank of England – MPC)

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

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

### Key Judgement 1:

Global GDP growth is projected to remain slow in the first part of the forecast period, partly reflecting the impact of trade protectionism, before rising gradually towards potential rates.

### Key Judgement 2:

Supply growth is subdued.

### Key Judgement 3:

Uncertainty is reduced by the Withdrawal Agreement — providing some support to UK demand growth.

### Key Judgement 4:

CPI inflation declines further below 2% in the near term given lower utilities prices, before rising slightly above the target by the end of the forecast owing to building domestic price pressures.

**Capital Budget Monitoring- October 2019**

Narrative	Actuals	Budgeted Spend to Date	Variance to Date	Final Budget	Final Forecast 2019/20	Full Year Variance
<b>Capital</b>	<b>10,985,851</b>	<b>12,320,158</b>	<b>(1,334,306)</b>	<b>33,846,390</b>	<b>33,516,246</b>	<b>(330,144)</b>
<b>Corporate Services</b>	<b>1,658,728</b>	<b>2,211,180</b>	<b>(552,452)</b>	<b>9,418,690</b>	<b>9,244,186</b>	<b>(174,504)</b>
<b>Customer, Policy and Improvmen</b>	<b>132,139</b>	<b>24,550</b>	<b>107,589</b>	<b>472,660</b>	<b>298,156</b>	<b>(174,504)</b>
Customer Contact Programme	132,139	24,550	107,589	472,660	298,156	(174,504)
Customer Contact Programme	2,080		2,080	301,800	128,000	(173,800)
Customer Contact - Echo Integr	130,059	24,550	105,509	170,860	170,156	(704)
<b>Facilities Management Total</b>	<b>502,900</b>	<b>695,750</b>	<b>(192,850)</b>	<b>1,480,420</b>	<b>1,480,420</b>	<b>0</b>
Works to other buildings	217,382	391,920	(174,538)	669,210	669,210	0
Civic Centre	268,530	198,830	69,700	544,770	544,770	0
Invest to Save schemes	16,988	105,000	(88,012)	266,440	266,440	0
<b>Infrastructure &amp; Transactions</b>	<b>1,004,715</b>	<b>1,480,880</b>	<b>(476,165)</b>	<b>3,516,180</b>	<b>3,516,180</b>	<b>0</b>
Business Systems	63,168	143,800	(80,632)	536,860	536,860	0
Social Care IT System	96,903	185,000	(88,097)	425,240	425,240	0
Planned Replacement Programme	844,644	1,152,080	(307,436)	2,554,080	2,554,080	0
<b>Resources</b>	<b>18,974</b>	<b>10,000</b>	<b>8,974</b>	<b>24,970</b>	<b>24,970</b>	<b>0</b>
Financial System	18,974	10,000	8,974	24,970	24,970	0
<b>Corporate Items</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,924,460</b>	<b>3,924,460</b>	<b>0</b>
Westminster Ccl Coroners Court	0	0	0	460,000	460,000	0
Housing Company	0	0	0	3,464,460	3,464,460	0
<b>Community and Housing</b>	<b>501,952</b>	<b>428,700</b>	<b>73,252</b>	<b>1,096,240</b>	<b>1,096,240</b>	<b>0</b>
<b>Adult Social Care</b>	<b>3,349</b>	<b>0</b>	<b>3,349</b>	<b>43,750</b>	<b>43,750</b>	<b>0</b>
Telehealth	3,349	0	3,349	43,750	43,750	0
<b>Housing</b>	<b>458,190</b>	<b>350,000</b>	<b>108,190</b>	<b>927,160</b>	<b>927,160</b>	<b>0</b>
Disabled Facilities Grant	458,190	350,000	108,190	927,160	927,160	0
<b>Libraries</b>	<b>40,413</b>	<b>78,700</b>	<b>(38,288)</b>	<b>125,330</b>	<b>125,330</b>	<b>0</b>
Library Enhancement Works	754	48,700	(47,946)	48,700	48,700	0
Libraries IT	39,659	30,000	9,659	76,630	76,630	0

**Capital Budget Monitoring- October 2019**

Narrative	Actuals	Budgeted Spend to Date	Variance to Date	Final Budget	Final Forecast 2019/20	Full Year Variance
<b>Children Schools &amp; Families</b>	<b>5,582,849</b>	<b>4,190,203</b>	<b>1,392,647</b>	<b>9,242,400</b>	<b>9,106,765</b>	<b>(135,635)</b>
<b>Primary Schools</b>	<b>776,023</b>	<b>1,240,143</b>	<b>(464,120)</b>	<b>1,751,820</b>	<b>1,664,579</b>	<b>(87,241)</b>
Hollymount	0	12,180	(12,180)	16,240	16,912	672
West Wimbledon	36,917	52,778	(15,861)	90,370	90,840	470
Hatfeild	35,884	65,363	(29,478)	105,710	100,170	(5,540)
Hillcross	141,711	174,555	(32,844)	232,740	227,796	(4,944)
Joseph Hood	20,000	31,350	(11,350)	41,800	34,122	(7,678)
Dundonald	(3,871)	31,150	(35,021)	31,150	31,150	0
Garfield	82,546	73,835	8,711	126,780	126,662	(118)
Merton Abbey	21,479	17,843	3,636	23,790	23,755	(35)
Pelham	66,075	76,418	(10,343)	85,890	76,894	(8,996)
Poplar	18,896	20,303	(1,406)	27,070	28,361	1,291
Wimbledon Chase	54,251	114,835	(60,584)	133,780	136,707	2,927
Wimbledon Park	0	1,800	(1,800)	1,800	0	(1,800)
Abbotsbury	32,067	53,655	(21,588)	184,540	184,432	(108)
Morden	(2,219)	3,970	(6,189)	3,970	0	(3,970)
Bond	52,246	91,450	(39,204)	120,600	121,211	611
Cranmer	3,680	32,073	(28,393)	56,430	34,142	(22,288)
Gorringe Park	10,970	7,500	3,470	100,970	90,970	(10,000)
Liberty	34,003	61,370	(27,367)	92,300	84,680	(7,620)
Links	64,651	60,110	4,541	74,480	68,986	(5,494)
Singlegate	0	11,000	(11,000)	11,000	11,000	0
St Marks	278	0	278	0	0	0
Lonesome	20,000	16,300	3,700	76,300	72,000	(4,300)
Sherwood	42,367	40,598	1,769	51,130	50,585	(545)
Stanford	(1,768)	0	(1,768)	0	0	0
William Morris	15,396	76,200	(60,804)	18,600	17,744	(856)
Unallocated Primary School Proj	0	68,380	(68,380)	7,540	0	(7,540)

