

**Merton Council**  
**Cabinet**  
**27 June 2022**  
**Supplementary Agenda**

7      Outturn 2021/22 Report

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## Cabinet

**Date: 27 June 2022**

**Subject: Financial Report 2021/22**

Lead officer: Roger Kershaw

Lead member: Councillor Billy Christie, Cabinet Member for Finance and Corporate Services

### **Urgent report:**

Reason for urgency: The chairman has approved the submission of this report as a matter of urgency as it provides the latest details on the Council's draft outturn for 2021/22 (subject to audit). It is important that this consideration is not delayed in order that the Council can review and discuss the information in the report and take into account any potential implications for the current year 2022/23.

### **Recommendations:**

- A. That Cabinet note that following hard-fought negotiations with the DfE and subsequent Safety Valve agreement for the DSG deficit, the revenue outturn for 2021/22 is now a favourable position of £10.8m, as the DfE will give us £28m grant to match the £28m the General Fund will need to contribute to reduce the overall DSG deficit to nil.
- B. That Cabinet note that if the Safety Valve had not been entered into, there would have been an adverse variance on the GF of £0.8m, which would have required a call on the Balancing the Budget reserve to balance it.
- C. That Cabinet note additional training for budget managers will be carried out, targeting areas with substantial differences between forecast variances at period 10 and final outturn.
- D. That Cabinet consider the outturn position on Capital and approve the Slippage, predominately for the Compulsory Purchase Orders (CPOs) for Clarion's regeneration scheme and delays in equipment due to shortages of chips into 2022/23 and other adjustments detailed in Appendix 2C, 2C1 and Section 7 of the report

### **1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY**

This report outlines the outturn position for the last financial year (2021/22) and the issues that arise from it.

Section 2 – Summarises the outturn position of the Authority.

Section 3 – Reviews the detailed outturn position for service departments

Section 4 – Reviews the outturn position for corporate items

Section 5 – Provides other information

Section 6 – Provides information on Reserves

Section 7 - Provides information on the capital outturn

## Section 2 – REVENUE OUTTURN 2021/22

OUTTURN	2021/22 Current Budget (Net)	2021/22 Current Budget (excl. overheads)	2021/22 Outturn (excl. overheads)	2021/22 Variance excl. overheads	Jan 2022 (P10) Forecast Variance	2020/21 variance excl. overheads	Outturn to P10 forecast variance
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
<b>Department</b>							
Corporate Services	11,401	27,873	28,518	645	958	3,746	(313)
Children, Schools and Families	63,790	58,310	60,736	2,426	1,939	2,426	487
ASC	63,735	60,018	59,137	(881)	(1,403)	(881)	522
Housing	3,721	3,358	3,434	76	271	77	(195)
Libraries & Merton Adult Learning	3,194	2,438	2,543	105	44	105	61
Public Health	4,492	4,329	4,312	(17)	0	0	(17)
Environment & Regeneration	16,309	10,526	13,957	3,431	4,159	10,689	(728)
Net recharges	0	0	0	0	0	120	0
<b>NET SERVICE EXPENDITURE</b>	166,642	166,852	172,637	5,785	5,968	16,282	(183)
Corporate Provisions - excl COVID & Provision for DSG Deficit	(11,728)	(11,728)	(18,378)	(6,650)	(1,317)	(1,567)	(5,333)
Corporate Provisions - COVID	0	0	235	235	833	6,882	(598)
<b>TOTAL GENERAL FUND exc.Provision for DSG Deficit *</b>	154,914	155,124	154,494	(630)	5,484	21,597	(6,114)
Provision for DSG Deficit	10,882	10,882	0	(10,882)	0	0	(10,882)
<b>TOTAL GENERAL FUND NET EXPENDITURE</b>	165,796	166,006	154,494	(11,512)	5,484	21,597	(16,996)
<b>Corporate Funding</b>	(164,363)	(164,363)	(163,653)	710	1,109	(25,301)	(399)
<b>Net</b>				(10,802)	6,593	(3,704)	(17,395)

\*If there was no safety valve agreement, there would have been an adverse variance of £0.8m on the GF as additional monies would be required to offset the DSG deficit, which would have required a call on the Balancing the Budget Reserve.

Given the favourable variance in 2021/22 arising from this, it is proposed to apply the budget released as set out in the following table:-

<b>Net balance transferred to Earmarked Reserves</b>	<b>(10,802)</b>
<u>Reserves:</u>	
Cost of Living	2,000
Income Loss Protection Reserve	2,500
Voluntary Sector Support	302
Inflation Protection Reserve	2,000
Civic Pride Fund	2,000
Climate Change Reserve	2,000
<b>Net balance transferred to Earmarked Reserves</b>	<b>10,802</b>

Net service expenditure has an adverse variance of £5.786m.

Chart 1 below shows the forecast year end variance for departmental expenditure with a comparison against prior years.

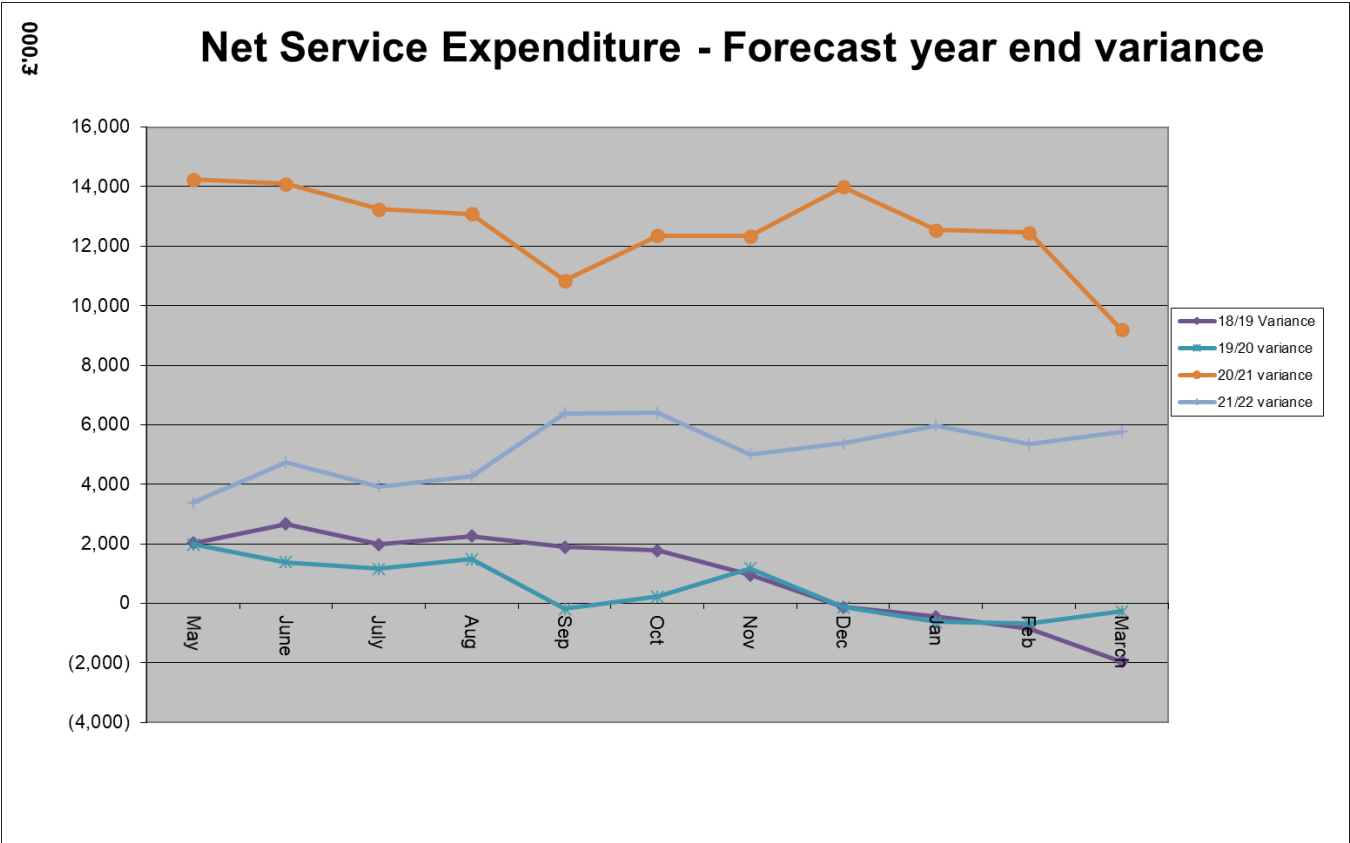
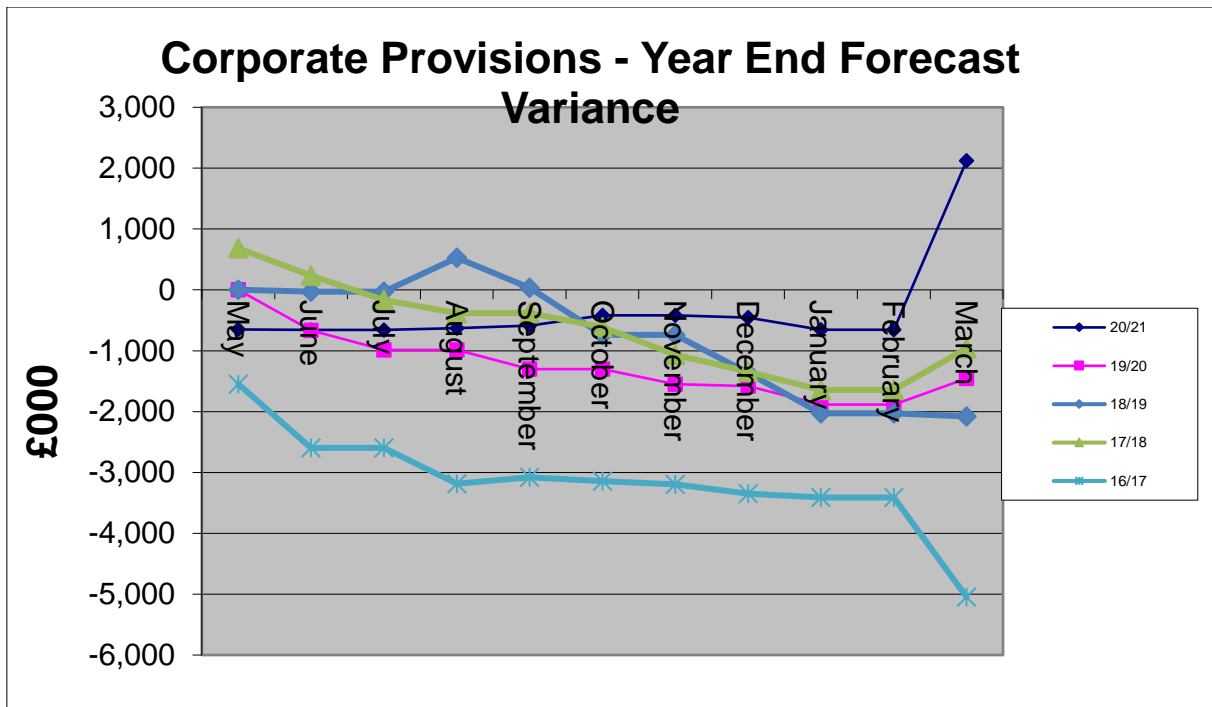


Chart 2 shows the forecast year end variance for corporate provisions with a comparison against prior years.



