

## DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES - PROGRESS ON SAVINGS 15-16

Ref	Description of Saving	2015/16 Savings Required £000	2015/16 Savings Expected £000	Shortfall	RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
	<b><u>CSF Commissioning Function and Commissioning Budgets</u></b>							
CSF2012-04	Reduce expenditure on LAC and SEN placements	100	100	0	A	Paul Ballatt	Base budgets were reduced for the savings target. Although we expect to achieve the savings target, increased cost due to higher and more complex caseload is causing the service area to overspend. Detailed analysis to back up the cost reduction in placement costs through negotiations with providers are reported to DMT every quarter.	Y
	<b><u>CSF Children Social Care &amp; Youth Inclusion</u></b>							
CSF2012-07	Family and Adolescent Services Stream - Transforming Families (TF), Youth Offending Team (YOT) and in Education, Training and Employment (ETE)	220	220	0	G	Paul Angeli		
	<b><u>CSF Early Years</u></b>							
CSF2013-01	Substantial reduction in EY budgets whilst retaining existing Children's Centres targeted work in areas of higher deprivation (up to 10% reduction overall to Children's Centre services). Reduction in funding and in kind contributions to voluntary sector organisations	160	160	0	G	Jane McSherry		
	<b><u>School Standards and Quality</u></b>							
CSF2014-01	This is a re-profiling of the budgeted savings for 2015-17 agreed by Council on 5 March 2014. Instead of spreading the income generation and management efficiencies saving of £80k over two years, we propose bringing the total saving forward to 2015/16.	80	80	0	G	Jane McSherry		
	<b><u>Commissioning, Strategy and Performance</u></b>							
CSF2014-02	This is a re-profiling of the budgeted saving agreed by Council for 2015-17 on 5 March 2014. Due to demographic pressures on the budget we are proposing to reduce the post 16 LAC/CL accommodation saving for 2015/16 from £100k to £58k.	58	58	0	A	Paul Ballatt	Base budgets were reduced for the savings target. Although we expect to achieve the savings target, increased cost due to higher and more complex caseload is causing the service area to overspend. Detailed analysis to back up the cost reduction in placement costs through negotiations with providers are reported to DMT every quarter.	Y
	<b><u>Commissioning, Strategy and Performance</u></b>							

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CSF2014-03	This will be achieved through a combination of reducing our training for facilitators of parenting programmes and decommissioning a service where the commissioned outcomes are not being delivered.	63	63	0	G	Paul Ballatt		
CSF2014-04	<u>Youth Services</u> Reduced investment in commissioned and in-house youth services.	100	100	0	G	Jane McSherry		
	<b>Total Children, Schools and Families Department Savings for 2015/16</b>	<b>781</b>	<b>781</b>	<b>0</b>				

## DEPARTMENT: COMMUNITY &amp; HOUSING SAVINGS PROGRESS 2015/16

Ref	Description of Saving	2015/16 Savings Required £000	2015/16 Expected Savings £000	Shortfall £000	RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Undersp end? Y/N
	<b>Adult Social Care</b>							
ASC7	Below Inflation Uplift to third party suppliers	350	350	0	A	Rahat Ahmed-Man	The 2015-16 budget build allowed inflation growth of £872k, but after 5 yrs of zero % contract price increases suppliers are increasingly choosing not to trade with merton LBC. In response to this and to secure a viable and sustainable market Commissioning staff are negotiating good value contracts going forward. To date the financial impact of these are estimated to be £365k in 2015-16 for res and nursing care contracts so for now savings of £507k look possible, but with more contracts being renegotiated there is a risk that further price increases will be agreed and the full £350k saving may not be fully achieved in 2015-16, hence, the Amber rating.	
ASC8	Remodelling and re-procuring the domiciliary care service, following the end of the 3 year contract starting in 2012.	250	(150)	(400)	R	Rahat Ahmed-Man	Since this savings target was set market conditions have changed. Providers are being required to pay staff travel time and are under pressure to pay the London living wage. Therefore. price increases are more likely than price reductions. So far renegotiated dom care contracts are estimated to cost an extra £150k in 2015-16. This means compensating savings will need to be found by over achieving against other targets, hence, the red rating.	
CH10	Procurement Opportunities	250	362	112	G	Rahat Ahmed-Man	The Orchard Hill LD Supported Living Contract was relet from 16th February 2015. The new price assuming care hours do not exceed 1,350 in a year is £980k p.a. This compares to an annual cost under the old contract of £1.391m i.e. whole year savings forecast is £411k. The pro rata savings in 2015-16 are therefore £362k, so the £250k target will be over-achieved in 2015-16 by £112k. This will help compensate for the Dom care savings (above) unlikely to be achieved.	