Please note negative actual spend figures relate to retention and accrued invoices that are still to be paid

**Capital Budget Monitoring- October 2019**

<b>Narrative</b>	<b>Actuals</b>	<b>Budgeted Spend to Date</b>	<b>Variance to Date</b>	<b>Final Budget</b>	<b>Final Forecast 2019/20</b>	<b>Full Year Variance</b>
<b>Secondary School</b>	<b>1,484,547</b>	<b>419,918</b>	<b>1,064,629</b>	<b>1,811,190</b>	<b>1,782,636</b>	<b>(28,554)</b>
Harris Academy Morden	0	38,560	(38,560)	0	0	0
Harris Academy Merton	1,550	4,570	(3,020)	4,570	4,570	0
Raynes Park	20,862	51,983	(31,121)	67,680	46,050	(21,630)
Ricards Lodge	20,648	31,440	(10,792)	36,690	35,306	(1,384)
Rutlish	182,002	196,165	(14,163)	251,540	246,000	(5,540)
Harris Academy Wimbledon	1,259,485	97,200	1,162,285	1,450,710	1,450,710	0
<b>SEN</b>	<b>3,120,669</b>	<b>2,297,703</b>	<b>822,966</b>	<b>5,327,400</b>	<b>5,308,000</b>	<b>(19,400)</b>
Perseid	(32,203)	51,210	(83,413)	83,490	78,040	(5,450)
Schools Capital maintenance	1,998		1,998	32,280	26,830	(5,450)
Perseid School Expansion	(34,201)	51,210	(85,411)	51,210	51,210	0
Cricket Green	2,573,768	2,117,743	456,026	4,145,910	4,131,960	(13,950)
Project General	51,909		51,909			0
Schools Capital maintenance	10,000	61,313	(51,313)	88,750	74,800	(13,950)
Cricket Green School Expansion	2,511,859	2,056,430	455,429	4,057,160	4,057,160	0
Melrose	7,000	5,250	1,750	107,000	107,000	0
Unallocated SEN	534,620	0	534,620	820,000	820,000	0
Melbury College - Smart Centre	37,484	123,500	(86,016)	171,000	171,000	0
<b>CSF Schemes</b>	<b>201,612</b>	<b>232,440</b>	<b>(30,828)</b>	<b>351,990</b>	<b>351,550</b>	<b>(440)</b>
CSF IT Schemes	(1,353)	440	(1,793)	440	0	(440)
Devolved Formula Capital	202,965	232,000	(29,035)	351,550	351,550	0

Please note negative actual spend figures relate to retention and accrued invoices that are still to be paid

**Capital Budget Monitoring- October 2019**

Narrative	Actuals	Budgeted Spend to Date	Variance to Date	Final Budget	Final Forecast 2019/20	Full Year Variance
<b>Environment and Regeneration</b>	<b>3,242,322</b>	<b>5,490,075</b>	<b>(2,247,753)</b>	<b>14,089,060</b>	<b>14,069,055</b>	<b>(20,005)</b>
<b>Public Protection and Developm</b>	<b>44,214</b>	<b>60,340</b>	<b>(16,126)</b>	<b>66,800</b>	<b>66,800</b>	<b>0</b>
CCTV Investment	0	10,340	(10,340)	10,340	10,340	0
Public Protection and Developm	44,214	50,000	(5,786)	56,460	56,460	0
<b>Street Scene &amp; Waste</b>	<b>45,193</b>	<b>52,660</b>	<b>(7,467)</b>	<b>1,146,340</b>	<b>1,126,340</b>	<b>(20,000)</b>
Alley Gating Scheme	7,508	15,000	(7,492)	30,000	10,000	(20,000)
Waste SLWP	0	0	0	778,680	778,680	0
<b>Sustainable Communities</b>	<b>3,152,915</b>	<b>5,377,075</b>	<b>(2,224,161)</b>	<b>12,875,920</b>	<b>12,875,915</b>	<b>(5)</b>
Street Trees	0	0	0	60,000	60,000	0
Raynes Park Area Roads	0	0	0	26,110	26,110	0
Highways & Footways	1,685,400	2,248,070	(562,670)	4,855,650	4,855,650	0
Cycle Route Improvements	582,990	747,100	(164,110)	994,600	994,600	0
Mitcham Transport Improvements	206,013	336,590	(130,577)	986,590	986,590	0
Mitcham Area Regeneration	14,466	678,770	(664,304)	1,369,290	1,369,290	0
Wimbledon Area Regeneration	127,698	150,000	(22,302)	417,500	417,500	0
Borough Regeneration	145,826	0	145,826	593,150	593,145	(5)
Morden Leisure Centre	(46,720)	491,400	(538,120)	596,820	596,820	0
Sports Facilities	357,642	295,000	62,642	1,888,160	1,888,160	0
Parks	79,599	430,145	(350,546)	1,088,050	1,088,050	0