#### Covid-19 Financial Impact

The government announced a scheme to reimburse Councils for lost income from sales, fees and charges. This involves a 5% deductible rate, whereby the Council absorbs up to 5% and the government compensation covers 75p in every pound of relevant loss thereafter. The scheme was extended for the first quarter of 2021/22. The income from the scheme has been included in the outturn position. This is c.£1.5m which represents a shortfall against a budgeted £2.643m as the circumstances around the pandemic and impact on income greatly improved for the first quarter compared to when the budget was set, particularly around parking income.

The pandemic has continued to make forecasting difficult during 2021/22 as it still remains unclear if or when some service areas will see activity return to pre-covid levels.

#### Covid Expenditure

Covid expenditure which is incremental is reported centrally on Corporate items – Covid costs. These are the incremental costs not covered by specific covid grants.

#### Income shortfall

Income budgets are included within departments so the impact of Covid-19 on lost income is reflected in departmental forecasts.

#### Savings unachieved

Departmental budgets were adjusted for the agreed savings targets for 2021/22 as part of the budget setting process. The savings under pressure due to Covid-19 are included in the outturn of the departments. This is inclusive of 2020/21 savings which remain under pressure.

<b>COVID-19 COST SUMMARY</b>	<b>2021/22 Covid-19 Outturn Impact £000</b>	<b>2021/22 Covid-19 Forecast Impact (January) £000</b>
Corporate Services	536	801
Children, Schools and Families	353	714
Community and Housing	1,130	1,130
Environment & Regeneration	6,808	7,046
<b>TOTAL INCOME LOSS &amp; SAVINGS UNACHIEVED</b>	<b>8,827</b>	<b>9,691</b>
<b><u>Corporate Items - Covid costs</u></b>		
Corporate Services	85	115
Children, Schools and Families	352	180
Community and Housing	325	242
Environment & Regeneration	(527)	296
<b>ADDITIONAL COVID EXPENDITURE</b>	<b>235</b>	<b>833</b>
<b><u>FUNDING</u></b>		
Business Rates *	1,203	3,824
Council Tax *	555	0
<b>TOTAL FUNDING LOSS</b>	<b>1,758</b>	<b>3824</b>
<b>GROSS COST OF COVID-19</b>	<b>9,815</b>	<b>14,348</b>
<b>Covid-19 general funding</b>	<b>-6,811</b>	<b>-6,811</b>
<b>Income compensation for sales, fees &amp; charges</b>	<b>-1,534</b>	<b>-1,534</b>
<b>NET COST OF COVID-19</b>	<b>1,470</b>	<b>6,003</b>

\*Business rates and Council tax losses shown in this table demonstrate the shortfall in collection. This illustrates the full cost of covid to the Council. This differs from the accounting treatment shown in the outturn summary table at the beginning of section 2 of this report, in line with legislation allowing for the deficit to be phased over three years.

#### Covid-19 impact on the Collection Fund

Due to COVID-19 the amount of Business Rates and Council Tax collected was less than budgeted for 2021/22 when the budget was approved by Council in March 2021. There is usually a small surplus or deficit which arises because the amount collected during the year will vary for different reasons such as new businesses arriving and leaving during the year.

Due to Covid-19 the level of collection is less than expected and has resulted in a deficit for the financial year 2021/22 of £1.758m as shown in the covid table above to demonstrate the full impact of covid, however, due to the way Business Rates are accounted for in local authorities, the shortfall will not be reflected in the 2021/22 financial year but will be managed via the Collection Fund and accounted for in future years.

## Section 3 Detailed Service Spending

### Corporate Services

Division	2021/22 Current Budget £000	2021/22 Full year Outturn £000	2021/22 Full Year Outturn Variance £000	2021/22 Full Year Forecast Variance (Jan) £000	2021/22 Covid-19 Outturn Impact £000	2020/21 Outturn Variance £000
Customers, Policy & Improvement	5,661	5,470	(191)	(246)	60	915
Infrastructure & Technology	12,520	12,600	80	116	176	(51)
Corporate Governance	1,573	1,714	141	90	18	(88)
Resources	5,532	5,545	13	107	162	1,811
Human Resources	2,040	2,254	214	232	120	102
Corporate Other	547	935	388	656	0	1,057
<b>Total (Controllable)</b>	<b>27,873</b>	<b>28,518</b>	<b>645</b>	<b>957</b>	<b>536</b>	<b>3,746</b>

### Overview

At the end of 2021/22 the Corporate Services (CS) department has an adverse variance of £645k at year end, inclusive of a £536k adverse external impact of covid-19.

### Customers, Policy and Improvement - £191k favourable variance

The favourable variance is primarily due to various vacancies during the year, such as in the AD (£136k) and Programme Office budgets (£64k). The Voluntary Sector Coordination budget also has a favourable variance of £107k on grants expenditure.

The Registrars service achieved a favourable variance of £24k due to the strong recovery of income levels following the cessation of covid restrictions earlier in the financial year.

Additional favourable variances include £52k due to an over-achievement against the cash collection saving and £42k in the Complaints team due to staffing underspends and various running costs less than budget.

Partially offsetting the favourable variances are the Press and PR budget which has a £157k adverse variance owing to the use of agency staff. There is also a net adverse variance of £72k in the Translations services due to under-achievement against the



income budget as external demand remains low and a £23k adverse variance in the Policy and Strategy team partly due to the use of agency staff.

### **Infrastructure & Technology - £80k adverse variance**

Many of the adverse variances within the division are due to reduced recharges as a result of the change in working arrangements surrounding the covid-19 pandemic. These adverse variances include £215k on the Corporate Print Strategy and £118k on the PDC (Chaucer Centre). These are reviewed throughout the year and adjusted depending on the level of staff returning to the office. Where these are internal recharges they have not been included in calculating the impact of covid-19 on the Council as they will positively impact other departments and are therefore not a net cost to LBM.

The FM External account also has a £145k adverse variance due to the lack of commissions since the pandemic began, though the position is improved on the outturn position for 2020/21. There is a variance on Corporate Contracts (£34k adverse) due to 2020/21 savings for reducing cleaning in corporate buildings remaining unachievable within the current circumstances. A further £51k adverse variance is within the Client Financial Affairs team, mainly relating to the unachieved saving (reference 2019-20 CS23) for the introduction of a charging scheme. The Energy budget has an adverse variance of £111k due to a historical invest-to-save saving which remains partially unachieved.

There are also multiple favourable variances within the division, such as on the Microsoft EA (Enterprise Agreement) which is less than budgeted by £135k and £94k in Safety Services due to recruitment lag as well as contingency not required in year. There is a favourable £62k variance for Garth Road from rental income and the Business Systems Team has a £115k favourable variance due to vacancies in the team which is partly offset by an under-achievement of income targets and overspend on support and maintenance. The Post and Print room service has achieved an £86k favourable variance due to a staffing underspend as well as an over-achievement of income from internal recharges. The IT Service Delivery budget also has a favourable variance of £60k primarily due to less than budgeted staffing spend.

### **Corporate Governance – 141k adverse variance**

The adverse variance is primarily due to a £130k overspend within the LBM Legal Service, of which £115k results from prior year unachieved savings. There is an adverse variance of £17k in Democracy Services largely due to postage and courier spend. A further £17k adverse variance is from the South London Legal Partnership (SLLp) for Merton's share of the service's deficit for the financial year, however for the Council as a whole there is a favourable variance of £164k after factoring in the reduced chargeable hours used by departments compared to the budgeted level.

The adverse variances have been partially offset by a favourable variance of £20k within the AD Corporate Governance budget due to recharges for land charges migration work for the AD's salary costs.

### **Resources - £13k adverse variance**

Included within Resources is an adverse impact of covid on the Bailiffs service which has an adverse variance of £126k (inclusive of the shared service element).

The Corporate Accountancy service has an adverse variance of £178k which includes agency cover due to long-term sickness as well as additional external audit and banking fees. A further adverse variance of £134k is on insurance premiums, with the premium cost not reducing significantly despite six schools moving out of the council cover which reduced the income to the service. The service is currently working on the open claims and are planning to reduce the annual insurance provision to the insurance fund to mitigate the overspend on the insurance premium in future years. They are also doing detailed work on the properties and there is a possibility that a few of the properties can be removed from the insurance cover for next year and this will help to reduce the insurance premium from 2022/23. Additional adverse variances with the division include the Local Welfare Service as the reserve has not be utilised to fund spend in year and the Chief Executive's budget due to spend on a structure review.

Favourable variances within Resources include £12k on the Director of Corporate Services budget due to consultants and subscription budgets not required in year. The Support team within Revenues and Benefits has £32k favourable variance mainly against staffing costs. The Local Taxation Service has a £183k favourable variance overall due to additional funding from the GLA and new burdens income from DWP. The Benefits Administration services has a £185k favourable variance also largely due to grant receipts from DWP. The budget management team has a favourable variance of £97k as a result of recharges against the COMF grant and vacancies held for part of the year.

### **Human Resources – £214k adverse variance**

This adverse variance is primarily due to agency cover in place against the AD budget (£90k variance) and £150k relating to the HR Transactions budget for the shared payroll system and iTrent client team charges from Kingston. This is reflective of a saving not expected to be achieved in year as new contract negotiations were delayed as a result of covid during 2020/21.

The Payroll service has a £24k favourable variance across various staffing and running costs as well as overachievement of schools buyback income.

### **Corporate Items - £388k adverse variance**

The majority of the variance on the Corporate Items budget is due to Housing Benefit Rent Allowances. The variance is due to a shortfall on the subsidy attracted by overpayments compared to the budgeted amount for 2021/22. This is offset by the budget for corporately funded items which was not fully required in year and a favourable variance on the budget for added years pension costs.