APPENDIX 7

DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2015/16

Ref	Description of Saving	2015/16 Savings Required £000	2015/16 Expected Savings £000	Shortfall £000	RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Undersp end? Y/N
CH1	Brokerage efficiency savings	31	60	29	G	Rahat Ahmed-Man	Based on actual savings in previous years which exceeded £100k the Brokerage Manager is confident that this is a feasible savings target from better sourcing/renegotiations in 2015-16 and <u>there is a good chance of exceeding the target substantially.</u>	
ASC10A	Review of care packages with a view to an overall average reduction in line with promoting independence	100	145	45	A	Rahat Ahmed-Man	A high cost complex cases review will be initiated in 2015-16, but savings from it are likely to be realised from 2016-17 onwards i.e. in 2015-16 reviews will focus on mid-range packages of £400-£1500 p.w. (excl. Dir Payments as these were reviewed in 2014-15). The £206k savings target represents about 1% of the annual cost of these packages, so it is feasible, but these cases have been reviewed in previous years and inevitably in some cases costs will properly increase in line with increased needs after a review so careful monitoring will be in place. Note: reviews of Direct payment cases in the last few months of 2014-15 reduced costs by £57k p.a. 25% Of this £12k related to 2014-15 and £45k of savings (being £57k-£12k) has already been set up for delivery. <u>Again this is expected to compensate for any savings planned from Dom Care Remodelling that are not achieved.</u>	
*ASC18	* Review of care packages	75	75	0	A	Rahat Ahmed-Man		
CH1	Domiciliary care service	31	31	0	A	Rahat Ahmed-Man		
CH3	Procurement Opportunities (Placement budget)	32	32	0	A	Rahat Ahmed-Man	So far annual savings of £20k to £25k have been identified from changes to night cover arrangements and overhead reduction	
ASC2A	Outsource Reablement Service & realise benefits / efficiencies of the remodelled service	100	100	0	G	Sarah Wells	Required restructuring has taken place i.e. the projected savings will be realised.	
*CH1	* First Contact Service .Reduce in-house provision of a first contact screening and assessment service, and have this provided within the voluntary sector within the overall costs the sector currently operate within.	125	125	0	G	Rahat Ahmed-Man	The required restructuring has taken place i.e. projected savings will be realised. MAAT closed and its role is now fulfilled a new Information, Advice and Support Hub will be operated in partnership with the Voluntary Sector.	

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*ASC18	*Supporting People	300	300	0	A	Rahat Ahmed-Man	Savings is expected to be achieved with continued negotiations with providers.	
CH4	Staffing reductions within the Commissioning Team	71	71	0	A	Rahat Ahmed-Man	Staff restructuring is necessary to deliver this saving and this process has begun and it is anticipated that it will deliver these savings in full in 2015-16.	
CH4	Staffing reductions across Direct Provision	99	99	0	A	Andy Ottaway-Searle	Some of the required restructuring has taken place so these £48k of these savings are secure. This leaves £51k still to be found in the rest of the year.	
*CH3	* Day Care Sevices -Change the day services offer for learning and physically disabled customers who currently use in house day services, mainly High Path and All Saints.	200	200	0	G	Andy Ottaway-Searle	The required restructuring has taken place. As a result more volunteers will work at centres, and there will be a closer link with Merton Mencap will result in that group offering activities previously supported by staff and outside normal opening hours, but extra single status costs will add new staff costs in Direct Care Services	
	<b>Libraries</b>			0				
CH5	Reduction in Media Fund	12	12	0	G	Anthony Hopkins		
CH6	Increase income - Libraries	10	10	0	G	Anthony Hopkins		
	<b>Merton Adult Education</b>			0				
CH15	Increased income and some staff reductions	14	14	0	G	Yvonne Tomlin		
	<b>Housing</b>			0				
CH8	Homelessness Prevention Grant	35	35	0	G	Steve Langley		
Trf from E&R	Enviromental Health Salaries	69	69	0	A	Steve Langley		
	<b>Total Community &amp; Housing Department Savings for 2015/16</b>	<b>2,154</b>	<b>1,940</b>	<b>(214)</b>				