Please note negative actual spend figures relate to retention and accrued invoices that are still to be paid

## Virement, Re-profiling and New Funding - October 2019

Appendix 5b

		2019/20 Budget	Virements	Funding Adjustments	Reprofiling	Revised 2019/20 Budget	2020/21 Budget	Movement	Revised 2020/21 Budget	Narrative
-	-	£	£		£	£	£		£	
<b>Corporate Service</b>										
Customer Contact	(1)	622,660			(150,000)	0	1,200,000	150,000	1,350,000	Re-profiled in accordance with projected spend
Business Systems- Capita Housing	(1)	100,000			(100,000)	0		100,000	100,000	Re-profiled in accordance with projected spend
<b>Community and Housing</b>										
Library Enhancement Works- West Barnes Library Re-fit	(1)	200,000			(200,000)	0	0	200,000	200,000	Re-profiled in accordance with projected spend
Disabled Facilities Grants	(1)	827,160		100,000		927,160	280,000	647,100	927,100	Additional budget funded by grant
<b>Children, Schools and Families</b>										
Unallocated Primary School Project	-	164,540	(157,000)			7,540	0	0	0	Proposed virement to fund projected costs
West Wimbledon capital maintenance		70,370	20,000			90,370		0	0	Proposed virement to fund projected costs
Hatfield capital maintenance		87,150	18,560			105,710		0	0	Proposed virement to fund projected costs
Garfield capital maintenance		92,780	34,000			126,780			0	Proposed virement to fund projected costs
Abbotsbury capital maintenance		59,540	113,000			172,540			0	Proposed virement to fund projected costs
Gorringe Park capital maintenance		35,000	55,000			90,000			0	Proposed virement to fund projected costs
Haslemere capital maintenance		70,840	(34,000)			36,840			0	Proposed virement to fund projected costs
Liberty capital maintenance		62,300	15,000			77,300			0	Proposed virement to fund projected costs
Lonesome capital maintenance		1,300	55,000			56,300			0	Proposed virement to fund projected costs
Sherwood capital maintenance		66,130	(15,000)			51,130			0	Proposed virement to fund projected costs
William Morris capital maintenance		86,600	(73,000)	(10,000)		3,600			0	Proposed virement to fund projected costs
Harris Academy Morden		38,560	(38,560)			0			0	Proposed virement to fund projected costs
Rutlish capital maintenance		232,970		18,570		251,540			0	Proposed virement to fund projected costs
Perseid capital maintenance		2,280			30,000	32,280	37,720	(30,000)	7,720	Proposed virement to fund projected costs
Cricket Green capital maintenance		81,750	7,000			88,750			0	Proposed virement to fund projected costs
<b>Environment and Regeneration</b>										
Morden Area Regeneration- Transportation Enhancements	(1)	500,000			(500,000)	0	2,000,000		2,000,000	Re-profiled in accordance with projected spend
Highways & Footways - Safer Walking Routes		55,000		(2,000)		53,000			0	Funded by TfL adjustment to funding levels
Highways & Footways - School part time closure		160,420		(2,380)		158,040			0	Funded by TfL adjustment to funding levels
<b>Total</b>		<b>3,617,350</b>	<b>0</b>	<b>104,190</b>	<b>(920,000)</b>	<b>2,328,880</b>	<b>3,517,720</b>	<b>1,067,100</b>	<b>4,584,820</b>	

1) Requires Cabinet Approval

2) Requires Council Approval

## Virement, Re-profiling and New Funding -October 2019

Appendix 5b

		2021/22 Budget	Reprofiling	Revised 2021/22 Budget	2022/23 Budget	Reprofiling	Revised 2022/23 Budget	Narrative
-	-	£	£	£	£	£	£	
<b>Environment and Regeneration</b>								
Morden Area Regeneration- Transportation Enhancements		2,500,000		2,500,000	0	500,000	500,000	Re-profiled in accordance with projected spend
<b>Total</b>		<b>2,500,000</b>	<b>0</b>	<b>2,500,000</b>	<b>0</b>	<b>500,000</b>	<b>500,000</b>	

## Capital Programme Funding Summary 2019/20

	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
<b>Proposed Capital Programme - Sept Monitoring</b>	<b>24,466</b>	<b>10,197</b>	<b>34,662</b>
<b><u>Corporate Services</u></b>			
Business Systems- Capita Housing	(100)	0	(100)
Customer Contact	(150)	0	(150)
<b><u>Community and Housing</u></b>			
Library Enhancement Works- West Barnes Library Re-fit	(200)	0	(200)
Disabled Facilities Grants	0	100	100
<b><u>Children, Schools and Families</u></b>			
William Morris capital maintenance	0	(10)	(10)
Rutlish capital maintenance	0	19	19
Perseid capital maintenance	30	0	30
<b><u>Environment and Regeneration</u></b>			
Morden Area Regeneration- Transportation Enhancements	(500)	0	(500)
Highways & Footways - Safer Walking Routes	0	(2)	(2)
Highways & Footways - School part time closure	0	(2)	(2)
<b>Proposed Capital Programme - Oct Monitoring</b>	<b>23,546</b>	<b>10,301</b>	<b>33,846</b>

## Capital Programme Funding Summary 2020/21

	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
<b>Proposed Sept. Monitoring</b>	<b>37,432</b>	<b>4,209</b>	<b>41,641</b>
<b><u>Corporate Services</u></b>			
Business Systems- Capita Housing	100	0	100
Customer Contact	150	0	150
<b><u>Community and Housing</u></b>			
Library Enhancement Works- West Barnes Library Re-fit	200	0	200
Disabled Facilities Grants	0	647	647
<b><u>Children, Schools and Families</u></b>			
Perseid - Capital Maintenance	8	(38)	(30)
<b>Proposed Oct. Monitoring</b>	<b>37,890</b>	<b>4,819</b>	<b>42,708</b>