## Environment & Regeneration

Environment & Regeneration	2021/22 Current Budget £000	Full year Outturn £000	Outturn Variance at year end £000	Forecast Variance at year end (Jan) £000	2021/22 Covid-19 Forecast Impact <u>Outturn</u> £000	2020/21 Outturn Variance £000
Public Protection	(15,947)	(11,806)	4,145	4,354	5,919	8,973
Public Space	16,455	16,612	157	222	453	2,003
Senior Management	1,068	875	(193)	(194)	0	(134)
Sustainable Communities	8,951	8,276	(675)	(223)	435	(153)
<b>Total (Controllable)</b>	<b>10,526</b>	<b>13,957</b>	<b>3,431</b>	<b>4,159</b>	<b>6,808</b>	<b>10,689</b>

Description	2021/22 Current Budget £000	Outturn Variance at year end £000	Forecast Variance at year end (Dec) £000	2020/21 Variance at year end £000
Regulatory Services	659	38	160	194
Parking Services	(17,641)	4,181	4,352	8,804
Safer Merton & CCTV	1,034	(77)	(158)	(25)
<b>Total for Public Protection</b>	<b>(15,947)</b>	<b>4,142</b>	<b>4,354</b>	<b>8,973</b>
Waste Services	14,761	390	248	875
Leisure & Culture	535	(210)	203	764
Greenspaces	1,873	(93)	(245)	525
Transport Services	(715)	66	(17)	(161)
<b>Total for Public Space</b>	<b>16,455</b>	<b>157</b>	<b>222</b>	<b>2,003</b>
Senior Management & Support	1,067	(192)	(194)	(134)
<b>Total for Senior Management</b>	<b>1,067</b>	<b>(192)</b>	<b>(194)</b>	<b>(134)</b>
Property Management	(2,140)	(708)	(446)	(381)
Building & Development Control	46	335	162	281
Future Merton	11,045	(303)	61	(53)
<b>Total for Sustainable Communities</b>	<b>8,951</b>	<b>(675)</b>	<b>(223)</b>	<b>(152)</b>
<b>Total Excluding Overheads</b>	<b>10,526</b>	<b>3,431</b>	<b>4,159</b>	<b>10,689</b>

### Overview

The department is currently forecasting an adverse variance of £3,404k at year end. The main areas of variance are Regulatory Services, Parking Services, Waste

Services, Leisure & Culture, Greenspaces, Property Management, Development & Building Control and Future Merton.

## **Public Protection**

### **Regulatory Services adverse variance of £38k**

The position within Regulatory Services also improved between January and outturn by £122k, mainly due to £42k additional LBR Pollution income which was not previously forecast due to uncertainty of whether the service would receive LIP funding/climate change income. There was also an additional £43k income from EH commercial, and £17k underspend on consultants' budget line.

The section has cumulative income savings of £210k relating to potential commercial opportunities. However, the focus for the financial year 2021/22 needed to be redirected from income generation to Covid-19 service delivery and service improvement including a major IT project. The section will be undertaking a review in the new financial year on the commercial opportunities that remain post-pandemic.

The IT transition Project is scheduled for completion in the first quarter of 22/23 which will then permit some resources to refocus on income generation. Covid-19 continues to impact licensing income due to continually changing business and restrictions resulting in a reduction in income from, Premises Licences, Massage and Special Treatment Licences, Street Trading Licences and Gambling Licences. Licensing income has improved through an increase in licence applications some resulting from the new Pavement Licencing Regime. Business recovery does show signs of improvement however licensing income remains below pre-pandemic levels. The economic impact on businesses arising from Covid-19 has also resulted in an increased trend (circa 30%) for non-payment of outstanding annual fees and an amount of unlicensed business activity. Officers are undertaking increased engagement with these businesses to ensure compliance. Current forecasts estimate an adverse variance against the licencing income budget of £30k.

### **Parking Services adverse variance of £4,181k**

The income forecast has moved favourable by £171k since December. Covid-19 continues to affect parking revenue across the board including ANPR, PCNs as well as on and off-street charges income. Analysis to better understand the short and longer-term impact of this is ongoing, but current forecasts show the adverse variance on PCN, P&D, and permit income of £2.07m, £1.414m, and £1.029m respectively. This is primarily due to a reduction in proposed income from across the various permit categories.

These adverse variances are being partially offset by a favourable variance on parking admin fee of £238k, employee spend of £142k and supplies and services £115k (of which £135k relates to the research and modernisation of SSZs cameras which will not be utilised until next year).

It should be noted that the section has a £3,800k budget expectation relating to the review of parking charges, which commenced on the 14<sup>th</sup> January 2020. The new charges were designed to influence motorists' behaviour and reduce the use of the motor car. The extent to which behaviour has been affected is masked by the impact of Covid-19, but work continues to try and better understand this. A recent review of the budget expectation has indicated a shortfall of £2,100k. Additionally, there is a 2020/21 and 2021/22 saving (ENV1920-01) of £680k relating to an application to change Merton's PCN charge band from band B to band A which has not been implemented until February 2022.

It should also be noted that that £750k EBC savings target this year will now be met from the corporate contingency, for which a budget transfer has taken place following Cabinet approval in October 2021

## **Public Space**

### **Waste Services adverse variance of £390k**

The outturn has moved adversely by £142k since Period 10. This is primarily because of the increased disposals since period 10

The section is reporting an adverse variance on disposal costs of £419k. As a result of changes to our residents working arrangements, we have seen a greater increase in the number of households now working from home following the current Government advice in relation to Covid-19. This has resulted in an increase in overall domestic waste across all kerbside collection services. In order to mitigate this cost, the service is currently supporting SLWP in the planning of the re-procurement of both Food and Garden waste processing services which currently expire in 2022.

An adverse variance of £183k is being forecast in relation to its waste collection and street cleansing contract, as a result of agreed and necessary services being undertaken on our behalf by the service provider.

An adverse variance of £185k is also being forecast in relation to the Household, Reuse, Recycling Centre (HRRC), mainly as a result of extending the current contract during 2020/21, via a contract variation, in order to both minimise future costs and to align the contract period with the other SLWP boroughs. The service is currently exploring alternative access for residents to neighbouring sites along with implementing improvements to the current booking system which has contributed to the management of waste volumes. To date there are no planned service changes, and we note that any significant change to the provision of this service will first be presented to Cabinet for consideration.

Favourable variances on the Council's Environmental Enforcement services in respect of enforcing and issuing Fix Penalty Notices for littering (£217k), and employee related spend (£99k) is partially mitigating these adverse variances.

### **Leisure & Culture adverse variance of £324k**

Due to the ongoing impact of Covid-19 the Authority continues to support our service provider, GLL and this has resulted in an income shortfall of £165k against a budget of £818k. In the last financial year, Merton loaned GLL £575k, GLL have indicated that they will be able to repay the loan. The service has agreed flexible payment terms for the loan. This means the focuses will be on paying Merton it's share of the guaranteed income with any excess revenue income going towards the payment of the loan.

The continuation of Covid-19 related restrictions at the Wimbledon Sailing Base has also led to programmes with less attendees being available, resulting in a net adverse variance of £33k being forecast.

Favourable variances on one-off reimbursement costs of £100k, and employee related spend of £169k, £112k Premises underspend (£103k LC Utilities) and supplies and services related spend of £81k is partially mitigating these adverse variances.

### **Greenspaces favourable variance of £91k**

The favourable variance is primarily due to the over recovery of ground maintenance income.

### **Sustainable Communities**

#### **Property Management favourable variance of £758k**

The favourable movement has increased by £151k from period 10. The movements within Property Management were primarily due to premises –( repairs and alterations) £132k. The difference in forecast is due mainly to Premises repairs and alterations in particular Batsworth Road and South Mitcham Community centre where a total of £72k was forecast but the work will now take place in 22-23. Works at 3 & 4 Crown parade were £5K under forecast. There were a number of £500-£2K adjustments to reflect actual costs.

Additionally, Endeavour Way Dilapidations payment £82K, GLA Grant - £24k, Utilities £20k moved favourably.

#### **Building and Development Control adverse variance of £335k**

Adverse movements in Building Development and control are due to application Fees (£75k)increased applications resulted in income recovered exceeding budget but was less than anticipated. Planning Performance Agreement - £40k adverse - PPA staged payments not materialising till 2022/23, BC Full Plans £55k - less applications went through in 2021/22 than anticipated and Building Notice Application - less applications materialised in 2021/22 than anticipated.

## Children Schools and Families

### Local Authority Budget

Children, Schools and Families (£000's)	2021/22 Current Budget	2021/22 Outturn	2021/22 Outturn Var	Forecast Variance January	2021/22 Covid Forecast Impact	2020/21 Outturn Variance
<b>CSC&amp;YI</b>						
Senior Management	318	747	429	443		
Help and Family Assessment	3,041	2,365	-676	-814		
Family Support and Safeguarding	4,499	6,518	2,019	1,851		
Adolescent and Safeguarding	1,772	1,200	-572	-621		
Corporate Parenting	11,587	12,396	809	760		
<b>CSC Sub Total</b>	<b>21,217</b>	<b>23,226</b>	<b>2,009</b>	<b>1,619</b>	<b>352</b>	<b>-908</b>
<b>Education</b>						
Contracts, Proc & School Org	7,455	7,864	409	236		-159
Early Years & Children Centres	4,099	3,788	-311	-174		-207
Education - School Improvement	27	26	-1	-108		-36
Education Inclusion	1,762	1,631	-131	-109		-279
Schools Delegated Budget	0	-3	-3	0		1
SEN & Disability Integrat Serv	2,180	2,229	49	-21		-1,306
Senior Management	869	1,233	364	293		208
Policy, Planning & Performance	733	807	75	230		113
Departmental Business Support	213	156	-57	-26		-54
<b>Education SubTotal</b>	<b>17,338</b>	<b>17,731</b>	<b>394</b>	<b>321</b>	<b>0</b>	<b>-1,719</b>
<b>Other CSF</b>						
Cross Departmental	1,085	1,085	0	0		48
PFI Unitary Charges	8,168	8,933	766	0		280
Depreciation	9,859	9,859	0	0		0
Other Education Budgets	114	0	-114	0		-83
Education Services Grant	-1,062	-1,074	-12	0		0
Pensions and Redundancy Costs	1,592	974	-617	0		-589
<b>Other CSF Sub Total</b>	<b>19,756</b>	<b>19,777</b>	<b>23</b>	<b>0</b>	<b>0</b>	<b>-344</b>
<b>Grand Total</b>	<b>58,311</b>	<b>60,734</b>	<b>2,426</b>	<b>1,940</b>	<b>352</b>	<b>-2,971</b>

### Overview

At the end of March 2022, the Children Schools and Families directorate is forecasting an adverse variance against budget of £2.426m on local authority funded services. This is an adverse movement of £486k on the January forecast.

The pandemic increased the level of need in the community, reduced people's access to support and made casework more challenging. As a result we have seen an increase in demand and in complex needs. This is in line with other local authorities. The use of agency social workers is also a significant financial risk. We are working hard to reduce this dependency and have had some successes, but we are operating in a very competitive labour market.

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

The Children in Care service is recording an adverse outturn of £2m compared to a January forecast of £1.619m. The movement is largely caused by additional staff costs to meet increased demand and the cost of care packages.

Over the past year there has been an increase in placements of children with complex needs in high-cost provision. Additionally, providers have increased the cost

of caring for the most complex children. The high level of general inflation poses a significant financial risk for the year ahead.

We continue to ensure that children's plans are reviewed regularly with senior managers offering support and challenge to explore alternative arrangements coupled with a focus on commissioning and procurement activity to ensure best value is obtained through a more systemised purchasing approach.