## DEPARTMENT: CORPORATE SERVICES - PROGRESS ON SAVINGS 15-16

Ref	Description of Saving	2015/16 Savings Required £000	2015/16 Savings Expected £000	Shortfall	RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
CS1	<b>Business Improvement</b> Rationalisation of management costs	50	50	0	G	Sophie Ellis		
CS3	Generate income through training	5	0	5	R	Sophie Ellis	Alternate saving to be identified	N
CSD36	Business Systems Team Restructure Phase 1	10	10	0	G	Sophie Ellis		
CS5	<b>IT Service Delivery</b> Review and challenge of the procurement of Support & Maintenance & Licence Contracts	60	60	0	G	Mark Humphries		
CS7	Reduction of costs through re-procurement of Mobile Telephones Contract against a number of revenue budgets spread across the Council	10	10	0	G	Mark Humphries		
CS8	Reduction of costs through re-procurement of Wide Area Network (WAN) Links contract. Savings achieved against a number of revenue budgets spread across the Council.	10	10	0	G	Mark Humphries		
CS15	Asset and Change Analyst Vacant Part Post (0.8)	24	24	0	G	Mark Humphries		
CS17	Delete one Transactional Services Assistant Post (Compulsory Redundancy)	30	30	0	G	Mark Humphries		
CS18	Delete Assistant Vendor Maintenance - Part Post 0.7 FTE (Compulsory Redundancy)	24	24	0	G	Mark Humphries		
CS20	Energy ReFit Savings (Subject to agreed investment) - Phase 2	100	100	0	G	Mark Humphries		
CS21	Increase income targets for building repairs and maintenance works	45	45	0	G	Mark Humphries		
CS22	Restructure of Archive Store	15	15	0	A	Mark Humphries	Alternate to be identified	Y

## DEPARTMENT: CORPORATE SERVICES - PROGRESS ON SAVINGS 15-16

Ref	Description of Saving	2015/16 Savings Required £000	2015/16 Savings Expected £000	Shortfall	RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
CS23	Outsourcing Buildings Services and Security Service	35	35	0	G	Mark Humphries		
CS25	Delete one post from the Building Repair and Maintenance team (Compulsory Redundancy)	30	30	0	G	Mark Humphries		
CS27	Consolidation of Utilities budgets	50	50	0	G	Mark Humphries		
CS28	M&E Term Contract (Amalgamation) of Intruder Alarms	20	20	0	G	Mark Humphries		
CS31	Rationalise Health and Safety and Business Continuity Planning - if possible explore shared service	35	0	35	R	Mark Humphries	Alternate to be identified	Y
CSD	Increase FM's external fee income target associated with schools service level agreements and associated project works	31	0	31	R	Mark Humphries	Saving unlikely to be delivered in 2015/16 but alternate has been identified	Y
	<b>Corporate Governance</b>							
CS30	Rationalise Benefits and Corporate Investigation team - possible shared resources	30	30	0	G	Paul Evans		
CS33	Rationalise Internal Audit teams - possible shared service	40	40	0	G	Paul Evans		
CS34	Services and suppliers savings within Corporate Governance	86	86	0	G	Paul Evans		
	<b>Customer Services</b>							
CS36	Re tendering of Cash Collection Contract	10	10	0	G	Sean Cunniffe	Achieved from commencement of 2015/16	
CS39	Impact of Customer Service Review	30	30	0	G	David Keppler	Achieved from commencement of 2015/16	
CSD12	Rationalisation of Divisional Budgets	15	15	0	G	David Keppler	Achieved from commencement of 2015/16	
CSD13	Reduce Customer Access Point Assistant by 0.6FTE	15	15	0	G	Sean Cunniffe	Achieved from commencement of 2015/16.	