## Capital Programme Funding Summary 2022/23

	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
<b>Approve Capital Programme</b>	<b>21,078</b>	<b>2,180</b>	<b>23,258</b>
<b><u>Environment and Regeneration</u></b> Morden Area Regeneration- Transportation Enhancements	500	0	500
<b>Proposed Oct Monitoring</b>	<b>21,578</b>	<b>2,180</b>	<b>23,758</b>

APPENDIX 6

Department	Target Savings 2019/20	Projected Savings 2019/20	Period 7 Forecast Shortfall	Period Forecast Shortfall (P6)	Period 6 Forecast Shortfall	2020/21 Expected Shortfall
	£000	£000	£000	%	£000	£000
Corporate Services	1,484	1,401	83	5.6%	83	35
Children Schools and Families	572	572	0	0.0%	0	0
Community and Housing	1,534	1,413	121	7.9%	121	0
Environment and Regeneration	3,370	2,097	1,273	37.8%	1,273	130
<b>Total</b>	<b>6,960</b>	<b>5,483</b>	<b>1,477</b>	<b>21.2%</b>	<b>1,477</b>	<b>165</b>

## DEPARTMENT: CORPORATE SERVICES - PROGRESS ON SAVINGS 19-20

Ref	Description of Saving	2019/20 Savings Required £000	2019/20 Savings Expected £000	Shortfall	19/20 RAG	2020/21 Savings Expected £000	2020/21 Expected Shortfall £000	20/21 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/underspend? Y/N
<b>Customers, Policy &amp; Improvement</b>											
CS2016 -05	Increase income through translations	15	15	0	G	15	0	G	Sean Cunniffe		
CS2016 -07	Cash Collection Reduction	30	30	0	G	30	0	G	Sean Cunniffe		
2018-19 CS09	Reduction/rationalisation in running costs budgets across multiple budgets	35	35	0	G	35	0	G	Sean Cunniffe		
CS2016 -06	Merton Link - efficiency savings								Sean Cunniffe	Saving has been re-profiled to 20/21 as the efficiencies expected from the customer contact programme have not yet been realised. To offset this, a £30k saving on the Registrars service (2019-20 CS05) planned for 20/21 has been brought forward to 2019/20 (see below).	
2019-20 CS05	Registrars Reduction in staff	30	15	15	A	30	0	G	Sean Cunniffe	Saving brought forward from 20/21 to 19/20 to offset CS2016-06 reprofiled from 19/20 to 20/21. Staff reduction expected mid-year, with the shortfall being met from elsewhere in the division.	Y
<b>Infrastructure &amp; Technology</b>											
CS2016-08	Potential income derived from letting two floors of vacant office space within the Civic Centre to external/partner organisations.	190	190	0	G	190	0	G	Edwin O'Donnell		
2018-19 CS01	Revenue saving associated with current MFD contract	150	150	0	G	150	0	G	Richard Warren		
2018-19 CS02	Reduction in the level of building repairs and maintenance undertaken on the corporate buildings	100	100	0	G	100	0	G	Edwin O'Donnell		
2018-19 CS04	Delete or full cost recovery of one post within FM	36	18	18	A	31	5	A	Edwin O'Donnell	Energy team restructure mid-year is in the process of being implemented. Only a part-year impact in 19/20.	Y
2018-19 CS14	M3 support to Richmond/Wandsworth	20	0	20	R	20	0	A	Clive Cooke	This is dependent on agreement with RSP. may be at risk if they don't migrate to M3 system.	Y
<b>Corporate Governance</b>											
CSREP 2019-20 (1)	Increase in income from Legal Services relating to S106, property and court fees	50	50	0	G	50	0	G	Fiona Thomsen		
CSREP 2019-20 (6)	Legal services - reduce employment and HR support by 50%	30	30	0	G	30	0	G	Fiona Thomsen		
<b>Resources</b>											
CS2016-02	Restructure of HB section to roll out universal credit	66	66	0	G	66	0	G	David Keppler		
2018-19 CS05	Reduction in permanent staffing	30	0	30	R	0	30	R	Roger Kershaw	Saving will require replacement. For 19/20 the saving will be met by underspends elsewhere within the division.	Y
2018-19 CS10	Reduction in staffing	60	60	0	G	60	0	G	David Keppler		
2018-19 CS08	Increase in income from Enforcement Service	100	100	0	G	100	0	G	David Keppler		
2019-20 CS01	Amend discretionary rate relief policy	75	75	0	G	75	0	G	David Keppler		
CSREP 2019-20 (2)	Reduction in internal insurance fund contribution	250	250	0	G	250	0	G	Nemashe Sivayogan		
CSREP 2019-20 (3)	Increase in income from Enforcement service	50	50	0	G	50	0	G	David Keppler		
<b>Corporate</b>											
2019-20 CS12	Increase in Empty Homes Premium for long term empty properties	97	97	0	G	97	0	G	David Keppler		

## DEPARTMENT: CORPORATE SERVICES - PROGRESS ON SAVINGS 19-20

Ref	Description of Saving	2019/20 Savings Required £000	2019/20 Savings Expected £000	Shortfall	19/20 RAG	2020/21 Savings Expected £000	2020/21 Expected Shortfall £000	20/21 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/underspend? Y/N
CSREP 2019-20 (4)	Increase in investment income	30	30	0	G	30	0	G	Nemashe Sivayogan		
CSREP 2019-20 (5)	CHAS dividend	40	40	0	G	40	0	G	Ian McKinnon		
	<b>Total Corporate Services Department Savings for 2019/20</b>	<b>1,484</b>	<b>1,401</b>	<b>83</b>		<b>1,449</b>	<b>35</b>				