There are also a significant number of social work posts covered by agency staff and given high demand across London and the South-East, the costs of these agency staff has been increasing significantly. The cost expenditure on agency staff has increased from £2.107m in 2020/21 to £3.833m in 2021/22, an increase of 82% this financial year.,

We are working to improve recruitment of permanent social workers and reduce dependency on agency staff. We have had some recent success in persuading agency staff to accept permanent contracts. We will shortly be launching a major recruitment campaign. In addition, we have been working with authorities across London to try to cap agency rates and reduce the upward pressure on hourly rates caused by competition. Agreement on a pan-London social worker inter agency rate has now been reached.

These issues are the main cause of the overspends in Family Support & Safeguarding (£2m) and Adolescent & Safeguarding (£0.8m) budgets.

### **Education and Early Help Division**

The Education and Early Help Division is recording an adverse outturn of £394k, compared to a January forecast of £322k, which is just over 2% of the annual budget.

This adverse final figure is accounted for primarily by:

- the £364k overspend within the Senior Management cost centre, which includes £318k arising from agreed additional staffing costs associated with the council's successful Safety Valve negotiations with the DfE; and
- the £409K overspend within Contracts, Procurement and School Organisation. Although the Local Authority has successfully begun to slow the rate of new EHCPs (there were 215 additional EHCPs in 2021 in comparison with 324 in 2020), the rise in the number of children and young people with EHCPs has impacted on SEND transport costs, and in particular on taxi costs. Taxi costs have also been adversely affected by recent rises in fuel costs. The actions being undertaken as part of the Safety Valve intervention, and in particular creating new and expanded specialist provision locally, should result in less pressure on the transport budget, with fewer children needing to be transported over long distances.

### **Other CSF budgets**

This area of spend is showing an adverse outturn of £23k, compared to a January forecast of (£2k). This is accounted for by the overspend associated with PFI Unitary Charges. There was a significant increase on this budget line as a result of the increase in energy charges being experienced nationwide.



## Dedicated Schools Budget

Children, Schools and Families (£000's)	2021/22 Current Budget	2021/22 Outturn	2021/22 Outturn Var	Forecast Variance January	2021/22 Covid Forecast Impact	2020/21 Outturn Variance
<b>Education</b>						
Contracts, Proc & School Org	290	274	-16	-27		-33
Early Years & Children Centres	16,348	13,000	-3,348	-452		-1,286
Education - School Improvement	1,041	999	-41	-150		-49
Education Inclusion	1,489	1,588	99	89		153
SEN & Disability Integrat Serv	17,482	31,381	13,899	12,154		12,593
<b>Sub-total</b>	<b>36,650</b>	<b>47,242</b>	<b>10,593</b>	<b>11,614</b>	<b>0</b>	<b>11,378</b>
<b>CSC &amp; Youth Inclusion</b>						
Adolescent & Family Services	44	36	-8	-11		-4
<b>Sub-total</b>	<b>44</b>	<b>36</b>	<b>-8</b>	<b>-11</b>	<b>0</b>	<b>-4</b>
<b>Schools Delegated Budget</b>						
DSG Reserve	0	-2	-2	0		-3
Retained Schools Budgets	2,945	2,528	-417	-1,401		-699
Schools Delegated Budget	-39,784	-36,397	3,387	2,394		1,559
<b>Sub-total</b>	<b>-36,839</b>	<b>-33,871</b>	<b>2,968</b>	<b>993</b>	<b>0</b>	<b>857</b>
<b>DSG Total</b>	<b>-145</b>	<b>13,407</b>	<b>13,553</b>	<b>12,596</b>	<b>0</b>	<b>12,231</b>

At year end the Dedicated Schools Grant (DSG) budget had a deficit of £13.553m, a negative movement of £957k on the January forecast. There were a number of movements towards the end of the year in the DSG position. There was a significant reduction in spend against forecast of in £2.89m Early Years as a result of the January census of placements and the falling rolls. Provision has been made of c£1m against clawback from DfE. There was a negative movement in SEND spend against the January forecast of £1.74m due to increased costs in independent schools placement costs (£400k) and late notification by other Local Authorities for school placements (£1.7m). partially offset by other positive movements. Overall, the Education block was overspent by £10.9m at year end compared to the January forecast of £11.6m. There was a negative movement in the School Delegated budget block of £1.975m. This was primarily due to an increase in special school top-up and primary EHCP placements.

In response to the very significant pressures in the Dedicated Schools Grant (DSG) and the High Needs Block (HNB) in particular, the DfE Safety Valve programme is one of a number of initiatives introduced by the DfE. The High Needs Block (HNB) is the part of the education grant used to support those with special educational needs and disabilities (SEND). Over 20 local authorities with very high deficits are, or soon will be, part of the Safety Valve programme. A further 54 authorities with significant deficits are in their Better Value Programme and there are more authorities also carrying deficits in their DSG funds.

The government has also launched a Green Paper on SEND, which proposes some significant changes to the way those with SEND are supported. The Schools Bill also includes provision to try to ensure that mainstream schools are inclusive of those with SEND. The combination of the Green Paper, the Schools Bill and the two programmes are an acknowledgement from government that the SEND system is broken. A failure in funding keeping pace with demand and costs have combined

with policy changes (such as the extension in responsibility to age 25) to leave the majority of authorities in England with rising demand and increasing deficits. Merton in particular has faced a high level of EHCPs and the impact of having a significant amount of expensive independent sector provision in the area.

Merton was invited to join the second tranche of the Safety Valve process in July 2021. A cross departmental team, led by the Chief Executive, was pulled together. Significant external capacity was also brought in to develop the recovery plan. The negotiations took place over four formal and numerous informal meetings between July and December. Just before Christmas 2021 we submitted our final plan and a challenging request not only for £28.8m funding but also that it be front loaded and supported by £14.5m in capital grants plus the cost of land for a new school.

The agreement was signed off by the DfE in late March 2022 and committed them to £28.8m deficit funding, of which £11.6m has been paid upfront. The remainder will be paid over five years subject to meeting the agreement conditions. In return the Council has committed to delivering the plan against nine conditions and to reduce the cumulative deficit to zero with the deficit funding by the end of year five (March 2027). Although the agreement was not signed until March, work commenced in January on implementing the plan in recognition that the actions set out are necessary, with or without DfE support.

The Council has committed substantial resources to delivering the plan including £1.1m per year for additional staff for the five years of the plan in addition to the temporary resources set aside in 2021/22 of £490k. It has also committed £500k additional per year General Fund contribution to the HNB and £500k each from children and adult services – a combined revenue contribution of £8.4m over the five years. The council now have had to make further provision of £28.3m reserve as per the agreement if the safety plan does not balance at the end of the five years.

A key part of the Safety Valve plan is the expansion of local maintained special school places. The preponderance of expensive independent special school provision is a major factor in our deficit and across southwest London and Surrey. We made clear that we would need additional capital to fulfil the need for more places and rapidly pulled together a bid as soon as the bidding round was opened. We were pleased to receive confirmation of £8.2m capital funding in June in addition to the £6.6m capital funding announced in April. This is in addition to £5.8m capital funding provided by the Council in 2021/22 and 2022/23. This will allow us to deliver 284 additional local special schools places starting with the Whatley Avenue annexe to Melrose School.

Although we commenced work in January, formally we are only two months into the five-year plan, but it is progressing. The Whatley Avenue annexe will open in September and the number of new Education Health & Care Plans (EHCPs) is stabilising. A review of all placements in independent sector special schools and negotiations with those providers is well underway. Work is also well advanced on enhancing the support that is ordinarily available to meet special needs in mainstream schools without the need for an assessment or EHCP. Our partnership with our schools is key and we are working with them to promote inclusion and early

support. We have recently submitted our first monitoring return which shows good progress against the plan and the nine conditions, and we await feedback.

## **Community & Housing**

### **Overview**

Community and Housing outturn position for the financial year 2021/22 is a favourable variance of £699k. This is due to a favourable variance in Adult Social Care of £881k, and a reduced unfavourable variance in Housing of £77k, and an increased unfavourable variance in Libraries of £105k. Public Health and Merton Adult Learning achieved a breakeven position.

### **Community & Housing Summary Outturn Position**

<b>Community &amp; Housing</b>	<b>2021/22 Current Budget £ '000</b>	<b>2021/22 Outturn Mar'22 £'000</b>	<b>2021/22 Outturn Variance Mar'22 £'000</b>	<b>2021/22 Forecast Variance Jan'22 £'000</b>	<b>2021/22 Covid-19 Actual Mar'22 £'000</b>	<b>2020/21 Outturn Variance £ (Mar'21)</b>
<b>Adult Social Care</b>	60,018	59,137	<b>(881)</b>	<b>(1,403)</b>	1,075	<b>(2,947)</b>
<b>Libraries and Heritage</b>	2,434	2,539	105	44	55	195
<b>Merton Adult Learning</b>	0	0	0	0	0	0
<b>Housing General Fund</b>	3,358	3,435	77	271	0	489
<b>Public Health</b>	4,313	4,313	0	0	0	0
<b>Total Favourable/ Unfavourable</b>	<b>70,123</b>	<b>69,424</b>	<b>(699)</b>	<b>(1,088)</b>	<b>1,130</b>	<b>(2,263)</b>

**Adult Social Care £881k Favourable Variance**

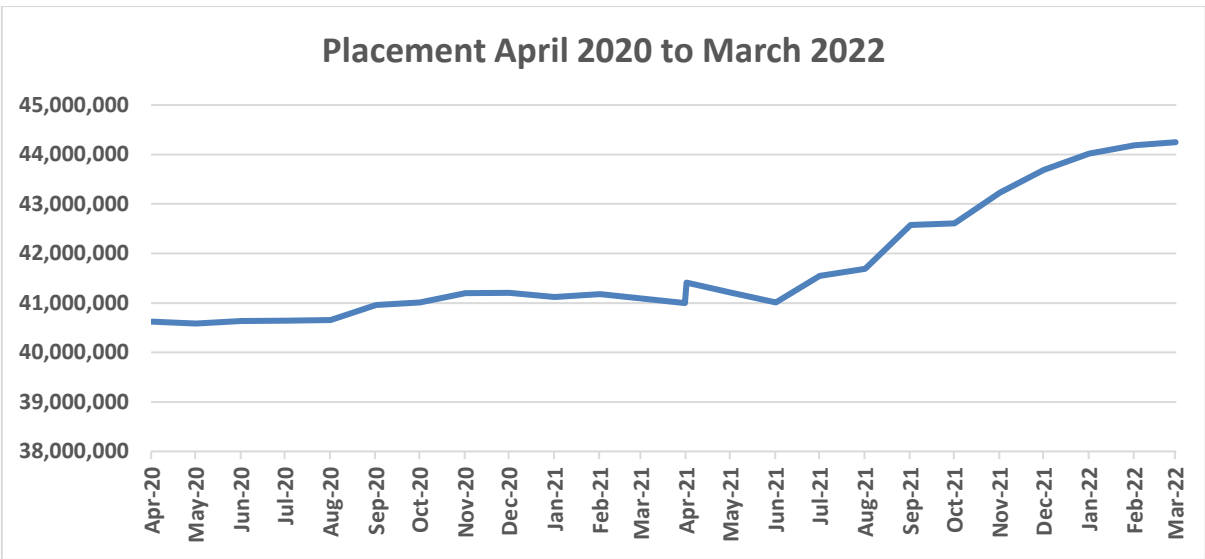
The issues of the covid pandemic continued into 2021/22 which continue to affect the service with pressures of higher volumes of clients presenting often with complex needs, significant increases in hospital discharges and workforce challenges of recruiting and retaining permanent staff across social care. This service outturn position has changed due to the inclusion of additional placements cost of £437k relating to one child transitioning to adults for whom we are in discussion with SWL CCG over responsibilities

**Adult Social Care- Internal Provision- £178k Favourable Variance**

This service favourable outturn variance was £178k. This was helped by the phased reopening of day centres throughout the year; having fewer customers present enabled managers to hold staff vacancies; however, there was loss of income due to groups not renting space at the centres. Limited social outings across Supported Living for much of last year reduced the need for bank staff in these settings. The staffing overspends in residential settings also reduced from the previous year.