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Ref	Description of Saving	2015/16 Savings Required £000	2015/16 Savings Expected £000	Shortfall	RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
CSD17	Reduce Marketing budget - Increase self service by using Panacea - marketing solution software in order to reduce designer costs for smaller marketing jobs.	3	3	0	G	Sophie Poole		
	<b>Resources</b>							
CS42	Resources -Fall Out of Pay Protection Arrangement	5	5	0	G	Paul Dale		
CSD20	Increased income	14	14	0	G	Paul Dale		
CSD46	Reduce budget for LCGS to match actual contribution	3	3	0	G	Paul Dale		
	<b>Human Resources</b>							
CS49	Introduction of new application tracking system	5	5	0	G	Dean Shoesmith	On target for achievement	
CSD34	Review of HR business support	19	19	0	G	Dean Shoesmith	Change already completed and the associated post deleted	
CSD35	HR transactional service income generation	20	20	0	G	Dean Shoesmith	Discussions progressing with Kingston to obtain costs for i-Trent service	
	<b>Corporate Items</b>							
	Dividend income from CHAS 2013 Limited	174	174	0	R	Paul Dale	Alternative saving found due to CHAS IP payment.	
	Reduction in interest charges through cash management	117	117	0	G	Paul Dale		
	<b>Total Corporate Services Department Savings for 2015/16</b>	<b>1,170</b>	<b>1,099</b>	<b>71</b>				



**DEPARTMENT: ENVIRONMENT & REGENERATION SAVINGS PROGRESS: 2015-16**

Ref		2015/16 Savings Required £000	2015/16 Savings Expected £000	Shortfall	RAG	Responsible Officer	Comments	R / A Included in Forecast Over/Underspend? Y/N
<b>LEISURE &amp; CULTURE</b>								
EN35	Various Budgets - Increased Income through various charging increases.	14	14	0	G	James McGinlay		N
EN36	Various Budgets - Increased Income through sale of advice & guidance.	10	10	0	G	James McGinlay		N
EN37	Merton Active Plus - Increased Income	5	5	0	G	James McGinlay		N
EV09	Renegotiation of contract with GLL for management of Leisure Centres	120	120	0	G	James McGinlay		N
<b>TRAFFIC &amp; HIGHWAYS</b>								
EN29	Re-Structure of Traffic and Highway Services	252	222	30	R	James McGinlay	The full effect of this saving will not be realised this year due to notice periods, protected allowances and a delay in implementation.	Y
<b>FUTURE MERTON</b>								
EN42	Consultancy Income.	40	40	0	A	James McGinlay	No definitive income streams identified as yet.	N
<b>GREENSPACES</b>								
EN44	Further commercialisation and development of sports and allied parks services (eg. increase in fees and charges (3.75%); cost recovery plus; service bundling; sponsorship of bedding plants, etc), aligned to the emerging strategy for sports.	39	20	19	R	James McGinlay	Shortfall based on P3 forecast.	Y
<b>WASTE SERVICES</b>								
EN16	Deletion of a vacant post within our Sheltered Placement team (£20k), and a reduction in transport related budgets.	66	66	0	G	Cormac Stokes		N
<b>SAFER MERTON</b>								
EV01	Reprocurement of CCTV maintenance contract leading to efficiency savings.	36	36	0	G	John Hill		N
<b>REGULATORY SERVICES</b>								
ER10	Merton & Richmond shared regulatory services.	230	110	120	R	John Hill	New structure estimated to commence in October 2015, so only a part-year effect saving will be achieved this year.	Y
<b>PARKING SERVICES</b>								
EN05	Introduction of mobile phone payments for parking	37	37	0	G	John Hill		N
EV02	Increase charges for the following types of parking permits Business £5, Trade £5, Teachers £5. Please note no allowance has been made for elasticity of demand this figure could reduce by 10%.	4	4	0	G	John Hill		N
EV11	Increase all pay and display charges for on and off street parking by 10%. it should be noted that no allowance has been made for elasticity of demand this figure could reduce by 25%	125	125	0	G	John Hill		N
<b>Total Environment and Regeneration Savings 2014/15</b>		<b>978</b>	<b>809</b>	<b>169</b>				

Department	Target Savings 2015/16	Projected Savings 2015/16	Period 3 Forecast Shortfall	Period 3 Forecast Shortfall
	£000's	£000's	£000's	%
Corporate Services	1,170	1,099	(71)	(6.1)%
Children Schools and Families	781	781	0	0.0%
Community and Housing	2,154	1,940	(214)	(9.9)%
Environment and Regeneration	978	809	(169)	(17.3)%
<b>Total</b>	<b>5,083</b>	<b>4,629</b>	<b>(454)</b>	<b>(8.9)%</b>