## DEPARTMENT: ENVIRONMENT &amp; REGENERATION SAVINGS PROGRESS: 2019-20

Ref	Description of Saving	2019/20 Savings Required £000	2019/20 Savings Expected £000	Shortfall	2019/20 RAG	2020/21 Savings Expected £000	2020/21 Expected Shortfall £000	2020/21 RAG	Responsible Officer	Comments	R/A Included in Forecast Over/Underspend? Y/N
<b>SUSTAINABLE COMMUNITIES</b>											
E4	Income from Merantun Development Limited for services provided to the company by LBM	100	95	5	A	100	0	G	James McGinlay		Y
ENV1819-05	Highways advertising income through re-procurement of the advertising contract for the public highway. New contract due to be in place by last quarter of 2019/20.	55	28	27	R	55	0	G	James McGinlay	New contract expected to commence in the final quarter of 2019/20, so full saving won't be achieved this financial year.	Y
<b>PUBLIC PROTECTION</b>											
ENR1	Further expansion of the shared service.	100	100	0	A	100	0	A	Cathryn James		N
E1	Investigate potential commercial opportunities to generate income from provision of business advice. This follows on from the expansion of the RSP to include Wandsworth from November 2017, and increased resilience.	60	0	60	R	60	0	A	Cathryn James	This saving is conditional on income being generated from chargeable business advice/consultancy. A new income generating Business Development team has been established as part of the Regulatory Services Partnership restructure, which will now look to deliver these savings. However, it is unlikely to be delivered this financial year.	Y
ENR4	Charge local business' for monitoring of their CCTV	100	0	100	R	0	100	R	Cathryn James	Alternative Saving Required.	Y
ENV1819-03	The objective of the proposal is to support the delivery of key strategic council priorities including public health, air quality and sustainable transportation, in addition to managing parking, kerbside demand and congestion. Whilst implementation of the proposals will have the incident effect of generating additional revenue, it is difficult to assess the level of change in customer behaviour and any subsequent financial impact arising from the changes. This will be monitored after implementation and any resulting impacts will be considered during the future years' budget planning cycles. The above will be subject to the outcome of the consultation process in 2019.	1,900	950	950	R	1900	0	A	Cathryn James	The implementation date for the revised charges is still subject to committee approval. The original savings target was based on an October go live date. It is felt that a more prudent approach to the likely implementation date should be reflected in the savings targets.	Y
ALT2	Reduction of 2fte from the Parking establishment in administrative/processing roles as a result of the impending new permit system	57	57	0	G	57	0	G	Cathryn James		Y
ALT3	Reduction in the number of pay & display machines required.	14	3	11	R	14	0	G	Cathryn James		Y
<b>PUBLIC SPACE</b>											
ENR9	Increase level of Enforcement activities of internal team ensuring the operational service is cost neutral	200	200	0	A	200	0	A	John Bosley	This saving is currently being mitigated by the additional revenue delivered by the external enforcement contractor. (£140k) additional / alternative saving of c£60k needs to be agreed.	Y
E2	Thermal Treatment of wood waste from HRRC	30	0	30	R	0	30	R	John Bosley	Saving rejected by members due to impact on recycling rate and reputational damage.	Y
EV08	Increased recycling rate by 3% following education and communications activity funded by WCSS. This will be driven by the incentivisation and education programme due to commence in March 2014.	250	250	0	G	250	0	G	John Bosley		N
ALT4	Environmental Enforcement - Maintain a payment rate of 70% for all FPN issued.	54	54	0	G	54	0	G	John Bosley		Y
E5	Letting of remaining vacant facilities in Greenspaces	50	0	50	R	50	0	A	John Bosley		Y
E6	Increased tenancy income in Greenspaces	40	0	40	R	40	0	R	John Bosley	Alternative saving required	Y
ENR10	Two year extension of the GLL contract	300	300	0	G	300	0	G	John Bosley		N
ENV1819-01	Five year extension of the GLL contract	60	60	0	G	60	0	G	John Bosley		N
<b>Total Environment and Regeneration Savings 2018/19</b>		<b>3,370</b>	<b>2,097</b>	<b>1,273</b>		<b>3,240</b>	<b>130</b>				

DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2019/20										20/11/2019	APPENDIX 6	
Ref	Description of Saving	2019/20 Savings Required £000	2019/20 Expected Savings £000	Shortfall £000	RAG	2020/21 Savings Expected £000	2020/21 Expected Shortfall £000	20/21 RAG	Responsible Officer	Comments	R / A Included in Forecast Over/Unders pend? Y/N	
<b>Adult Social Care</b>												
CH35/36/52	<b>Housing Related Support:-</b> The purpose of the project is to review existing service provision linked to original SP funding, identify gaps and utilise the data to inform a new set of contract specifications to support the re-procurement of services aligned with the Council's Community and Housing strategic priorities. The objective of the project is to deliver successful procurement of contracted services that demonstrate effective outcomes for service users, effective performance management framework and value for money services.	309	306	3	G	309	0	G	Steve Langley	Work to manage the budget has brought delivery close to the target and work is continuing to make up the small shortfall in year	Y	
CH39	<b>Extra Care Contracts:-</b> This reduced savings of £57k is targeted on contract efficiencies and non-statutory support hours; eligible social care needs will not be affected. Providers will seek alternative resources to provide this support. Service will ensure that new specification requires providers to seek other support for residents. Impact will be reviewed as part of each service users annual review.	57	57	0	G	57	0	G	John Morgan	Achieved	Y	
CH55	<b>Promoting Independence:-</b> The aim of this proposal has been to support people to remain independent and well. To support them to achieve their desired outcomes by enabling them to remain in their own homes, close to their friends, families, support networks and local communities.	553	553	0	G	553	0	G	John Morgan	Achieved	Y	
CH70	<b>Home Care:-</b> The aim of this proposal is to maximise the benefit of the new home care contract arrangements. The new arrangements were implemented from February 2018. With a year to get established, it is planned to start to transfer cases with legacy providers who are not on the new contract as either prime or back-up providers. Some of these contracts are at higher hourly rates, so the transfer will generate a saving with no reduction in care. New care providers will be required to use a care visit monitoring system, which should increase the reliability of care.	301	301	0	G	301	0	G	John Morgan	Achieved	Y	
CH88	<b>Home Care Monitoring System:-</b> The aim of this proposal is to roll out a home care monitoring system for all home care providers to ensure that we can monitor the delivery of home care visits.	40	40	0	G	40	0	G	John Morgan	Achieved through Forum. The plan is to enrol all major home providers on to the home monitoring system and only seek variations for when there is a need to utilise specialist providers as required.	Y	
CH89	<b>Older People Day Care Activities:-</b> As less people are choosing to attend these formal day centre we currently having increasingly vacancies within these provisions which are not been utilised. The proposal seeks to assess and analyse the demand and supply of activity aimed at supporting older people to access community activity. This will objectively look at the supply of building based and non-building based activity, its utilisation and the limitations on providing what people expect and need within the current model. It is envisaged that this will include a rationalisation and reduction of the current level of building based 'day centre' activity. This is based on current demand statistics and will include consideration of the effect of 2018/19 reductions in contracted day centre services; which is covered in a separate EIA for that specific proposal.	236	118	118	R	236	0	G	Richard Ellis	Engagement with the new owner has established an agreed timeline that means that the majority of savings will not be achieved until the new year. The work is underway to ensure that delivery	Y	
<b>Subtotal Adult Social Care</b>		1,496	1,375	121		1,496	0					
<b>Library &amp; Heritage Service</b>												
CH67	<b>Merton Arts Space income</b>	38	38	0	G	38	0	G	Anthony Hopkins	On track	Y	

DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2019/20										20/11/2019	APPENDIX 6
Ref	Description of Saving	2019/20 Savings Required £000	2019/20 Expected Savings £000	Shortfall £000	RAG	2020/21 Savings Expected £000	2020/21 Expected Shortfall £000	20/21 RAG	Responsible Officer	Comments	R / A Included in Forecast Over/Underpend? Y/N
	Total C & H Savings for 2019/20	1,534	1,413	121		1,534	0				

## DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES - PROGRESS ON SAVINGS 19-20

Ref	Description of Saving	2019/20 Savings Required £000	2019/20 Savings Expected £000	Shortfall	19/20 RAG	2020/21 Savings Expected £000	2020/21 Expected Shortfall £000	20/21 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Undersp end? Y/N
	<b>Education</b>										
CSF2018-03	Review Early Years : raise income or cease some services in preparation for 2020 where we'd consider withdrawing from direct provision of a childcare offer.	49	49	0	G	49	0	G	Jane McSherry		
CSF2018-04	Review schools trade offer, raise charges or consider ceasing services from 2020.	30	30	0	G	30	0	G	Jane McSherry		
CSF2018-07	Reorganisation of Admissions, My Futures and School Improvement Teams and reduction in contribution to the MSCB (Safeguarding Partnership)	100	100	0	G	100	0	G	Jane McSherry		
CSF2018-11	Reduction of SENDIS early intervention service and reduction in spend associated with the introduction of the web based EHCP Hub	72	72	0	G	72	0	G	Jane McSherry		
	<b>Children Social Care &amp; Youth Inclusion</b>										
CSF2018-01	Reduced costs/offer through the national centralised adoption initiative	30	30	0	G	30	0	G	El Mayhew		
CSF2018-02	Reorganisation of the Children with Disability (CWD), Fostering and Access to Resources (ART) teams and a review of the Common and Shared Assessment (CASA) service.	130	130	0	G	130	0	G	El Mayhew		
CSF2018-05	Delivery of preventative services through the Social Impact Bond	45	45	0	R	45	0	R	El Mayhew	We expect to achieve the savings target as numbers of LAC are stable. The overall service will still overspen however because UASC costs have increased over the past few years and the growth received was not sufficient to offset this pressure. Placements are reviewed on an on-going basis and detailed analysis to back up movement caseloads and placement costs reported to DMT.	Y
CSF2018-06	South London Family Drug and Alcohol Court commissioning	45	45	0	R	45	0	R	El Mayhew	We expect to achieve the savings target as numbers of LAC are stable. The overall service will still overspen however because UASC costs have increased over the past few years and the growth received was not sufficient to offset this pressure. Placements are reviewed on an on-going basis and detailed analysis to back up movement caseloads and placement costs reported to DMT.	Y
CSF2018-12	Further reduction in staffing at Bond Road. This will include a FGC post and a contact worker.	71	71	0	G	71	0	G	El Mayhew		
	<b>Total Children, Schools and Families Department Savings for 2019/20</b>	<b>572</b>	<b>572</b>	<b>0</b>		<b>572</b>	<b>0</b>				



APPENDIX 7

Department	Target Savings 2018/19	2018/19 Shortfall	2019/20 Projected shortfall	2020/21 Projected shortfall
	£000	£000	£000	£000
Corporate Services	2,024	505	395	10
Children Schools and Families	489	0	0	0
Community and Housing	2,198	442	0	0
Environment and Regeneration	926	523	147	47
<b>Total</b>	<b>5,637</b>	<b>1,470</b>	<b>542</b>	<b>57</b>