Direct Provision has seen a gradual increase in activity across services as people are returned to day services in a managed way, and customers in Supported Living and Residential resume more community activities as the pandemic eases. Work has commenced researching and designing the new employment pilot and this will increase in the coming months with a full start date aimed for in June 2022.

The line graph below indicates that during 2021/22 there was an upward trend in the gross cost of placements, which will only be marginally offset by an increase in fees charged. This was mainly in the older people cohort which could be due to the impact of the covid-19 pandemic and possibly the effects of long covid.



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

### **Libraries-£105k Adverse Variance**

This service outturn has an adverse variance of £105k as compared to the £44k forecasted in January. This is due to loss of income due to the pandemic and additional expenditure incurred on supply and services between January to March.

During 2021/22 the demand for services continues to recover and usage of libraries is back to pre-pandemic levels. New health and wellbeing services are currently being rolled out across all libraries and a new employment start up centre has recently opened at Mitcham Library called the Workary. Online services and new services like Connecting Merton, the services IT equipment loaning and training project, continue to be in high demand. There is also the use of Mitcham, Pollards Hill and Colliers Wood libraries by Barclays for community banking services.

### **Merton Adult Learning – Breakeven**

Merton Adult Learning forecasted a breakeven position throughout the financial year and achieved a breakeven position. This service is grant funded by the Greater London Authority (GLA) and to a smaller extent by the Education and Skills Funding Agency (ESFA). The grant covers all contracts commissioned and the management cost for the service.

This year's curriculum has been developed to focus on reskilling residents for the post-pandemic job market and has a particular focus on increasing participation from residents in priority wards in the east of the borough.

### **Housing - £77k – Adverse Variance**

The Housing service forecasted outturn in January was £271k adverse, but due to a credit arising from a decommissioned contract and the use of homelessness prevention grant outturn in March was £77k adverse.

During 2021/22 there was a gradual increase from September to March in the number of families in temporary accommodation. The service also elected to utilise the services of Capital Letters (London) Ltd during 2021/22 and has secured 21 units of accommodation to March 2022. Capital Letters is an organisation which procure new properties on behalf of London Boroughs and is currently supported by the Department of Levelling Up, Housing and Communities (DLUHC)


There are no further approaches from Afghan Families during the year apart from the two families supported by the team and as of March only one family has remained in the borough.

However, the numbers of households living in temporary accommodation in Merton remains the lowest in London. As at the end of March there were 230 households accommodated under the homeless legislation. There are however 9,700 families in Merton waiting to be permanently rehoused and there are likely to be further pressures due to potential demand from Ukrainians whose placements with families become untenable breakdown and market pressures relating to difficulties procuring Private Rented Sector (PRS). In the case of the latter, we are actively working with Capital letters to refocus their procurement activities.

The demand for accommodation continues to exceed supply, which creates difficulties in the re-housing of households with acute housing need including those living in expensive temporary accommodation. There has been an increase as expected in approaches from private sector tenants who had previously benefitted from the moratorium on evictions.

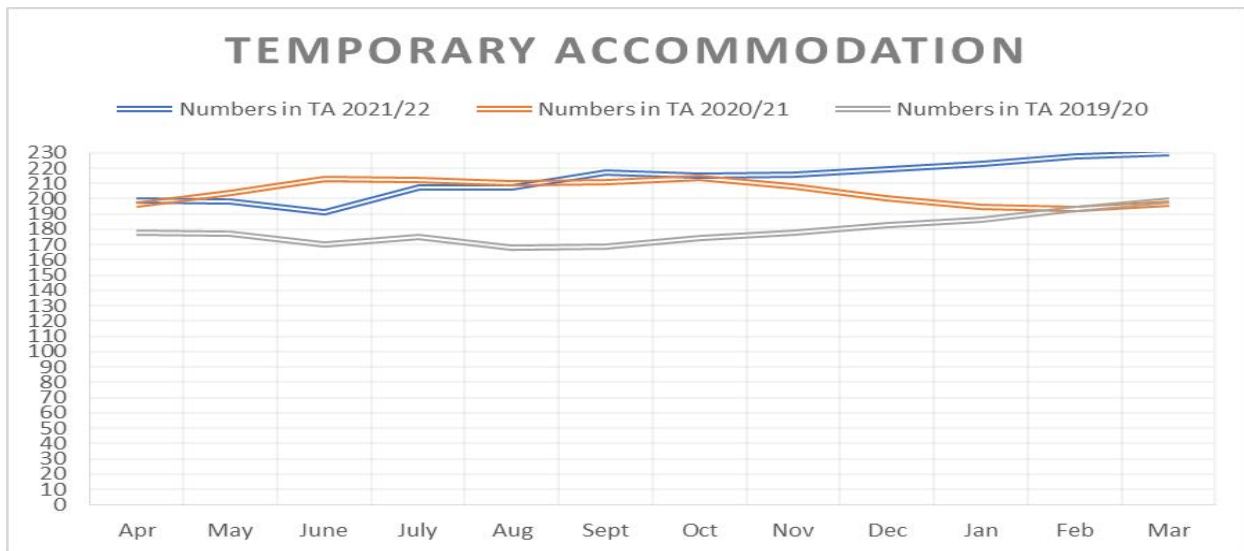
The service continues to work towards eliminating the worst form of homelessness i.e., rough sleeping in partnership with the GLA and other statutory bodies including Adult Social Care and works closely with Faith Groups, and the private rented sector to find solutions.

**Table below shows number of households in Temporary Accommodation for 2021/22 and previous year’s numbers at the financial year end.**

Temporary Accommodation	Numbers In	Numbers Out	Net Movement	Previous Year
Mar’17	-	-	186	<b>Position as at March for previous financial years</b> 
Mar’18	16	16	165	
Mar’19	15	11	174	
Mar’20	12	6	199	
Mar’21	11	7	197	
			<b>2021/22</b>	<b>2020/21</b>

<b>Apr'21</b>	<b>12</b>	<b>10</b>	<b>199</b>	<b>196</b>
<b>May'21</b>	<b>16</b>	<b>17</b>	<b>198</b>	<b>204</b>
<b>June'21</b>	<b>9</b>	<b>16</b>	<b>191</b>	<b>213</b>
<b>July'21</b>	<b>24</b>	<b>8</b>	<b>207</b>	<b>212</b>
<b>Aug'21</b>	<b>12</b>	<b>12</b>	<b>207</b>	<b>210</b>
<b>Sept'21</b>	<b>19</b>	<b>9</b>	<b>217</b>	<b>211</b>
<b>Oct'21</b>	<b>14</b>	<b>16</b>	<b>215</b>	<b>214</b>
<b>Nov'21</b>	<b>13</b>	<b>12</b>	<b>216</b>	<b>208</b>
<b>Dec'21</b>	<b>13</b>	<b>10</b>	<b>219</b>	<b>200</b>
<b>Jan'22</b>	<b>13</b>	<b>9</b>	<b>223</b>	<b>195</b>
<b>Feb'22</b>	<b>12</b>	<b>7</b>	<b>228</b>	<b>193</b>
<b>Mar'22</b>	<b>15</b>	<b>13</b>	<b>230</b>	<b>197</b>

**Diagram below shows Number in TA Compared to 2019/20 & 2020/21**



The above shows that the numbers in temporary accommodation increased steadily from September and ended at 230 which is a 17% increase on March 2021 numbers.

#### Analysis of Housing and Temporary Accommodation Expenditure to March 2022.

Housing	Total Budget 2021/22	Outturn Mar'22	Outturn Variances (Mar'22)	Forecast Variances (Jan'22)	Outturn Variances (March'21)
	£000	£'000	£'000	£'000	£000
Temporary Accommodation-Expenditure	2,439	3,785	1,346	1,064	1,286
Temporary Accommodation-Client Contribution	(140)	(317)	(177)	(181)	(253)
Temporary Accommodation-Housing Benefit Income	(2,087)	(2,552)	(465)	(491)	(931)
Temporary Accommodation-					



<b>Subsidy Shortfall</b>	322	1,160	838	851	1,029
<b>Temporary Accommodation-Grant</b>	0	(1,514)	(1,514)	(1,031)	(851)
<b>Subtotal Temporary Accommodation</b>	<b>534</b>	<b>562</b>	<b>28</b>	<b>212</b>	<b>280</b>
<b>Housing Other Budgets</b>	2,824	2,873	49	59	209
<b>Total Controllable (Favourable)/Unfavourable Variance</b>	<b>3,358</b>	<b>3,435</b>	<b>77</b>	<b>271</b>	<b>489</b>

### **Public Health –Breakeven**

Public Health expected a breakeven position and achieved a small underspend which had been transferred to reserves to meet unpaid commitments due to the current negotiations surrounding the CLCH contract for Children’s and Sexual Health.

The service administered another year of covid related activities and grants throughout 2021/22 and will continue to be involved in several preventative measures in 2022/23.

### **Potential Cost pressures**

The service continues to seek a resolution with NHS provider CLCH for both the children’s contract (health visitors and school nurses) and for sexual health. However, it seems that the parties involved with sexual health contract are about to reach a position palatable to both parties.

### **Covid-19 Related Programmes**

During 2021/22 the service undertook many covid related projects such as on-going community engagement and the provision of Infection Prevention Control support in vulnerable settings, e.g. care homes and special schools with the transition to living safely and fairly with COVID-19.

Public Health have developed a high-level strategic plan for living safely and fairly with COVID-19 in Merton which will be continued into 2022/23. This will be funded by the Contain Outbreak Management Fund.

## Section 4 Corporate Items

These budgets cover a wide range of significant areas including treasury management, provision for inflation, contingency, and contributions from government grants and use of reserves.

The summary position of corporate expenditure items is as follows:-

Corporate Items	Current Budget 2021/22 £000s	Full Year Forecast (March) £000s	Forecast Variance at year end (March) £000s	Forecast Variance at year end (Jan.) £000s	Outturn Variance 2020/21 £000s
<b>Impact of Capital on revenue budget</b>	<b>11,157</b>	<b>10,922</b>	<b>(235)</b>	<b>(145)</b>	<b>(27)</b>
Investment Income	(387)	(530)	(143)	(108)	(141)
Pension Fund	0	0	0	0	2,646
Pay and Price Inflation	1,945	0	(1,945)	(1,275)	(250)
Contingencies and provisions	20,569	3,357	(17,212)	(5,261)	331
Income Items	(2,223)	(2,213)	11	0	7,413
Appropriations/Transfers	(6,493)	(4,521)	1,972	5,472	(7,848)
<b>Central Items</b>	<b>24,568</b>	<b>7,015</b>	<b>(17,553)</b>	<b>(1,317)</b>	<b>2,124</b>
Levies	959	959	0	0	0
Depreciation and Impairment	(26,373)	(26,353)	20	0	0
<b>TOTAL CORPORATE PROVISIONS</b>	<b>(846)</b>	<b>(18,379)</b>	<b>(17,533)</b>	<b>(1,317)</b>	<b>2,124</b>
COVID-19 Emergency expenditure	0	235	235	833	5,356
<b>TOTAL CORPORATE EXPENDITURE inc. COVID-19 &amp; Provision for DSG Deficit</b>	<b>(846)</b>	<b>(18,145)</b>	<b>(17,299)</b>	<b>(484)</b>	<b>7,480</b>
Less: Provision for DSG Deficit	10,882	0	(10,882)	0	0
<b>TOTAL CORPORATE EXPENDITURE inc. COVID-19 &amp; exc. Provision for DSG Deficit</b>	<b>(11,728)</b>	<b>(18,145)</b>	<b>(6,417)</b>	<b>(484)</b>	<b>7,480</b>

The summary position of corporate funding is as follows:-

Corporate Funding Items	Current Budget 2021/22 £000s	Full Year Forecast (March) £000s	Forecast Variance at year end (March) £000s	Forecast Variance at year end (Jan.) £000s	Outturn Variance 2020/21 £000s
<b>Business Rates and Corporate Grants</b>	<b>(56,475)</b>	<b>(56,475)</b>	<b>0</b>	<b>0</b>	<b>(382)</b>
<b>Council Tax and Collection Fund</b>	<b>(98,434)</b>	<b>(98,434)</b>	<b>0</b>	<b>0</b>	<b>4</b>
<b>COVID-19 Sales, Fees and Charges grant</b>	<b>(2,643)</b>	<b>(1,534)</b>	<b>1,109</b>	<b>1,109</b>	<b>(8,971)</b>
<b>COVID-19 Lower Tiers Services Grant</b>	<b>0</b>	<b>(399)</b>	<b>(399)</b>	<b>0</b>	<b>0</b>
<b>Other COVID-19 Funding</b>	<b>(6,811)</b>	<b>(6,811)</b>	<b>0</b>	<b>0</b>	<b>(15,952)</b>
<b>Total Funding</b>	<b>(164,363)</b>	<b>(163,653)</b>	<b>710</b>	<b>1,109</b>	<b>(25,301)</b>

Corporate budgets have been subject to regular monitoring and reporting during 2021/22 and a cautious approach has been adopted as the risk of unfavourable variances on services due to Covid and signs of increasing inflationary pressures have been steadily increasing.

Given the continuing impact of the COVID-19 pandemic into 2021/22, severe pressures on service department budgets remained a cause for concern, particularly in demand led services such as Adult Social Care and Children’s Social Care but also on income budgets such as parking.

	CURRENT BUDGET 2021/22 £000	Variance Period 10 £000	Provisional Variance Outturn £000	Difference £000
TOTAL CORPORATE PROVISIONS exc. COVID-19				
<b>Main Reasons for Change:</b>				£000
Corporate Provision for Pay Award	195	225	(195)	(420)
Provision for excess inflation	250	0	(250)	(250)
Contingency	500	(250)	(488)	(238)
Revenue Funding of Capital	0	0	3,500	3,500
Proposed growth - Replenish reserves	1,478	0	(1,478)	(1,478)
Growth - Provision against DSG	10,882	0	(10,882)	(10,882)
Appropriations to/from Corporate Reserves	(1,300)	5,472	1,972	(3,500)
Bad Debt provision	1,500	0	(2,397)	(2,397)
Redundancy/ Pension Strain (Net)	1,000	(500)	(786)	(286)
COVID-19 Emergency expenditure	0	833	235	(598)
Lower Tier Services Grant	0	0	(399)	(399)
Other variations less than £200k	(179,714)	(5,155)	(5,419)	(264)
NET - CORPORATE BUDGETS including Provision for DSG Deficit	(165,209)	625	(16,589)	(17,214)
Less:				
Growth - Provision against DSG	10,882	0	(10,882)	(10,882)
NET - CORPORATE BUDGETS excluding Provision for DSG Deficit	(176,091)	625	(5,707)	(6,332)

### DSG – Clearing the Deficit and Safety Valve

The presentation in the table has changed slightly from that included in monthly monitoring reports to show net corporate variations both including and excluding the provision for the ongoing DSG deficit. The reason for this is that it was only at the end of the financial year 2021/22 that an agreement was reached with the Department for Education (DfE) on eliminating the DSG deficit. Although the DSG deficit was moved to an unusable reserve at the end of 2020/21 resolution of the underlying problem was a consistent cause of uncertainty throughout 2021/22 but, following negotiations, agreement was reached with the government and a Dedicated Schools Grant “Safety Valve” Agreement signed in March 2022 with the DfE.

Under the terms of the Agreement it is planned that the DSG deficit will be cleared by 2026/27 and thereafter will need to be effectively managed so that it breaks even, year on year. However, until it is under control and the deficit cleared it will continue to be subject to regular reporting.

The first phase of implementing the Safety Valve Agreement has been executed and has a significant impact in 2021/22. It will have an ongoing impact on future years and the implications will be incorporated into the Business Plan and MTFS for 2022/23 and beyond and continue to be closely monitored.

For the purposes of this outturn, the relevant information is set out below:-

DSG Deficit (Unusable Reserve) - £0.96m Adverse Movement from M10 in 2021/22.

<b>DSG Unusable Reserve</b>	Month 10 Monitoring £m	Safety Valve Agreement £m	Outturn 2021/22 £m
B/F DSG Deficit	24.98	24.98	24.98
In year deficit	12.59	12.62	13.55
Sub-total	37.57	37.60	38.53
Safety Valve Payments 2021/22	0	(11.60)	(11.60)
<b>Deficit c/f</b>	<b>37.57</b>	<b>26.00</b>	<b>26.93</b>

Provision in 2021/22 to cover DSG Deficit

Reserve Cover for DSG	If no Safety Valve £m	Safety Valve Agreement £m	Outturn 2021/22 £m
B/f Provision	23.74	23.74	23.74
Budget provision for DSG Deficit 2021/22	14.08	14.08	14.08
Revised balance	37.82	37.82	37.82
Sum Required to meet DSG Deficit	(38.53)	(26.0)	(26.93)
<b>Balance available to be released/(overspend)</b>	<b>(0.71)</b>	<b>11.82</b>	<b>10.89</b>

To summarise, applying the Safety Valve payment of £11.6m in 2021/22 means that £10.89m of the 2021/22 budget set aside towards addressing the DSG deficit will not be required in 2021/22.

This is only the first step in clearing the deficit by 2026/27 and managing it so that it does not reappear again.

Future reports will set out in more detail how the deficit can be cleared by 2026/27 and the impact in on the MTFs. The main elements in this will be:-

- Identify the underlying deficit
- Identify the estimated annual growth in EHCP
- Utilise the Safety Valve Payments effectively
- Identify and implement actions and mitigations that will reduce the cost of providing DSG services to stay within budgeted levels

## Section 5 - Other Information

### Progress on Savings 2021/22

Department	Target Savings 2021/22	Projected Savings 2021/22	2021/22 Shortfall	Shortfall %	2022/23 Expected Shortfall
	£000	£000	£000	%	£000
Corporate Services	1,322	1,086	236	17.9%	125
Children Schools and Families	1,460	410	1,050	71.9%	550
Community and Housing	2,541	1,631	910	35.8%	800
Environment and Regeneration	1,580	461	1,119	70.8%	750
<b>Total</b>	<b>6,903</b>	<b>3,588</b>	<b>3,315</b>	<b>48.0%</b>	<b>2,225</b>

Details are provided in Appendix 3

### Progress on Savings 2020/21

Department	Target Savings 2020/21	Shortfall 2020/21	Shortfall 2021/22	Projected Shortfall 2022/23 (at end of March 2022)
	£000	£000	£000	£000
Corporate Services	2,718	883	228	20
Children Schools and Families	2,969	664	500	100
Community and Housing	2,460	128	128	128
Environment and Regeneration	3,927	3,373	3,177	0
<b>Total</b>	<b>12,074</b>	<b>5,048</b>	<b>4,033</b>	<b>248</b>

Details are provided in Appendix 3A

COVID-19 Grants Summary	Grant	Claim/	Balance	Grant	Claim/	Repaid to Government	Balance
	received	Spend		received	Spend		
	2020/21	2020/21	31/03/21	2021/22	2021/22	2021/22	
	£000	£000	£000	£000	£000	£000	£000
Restart and Additional Restrictions Grant (ARG) - Admin. Grant			0	100	(100)		0
Infection Control Fund	2,835	(2,782)	53		(28)	(25)	0
Self-isolation payments funding (test and trace support payments) - Admin Grant	70	(65)	5	39	(44)		0
Emergency Active Travel Fund	10	(10)	0	0	0		0
Covid Winter Grant	481	(481)	0	721	(721)		0
Businesses Discretionary Grant Fund Allocation	1,324	(1,324)	0	0	0		0
Small businesses and Retail Hospitality & Leisure grant scheme- Admin grant	130	(130)	0	0	0		0
Local Restriction Support Grants new burdens admin grant	59	(59)	0	251	(251)		0
Defra - Covid19 Emergency Food & Support	176	(176)	0	0			0
Next Step Accommodation	174	(174)	0	0			0
Covid-19 Rough Sleepers	11	(11)	0	556			556
<b>Fully Applied in-year</b>	<b>2,365</b>	<b>(2,365)</b>	<b>0</b>	<b>1,528</b>	<b>(972)</b>		<b>556</b>
Self-isolation payments funding (test and trace support payments)	498	(253)	245	183	(695)		(267)
Reopening High Streets Safely Fund	0	(33)	(33)	62			29
Variant of Concern (VOC) SW19 Surge	0	(58)	(58)	0			(58)
Operation Eagles Surge	0	(138)	(138)	0			(138)
Lateral Flow Testing	0	(599)	(599)	599	(634)		(634)
Cold Weather Rough Sleepers	0	(10)	(10)				(10)
Project Plus Fund	0	(20)	(20)				(20)
<b>Debtors raised at year end</b>	<b>0</b>	<b>(858)</b>	<b>(858)</b>	<b>661</b>	<b>(634)</b>		<b>(831)</b>