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

Ref	Description of Saving	2018/19 Savings Required £000	2018/19 Shortfall	18/19 RAG	2019/20 Expected Shortfall £000	19/20 RAG	2020/21 Expected Shortfall £000	20/21 RAG	Responsible Officer	Comments
	<b>Infrastructure &amp; transactions</b>									
CS2015-10	FM - Energy invest to save	465	465	R	365	A	0	G	Richard Neal	The capital spend to achieve this was slipped and hence the saving was delayed with £100k expected in 19/20 and the balance in 20/21. In 19/20 the unachieved saving will be met from the Corporate Services reserve.
CSREP 2018-19 (13)	Business Improvement - Business Systems maintenance and support reduction	10	10	R	10	R	10	R	Clive Cooke	Saving to be reviewed during 19/20 to identify if this can be met or if a replacement saving is required.
CSREP 2018-19 (14)	M3 support to Richmond/Wandsworth	20	20	R	20	R	0	A	Clive Cooke	This is dependent on agreement with RSP, may be at risk if they don't migrate to M3 system.
	<b>Corporate Governance</b>									
CSD43	Share FOI and information governance policy with another Council	10	10	R					Karin Lane	Replacement saving identified. From 19/20 this saving will be replaced by a reduction to the Corporate Governance AD's budget
	<b>Total Corporate Services Department Savings for 2018/19</b>	<b>505</b>	<b>505</b>		<b>395</b>		<b>10</b>			

DEPARTMENT: ENVIRONMENT & REGENERATION SAVINGS PROGRESS: 2018-19

APPENDIX 7

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	2020/21 Expected Shortfall £000	20/21 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
<b>SUSTAINABLE COMMUNITIES</b>													
ENV20	D&BC: Increased income from building control services.	35	0	35	R	35	0	G	0	G	James McGinlay	Based on the P5 forecast, the income targets are now being achieved.	N
<b>PUBLIC PROTECTION</b>													
ENV07	Parking: Reduction in supplies & services/third party payment budgets.	60	13	47	R	13	47	R	47	R	Cathryn James	Saving has been reviewed and a part-alternative saving is 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	0	A	Cathryn James	This saving is conditional on income being generated from chargeable business advice/consultancy. A new income generating Business Development team has been established as part of the Regulatory Services Partnership restructure, which will now look to deliver these savings.	Y
ENR2	Parking & CCTV: Pay & Display Bays (On and off street)	44	0	44	R	44	0	G	0	G	Cathryn James		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	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	390	50	R	440	0	G	0	G	Cathryn James		N
<b>PUBLIC SPACE</b>													
ENV32	Transport: Review of Business Support requirements	30	0	30	R						John Bosley	Alternative saving has been agreed for 2019/20.	Y
ENR6	Waste: Wider Department restructure in Waste Services	200	0	200	R	100	100	R	0	A	John Bosley	This was not delivered in 2018. Review of the current wider Public Space structure is being assessed and business needs along with resource gap being identified.	Y
ENR7	Transport Services: Shared Fleet services function with LB Sutton	10	0	10	R						John Bosley	Alternative saving has been agreed for 2019/20.	Y
<b>Total Environment and Regeneration Savings 2018/19</b>		<b>926</b>	<b>403</b>	<b>523</b>		<b>699</b>	<b>147</b>		<b>47</b>				

Updated 20/11/2019											APPENDIX 7
DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2018/19											
Ref	Description of Saving	2018/19 Savings Required £000	Shortfall £000	RAG	2019/20 Savings Expected £000	2019/20 Expected Shortfall £000	19/20 RAG	2020/21 Expected Shortfall £000	19/20 RAG	Responsible Officer	Comments
	<b>Adult Social Care</b>										
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	23	R	100	0	G	0	G	Richard Ellis	Balance deferred to 2019/20
CH36	Single homeless contracts (YMCA, Spear, Grenfell) - Reduce funding for contracts within the Supporting People area which support single homeless people -Reduced support available for single homeless people - both in terms of the numbers we could support and the range of support we could provide. In turn this would reduce their housing options. (CH36)	38	38	R	38	0	G	0	G	Steve Langley	£38k deferred to 2019/20
CH71	Transport: moving commissioned taxis to direct payments. Service users can purchase taxi journeys more cheaply than the council.	50	50	R	50	0	R	0	G	Phil Howell	Deferred to 2020/21.
CH72	Reviewing transport arrangements for in-house units, linking transport more directly to the provision and removing from the transport pool.	100	100	R	100	0	R	0	G	Richard Ellis	£100k deferred to 2020/21. Part of the Transport review which is about to commence
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	R	231	0	G	0	G	Richard Ellis	Team resources have increased and this has enabled to team to catch up on reviews and nil payers, which has netted more then £200k in additional income
	<b>Total C &amp; H Savings for 2018/19</b>	<b>519</b>	<b>442</b>		<b>519</b>	<b>0</b>		<b>0</b>			

## DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES SAVINGS PROGRESS 2018/19

Ref	Description of Saving	2018/19 Savings Required £000	Shortfall £000	RAG		2019/20 Savings Expected £000	2019/20 Expected Shortfall £000	19/20 RAG	2020/21 Expected Shortfall £000	19/20 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
Total Children, Schools and Families Department Savings for 2018/19		489	0			489	0		0				

There were no red savings for CSF

APPENDIX 8

Department	Target Savings 2017/18	2017/18 Shortfall	2018/19 shortfall	2019/20 Projected shortfall
	£000	£000	£000	£000
Corporate Services	2,316	196	0	0
Children Schools and Families	2,191	7	0	0
Community and Housing	2,673	0	0	0
Environment and Regeneration	3,134	2,188	694	305
<b>Total</b>	<b>10,314</b>	<b>2,391</b>	<b>694</b>	<b>305</b>