Local Restriction Support Grants	24,584	(10,361)	14,223		(1,021)	(13,202)	0
Community Testing	84	(80)	4				4
Clinically Extremely Vulnerable (CEV) Support ( Covid Support)	238	(50)	188	357			545
<b>Receipts in Advance</b>	<b>25,404</b>	<b>(12,460)</b>	<b>12,944</b>	<b>1,862</b>	<b>(2,984)</b>		<b>(1,380)</b>
Additional Restrictions Grant (ARG)	5,966	(1,095)	4,871	2,419	(7,287)		2
Local Authority Compliance and Enforcement Grant	93	(79)	14				14
National Leisure Recovery fund	381	(2)	379	26	(405)		0
Business Support Grant - Small Businesses & Retail, hospitality and Leisure businesses	28,270	(28,160)	110				110
Workforce Capacity Social Care	374	(270)	104				104
ASC - Rapid Testing Fund	331	(284)	47				47

Restart Grant			0	9,348	(6,947)		2,401
Omicron - Hospitality and Leisure Grant			0	1,278	(1,099)		179
Omicron - Hospitality and Leisure Grant - Admin. Grant			0	54			54
<b>Creditors - amount to be returned</b>	<b>29,449</b>	<b>(28,795)</b>	<b>654</b>	<b>26</b>	<b>(405)</b>		<b>275</b>
Outbreak Control ( Test & Trace)	1,585	(244)	1,341				1,341
Outbreak Contains Management (COMF)	4,367	(728)	3,639				3,639
<b>Reserves = Balance on COVID - 19: Year End balances</b>	<b>5,952</b>	<b>(972)</b>	<b>4,980</b>	<b>0</b>	<b>0</b>		<b>4,980</b>
<b><u>Non ring-fenced grants held corporately:</u></b>							
<b>Sales, Fees and Charges compensation</b>	6,957	(8,971)	(2,014)	3,548	(1,534)		(0)
<b>Local Authority Support Grant - Tranches 1-4</b>	14,467	(14,467)	0				0
<b>Council Tax Hardship Fund</b>	1,484	(1,484)	0				0
<b>COVID-19 Additional Relief Fund</b>			0	4,787			4,787
<b>Covid19 Contain Outbreak Fund</b>			0	2,951			2,951
<b>Covid-19: LA Support Grant (Relative Needs Grant)</b>			0	4,989			4,989
<b>Covid-19: Local Council Tax Support Grant</b>			0	1,823			1,823
<b>Non ring-fenced grants held corporately</b>	<b>22,908</b>	<b>(24,922)</b>	<b>(2,014)</b>	<b>18,098</b>	<b>(1,534)</b>		<b>14,550</b>
<b>*Total COVID-19 Government Grant</b>	<b>86,078</b>	<b>(70,372)</b>	<b>15,706</b>	<b>22,175</b>	<b>(6,529)</b>		<b>18,150</b>

\* Excludes expanded retail discounts on business rates payable to the Council as section 31 grant in lieu of lost business rates income.

### **Debt Report**

The report on debt at year end is provided in Appendix 4

### **Quality of forecasting**

The forecasting by department and reasons for variances is attached as Appendix 5.

## Section 6 Reserves Position

Usable Reserves	Balance at 31st Mar 2020 £000	Transfers out 2020/21 £000	Transfers in 2020/21 £000	Balance at 31st Mar 2021 £000	Transfers out 2021/22 £000	Transfers in 2021/22 £000	Balance at 31st Mar 2022 £000
<b>General Fund:</b>							
Balances held by schools	4,295	(24,981)	8,958	(11,728)	843	(668)	(11,552)
General Fund Balances	(13,778)	0	(222)	(14,000)	0	0	(14,000)
Earmarked reserves	(59,606)	32,350	(56,681)	(83,937)	23,688	(19,271)	(79,520)
Business Rates & TIG	0	0	(14,418)	(14,418)	14,418	(7,000)	(7,000)
<b>Total General Fund</b>	<b>(69,089)</b>	<b>7,369</b>	<b>(62,363)</b>	<b>(124,083)</b>	<b>38,949</b>	<b>(26,939)</b>	<b>(112,073)</b>
<b>Capital:</b>							
Capital Receipts Reserves (CRR)	(2,059)	4,028	(2,420)	(451)	3,412	(2,961)	(0)
Capital Grants Unapplied (CGU)	(21,900)	3,760	(7,303)	(25,443)	7,196	(12,802)	(31,049)
<b>Total Capital</b>	<b>(30,237)</b>	<b>7,788</b>	<b>(9,723)</b>	<b>(25,894)</b>	<b>10,608</b>	<b>(15,763)</b>	<b>(31,048)</b>
<b>Total Usable Reserves</b>	<b>(92,366)</b>	<b>15,157</b>	<b>(72,086)</b>	<b>(149,977)</b>	<b>49,558</b>	<b>(42,702)</b>	<b>(143,121)</b>

Balances held by schools breakdown	Balance at 31st Mar 2020 £000	Transfers out 2020/21 £000	Transfers in 2020/21 £000	Balance at 31st Mar 2021 £000	Transfers out 2021/22 £000	Transfers in 2021/22 £000	Balance at 31st Mar 2022 £000
Earmarked Schools balances	(8,355)	0	(3,223)	(11,578)	360	0	(11,218)
Schools Fund	(100)	0	(50)	(150)	208	(392)	(334)
DSG reserve	12,750	(24,981)	12,231	0	276	(276)	0
<b>Total balances held by Schools</b>	<b>4,295</b>	<b>(24,981)</b>	<b>8,958</b>	<b>(11,728)</b>	<b>843</b>	<b>(668)</b>	<b>(11,552)</b>



Reserve	Balance at 31st Mar 2020 £000	Net Transfer (to)/from Reserve £000	Balance at 31st Mar 2021 £000	Transfers out 2021/22 £000	Transfers in 2021/22 £000	Balance at 31st Mar 2022 £000
Outstanding Council Programme Board	(5,171)	(333)	(5,504)	3,092	0	(2,412)
For use in future years' budgets	(11,202)	3,278	(7,924)	310	(11,894)	(19,508)
Revenue Reserve for Capital/Revenuisation	(4,413)	546	(3,867)	3,638	(17)	(246)
Renewable energy reserve	(1,821)	29	(1,792)	0	0	(1,792)
Repairs and renewals fund	(2,090)	0	(2,090)	0	0	(2,090)
Pension fund additional contribution	(453)	0	(453)	453	0	0
Local land charges	(2,385)	(193)	(2,578)	2,000	(222)	(800)
Apprenticeships	(975)	(948)	(1,923)	779	(150)	(1,294)
Community care reserve	(895)	0	(895)	0	0	(895)
Local welfare support reserve	(315)	(449)	(764)	168	0	(595)
Corporate services reserves	(2,002)	(1,205)	(3,207)	142	(1,813)	(4,879)
Spending Review Reserve	(7,735)	(16,009)	(23,744)	0	(3,196)	(26,940)
COVID-19 Emergency Funding: Merton Council funding	(6,173)	203	(5,970)	5,864	0	(106)
Wimbledon tennis courts renewal	(150)	0	(150)	0	0	(150)
Governor support reserve	(28)	0	(28)	0	(6)	(34)
New Homes Bonus scheme	(122)	0	(122)	122	0	0
Adult social care grants	(4,062)	237	(3,825)	1,052	(30)	(2,803)
Culture & environment contributions	(200)	6	(194)	423	(408)	(178)
Culture & environment grants	(594)	166	(428)	30	(27)	(425)
Children & education grants	(184)	(159)	(343)	283	(12)	(72)
Housing GF grants	(865)	0	(865)	0	0	(865)
Public health grant reserve	0	(494)	(494)	356	(102)	(240)
Insurance reserves	(1,955)	0	(1,955)	0	0	(1,955)
Schools PFI fund	(5,791)	(501)	(6,292)	0	0	(6,292)
CSF Reserves	(25)	(27)	(52)	52	(108)	(108)
Business Rates & TIG– Covid-19 Adjustments Reserve *	0	(14,418)	(14,418)	14,418	(7,000)	(7,000)
COVID-19: Year end balances	0	(4,979)	(4,979)	4,238	(1,288)	(2,028)
Your Merton Fund	0	(1,000)	(1,000)	236	0	(764)
Voluntary Sector Support	0	(500)	(500)	0	0	(500)
Climate Change Reserve	0	(2,000)	(2,000)	450	0	(1,550)
<b>Grand Total</b>	<b>(59,606)</b>	<b>(38,750)</b>	<b>(98,356)</b>	<b>38,106</b>	<b>(26,271)</b>	<b>(86,521)</b>

\* the Business Rates Reserve figures are an estimate and final figures are subject to Collection Fund closing procedures

## Section 7 CAPITAL

### Outturn and Budget Management

The table (a) below shows that Total Capital Expenditure for 2021/22 is £21.8 million compared to the total projected by budget managers in November 2020 of £27.5 million (this equates to a negative variance of 21.0%). November is used for capital variances due to the funding decisions taken at this time for balancing the revenue budget.

Department	November Budget Monitoring 2021-22	December 2021 & January 2022 Monitoring	Final Budget 2021-22	Final Outturn 2021-22	Outturn Variance to Final 2021-22 Budget	November Forecast For Year	% Variance to November Forecast
Column	(1)	(2)	(3)	(4)	(5)	(6)	(8)
			(1)+(2)		(4)-(3)		(7)/(6)
Corporate Services	8,363,900	(474,000)	7,889,900	2,260,187	(5,629,713)	4,224,404	(46.50)
Community and Housing	1,412,160	0	1,412,160	1,275,151	(137,009)	1,412,160	(9.70)
Children, Schools & Families	7,237,100	72,740	7,309,840	6,681,830	(628,010)	7,237,100	(7.67)
Environment & Regeneration	14,880,620	517,160	15,397,780	11,559,141	(3,838,639)	14,675,026	(21.23)
<b>Total</b>	<b>31,893,780</b>	<b>115,900</b>	<b>32,009,680</b>	<b>21,776,308</b>	<b>(10,233,372)</b>	<b>27,548,690</b>	<b>(20.95)</b>

Appendix 2a provides additional information on the individual variances on schemes.

Officers are currently finalising the expenditure on three schemes Melrose Expansion, Bishopsford Bridge and Canons Parks for the People. Two of these schemes were delivered by the same contractor who has made a number of additional cost claims towards the end of the scheme. All three scheme are funded by SCIL. Officers are not in a position to release any SCIL funding set aside for these schemes.

### Movement in the Funding of the 2021/22 Capital Programme

In funding the Capital Programme for budget setting finance officers reduce budget manager estimates to overcome their optimism bias. As part of the Business Planning Process for 2022-26 officers reduced the estimated outturn for 2021-22 from £27.5 million to £21.8 million. The table below summarises the impact this reduction had on the funding of the programme.