## 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 Shortfall £000	18/19 RAG	2019/20 Expected Shortfall £000	19/20 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Undersp end? Y/N
<b>CSF2012-07</b>	<b>Children Social Care</b> Family and Adolescent Services Stream - Transforming Families (TF), Youth Offending Team (YOT) and in Education, Training and Employment (ETE). 2016/17 savings will be achieved by the closure of Insight and deletion of YJ management post.	100	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
	<b>Total Children, Schools and Families Department Savings for 2017/18</b>		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 Shortfall £000	18/19 RAG	2019/20 Expected Shortfall £000	19/20 RAG	Responsible Officer	Comments
	<b>Business improvement</b>									
CSD42	Restructure functions, delete 1 AD and other elements of management	170	70	R					Sophie Ellis	Replacement saving identified and approved for 18/19 - CSREP 2018-19 (1-16)
CS2015	Staffing support savings	13	13	R					Sophie Ellis	Replacement saving identified and approved for 18/19 - CSREP 2018-19 (1-16)
	<b>Infrastructure &amp; transactions</b>									
CS70	Apply a £3 administration charge to customers requesting a hard copy paper invoice for services administered by Transactional Services team	35	35	R					Pam Lamb	Replacement saving identified and approved for 18/19 - CSREP 2018-19 (1-16)
	<b>Resources</b>									
CSD26	Delete 1 Business Partner	78	78	R	0	G		G	Caroline Holland	Due to delays in projects this saving was not achieved until 18/19
	<b>Total Corporate Services Department Savings for 2017/18</b>		196		0		0			



Updated 20/11/19											
DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2017/18											
Ref	Description of Saving	2017/18 Savings Required £000	2017/18 Shortfall £000	17/18 RAG	2018/19 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
	<u>Adult Social Care</u>										
	<b>Total C &amp; H Savings for 2017/18</b>									<b>No Reds</b>	

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

Ref	Description of Saving	2017/18 Savings Required £000	2017/18 Savings Achieved £000	Shortfall	17/18 RAG	2018/19 Savings Expected £000	2018/19 Shortfall £000	18/19 RAG	2019/20 Savings Expected £000	2019/20 Expected Shortfall £000	19/20 RAG	Comments	R /A Included in Forecast Over/Underpend? Y/N
<b>SUSTAINABLE COMMUNITIES</b>													
ER23b	Restructure of team to provide more focus on property management and resilience within the team.	18	0	18	R	0	18	R	18	0	A	Business Case for restructure in progress, but due to the delay it's unlikely to be fully achieved this financial year. Saving being achieved through rents (reported through monthly budget return).	Y
D&BC1	Fast track of householder planning applications	55	0	55	R							A replacement saving (ALT1) implemented in 2018/19, was agreed by Cabinet in November 2017.	N
D&BC2	Growth in PPA and Pre-app income	50	0	50	R							A replacement saving (ALT1) implemented in 2018/19, was agreed by Cabinet in November 2017.	N
D&BC3	Commercialisation of building control	50	0	50	R							A replacement saving (ALT1) implemented in 2018/19, was agreed by Cabinet in November 2017.	N
D&BC4	Deletion of 1 FTE (manager or deputy) within D&BC	45	0	45	R	45	0	G	45	0	G		N
D&BC5	Eliminate the Planning Duty service (both face to face and dedicated phone line) within D&BC	35	0	35	R							A replacement saving (ALT1) implemented in 2018/19, was agreed by Cabinet in November 2017.	N
D&BC6	Stop sending consultation letters on applications and erect site notices only	10	0	10	R							A replacement saving (ALT1) implemented in 2018/19, was agreed by Cabinet in November 2017.	N
ENV15	Reduction in street lighting energy and maintenance costs. Would require Capital investment of c£400k, which forms part of the current capital programme - Investment in LED lights in lamp Colum stock most capable of delivering savings	148	100	48	R	148	0	G	148	0	G		N
ENV20	Increased income from building control services.	35	0	35	R							A replacement saving (ALT1) implemented in 2018/19, was agreed by Cabinet in November 2017.	N
<b>PUBLIC PROTECTION</b>													
E&R14	Further expansion of the Regulatory shared service.	100	0	100	R	100	0	G	100	0	G		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	0	190	R	Alternative saving required	Y
ENV03	Reduction number of CEO team leader posts from 4 to 3	45	0	45	R	0	45	R	0	45	R	Alternative saving required	Y
ENV06	Reduction in transport related budgets	46	0	46	R							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		Y
<b>PUBLIC SPACE</b>													
E&R16	Joint procurement of waste, street cleansing, winter maintenance and fleet maintenance services (Phase C)	1,500	795	705	R	1,257	243	R	1500	0	A	Actual savings delivered are being monitored closely	N
E&R25	Joint procurement of greenspace services as part 2 of the Phase C SLWP procurement contract with LB Sutton	160	44	116	R	160	0	G	160	0	G		N
ENV12	Loss of head of section/amalgamated with head of Greenspaces	70	0	70	R	0	70	R	0	70	R	Saving has been delayed but in the process of being reviewed but not expected to be achieved until 2020/21.	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	G		N
ENV18	Increased income from events in parks	100	0	100	R							A replacement saving (ALT1) implemented in 2018/19, was agreed by Cabinet in November 2017.	N
ENV21	Reduction in the grant to Wandle Valley Parks Trust	6	0	6	R	6	0	G	6	0	G		N
ENV23	Further savings from the phase C procurement of Lot 2.	160	0	160	R	82	78	R	160	0	G		N
ENV25	Department restructure of the waste section	191	0	191	R	191	0	G	191	0	G		Y
<b>Total Environment and Regeneration Savings</b>		<b>3,134</b>	<b>946</b>	<b>2,188</b>		<b>2,059</b>	<b>694</b>		<b>2,448</b>	<b>305</b>			