Capital Expenditure	2021/22 Estimate £000 (1)	Actual 2021/22 (2)	Variance	Narrative
Capital Expenditure Budget/ Managers Forecasts P8	31,893,780	27,548,690		(1) Budget at November 2021 P8 (2) Budget Managers Forecast for November 2021 (P8)
Projected and Actual Difference to Outturn	(10,139,290)	(5,772,382)		
Total MTFS Projected and Actual Capital Expenditure	21,754,490	21,776,308	21,818	(1) Forecast Outturn MTFS (2) Outturn 2021-22
<b>Financed by:</b>				
Capital Receipts	1,855,843	3,430,825	1,574,982	Includes Q4 RTB of £1,390k, VAT Shelter Q3 (£86k) & 4 (£64k) £150k both of which were not included in MTFS as only notified at the end of April 2022
Capital Grants & Contributions	14,777,636	14,860,059	82,423	
Revenue Provisions	3,500,341	3,485,424	(14,917)	Comprises the Revenue Reserve for Capital, revenue contributions and the OCPB Reserve
<b>Net financing need for the year</b>	<b>1,620,670</b>	<b>0</b>	<b>(1,620,670)</b>	See Above – this has removed the need for financing/internal borrowing.

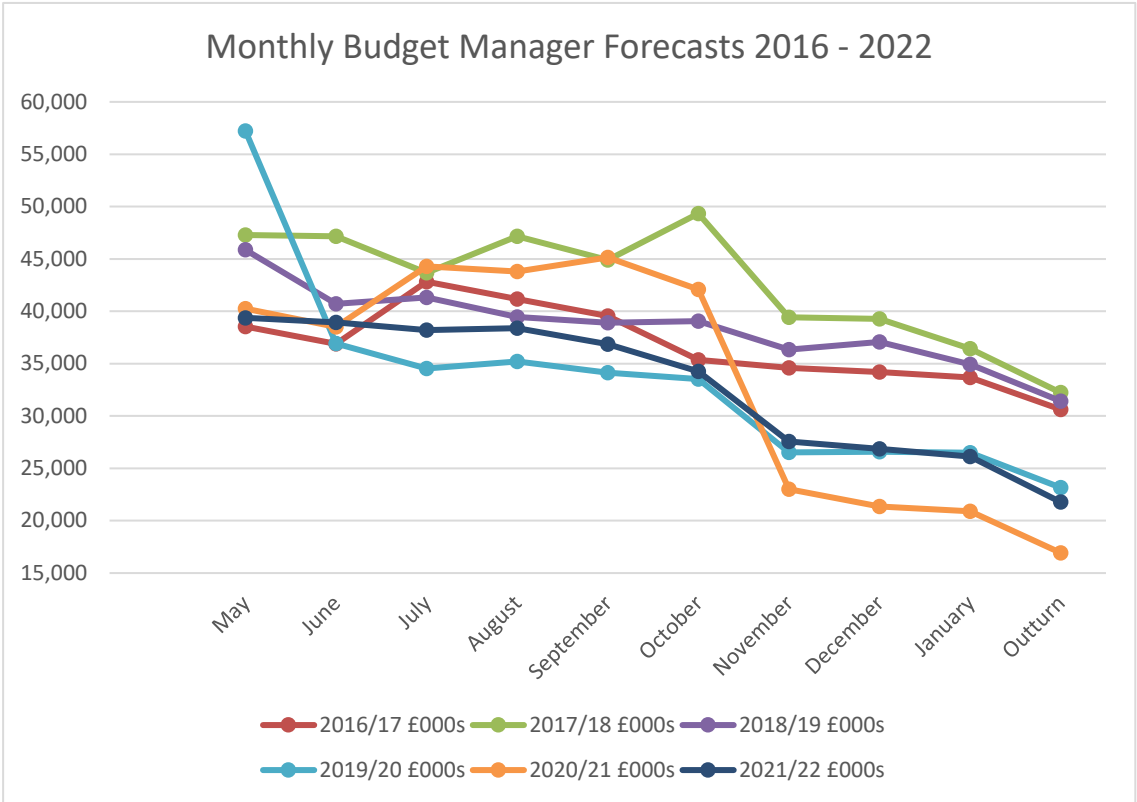
### Movement in the 2021/22 Original Approved Programme

The Capital Programme for 2021/22 as approved in March 2021 was £40.8 million. Subsequently, slippage from 2020/21 of £4.8 million was added, and new funding of £2.6 million giving an effective opening programme of £48.3 million. However, during the financial year there was a net reduction in the overall programme mainly from budget being re-profiled into subsequent financial years. These movements are shown in Table (b) below. When final capital outturn is compared to the original capital programme the total slippage is 31%.

Depts.	Original Budget 21/22	Net Slippage 2021/22	Adjustments	New External Funding	New Internal Funding	Re-profiling	Revised Budget 21/22
Corporate Services	11,205	1,123	(707)	(722)	186	(3,195)	7,890
Community & Housing	1,132	135	(50)	262	12	(80)	1,412
Children Schools & Families	9,050	432	135	1,139	73	(3,519)	7,310
Environment and Regeneration	19,408	3,141	(718)	250	1,444	(8,127)	15,398
<b>Total</b>	<b>40,795</b>	<b>4,831</b>	<b>(1,339)</b>	<b>929</b>	<b>1,714</b>	<b>(14,921)</b>	<b>32,010</b>

### Capital - Monthly Managers Forecast Spend to Outturn

The graph below shows the monthly forecasting by managers of the outturn spend on capital over the last 5 years. The forecasting trend during 2021/22 followed the pattern of previous years and there was a continuing problem with the quality of forecasting around November when the Medium Term Financial Strategy is being prepared. The overestimate in spending feeds through into an overestimate of the budget for capital charges in the following year. It should be noted that centrally finance officers adjust the total projected capital spend from departments downwards for optimism bias when funding the programme. This year the outturn estimate for funding purposes was reduced to £21.8 million, this estimate was within £25k of the outturn position.



Considerable time was spent with budget managers profiling their budgets in 2021-22 this work will continue in 2022-23

## The Level of Re-Profiling / Slippage from 2021/22

The table below summaries management proposals for treatment of slippage and overspends from the 2021/22 programme this is detailed in Appendix 2b.

Department	Total Year End Variance 2021/22	Recommend Accept Slippage incl. Slippage	Surrender	Funded from Reserves etc	Bring Forward from 2022/23
	£000's	£000's	£000's	£000's	£000's
Corporate Services	(5,630)	5,491	128	(31)	(36)
Community and Housing	(137)	87	50	0	0
Children, Schools & Families	(628)	888	0	(258)	0
Environment & Regeneration	(3,839)	3,566	433	(4)	(76)
<b>Total</b>	<b>(10,233)</b>	<b>10,031</b>	<b>611</b>	<b>(293)</b>	<b>(113)</b>

After offsetting minor under and overspends within the programme, five schemes require clawback of budget from 2021-22, this clawback totals £113k. The five schemes are Web Content Management System £36, Repairs to Footways £34k, Cycle Works Plough Lane £6k, Vacant Premises Upgrade £3k and Parks Investment £34k. This timing difference in spending and budget provision has been offset by bringing forward the budget from 2022/23.

**Revised Capital Programme 2022-26:** Appendices 2c and 2c1 provide details of the proposed movements in the approved Capital Programme 2022-26 for approval, this position is summarised in the tables below:

### Proposed Revisions 2022-23

Summary	Original Budget 2022-23	Slippage into 2022-23 from 2021-22	Reprofiled into Future Years	New 2022-23	Clawback	Revised Budget 2022-23
Corporate Services	8,522,210	5,490,590	(5,991,960)	160,520	(36,190)	8,145,170
Community and Housing	2,530,400	(1,445,870)	(140,000)	50,000	0	994,530
Children Schools & Families	6,441,080	887,810	(844,560)	2,287,190	0	8,771,520
Environment and Regeneration	15,117,660	3,565,550	(2,290,000)	1,026,550	(76,370)	17,343,390
<b>Total</b>	<b>32,611,350</b>	<b>8,498,080</b>	<b>(9,266,520)</b>	<b>3,524,260</b>	<b>(112,560)</b>	<b>35,254,610</b>

Additional detail provided in Appendix 2c.

### **Proposed Revisions 2023-24**

Summary	Original Budget 2023-24	Reprofiled from 2022-23	New 2023-24	Reprofiled to 2024-25	Revised Budget 2023-24
Corporate Services	5,570,000	6,461,010	7,432,350	0	19,463,360
Community and Housing	972,000	1,673,000	0	(150,000)	2,495,000
Children Schools & Families	3,400,000	844,560	2,683,000	0	6,927,560
Environment and Regeneration	8,108,470	2,290,000	0	(2,215,000)	8,183,470
<b>Total</b>	<b>18,050,470</b>	<b>11,268,570</b>	<b>10,115,350</b>	<b>(2,365,000)</b>	<b>37,069,390</b>

### **Proposed Revisions 2024-25**

Summary	Original Budget 2024-25	Reprofiled from 2023-24	New 2024/25	Reprofiled to 2025-26	Revised Budget 2024-25
Corporate Services	4,755,000	0	0	0	4,755,000
Community and Housing	720,410	150,000	306,590	0	1,177,000
Children Schools & Families	4,300,000	0	4,437,010	0	8,737,010
Environment and Regeneration	6,174,000	2,215,000	0	(2,040,000)	6,349,000
<b>Total</b>	<b>15,949,410</b>	<b>2,365,000</b>	<b>4,743,600</b>	<b>(2,040,000)</b>	<b>21,018,010</b>

### **Proposed Revisions 2025-26**

Summary	Original Budget 2025-26	New 2024/25	Reprofiled from Prior Years	Revised Budget 2025-26
Corporate Services	12,896,120	0	(469,050)	12,427,070
Community and Housing	690,000	547,000	0	1,237,000
Children Schools & Families	3,400,000	78,850	0	3,478,850
Environment and Regeneration	20,883,000	0	2,040,000	22,923,000
<b>Total</b>	<b>37,869,120</b>	<b>625,850</b>	<b>1,570,950</b>	<b>40,065,920</b>

Additional detail provided in Appendix 2c1

**Funding the Budgeted Capital Programme 2022-26:** The Table below summarises the funding of the budgeted capital programme 2022-26, additional departmental detail is contained within Appendix 2d

Description of Funding	2022-23	2023-24	2024-25	2025-26
Strategic CIL	(7,792,880)	(3,452,110)	(3,342,317)	(860,000)
Neighbourhood CIL	(1,269,210)	0	0	0
Section 106	(318,900)	(1,528,000)	(150,000)	0
Revenue Contributions	(819,565)	0	(55,000)	(30,000)
Clarion CPO Contribution	0	(13,988,650)	0	0
Corporate Reserves	(30,400)	0	0	0
Transport for London	(906,880)	0	0	0
Heritage Lottery Fund	(348,850)	0	0	0
School Condition Grant	(3,762,030)	(2,500,000)	(2,500,000)	(2,500,000)
High Needs Provision Grant	(3,533,650)	(3,091,340)	(1,800,000)	(900,000)
Devolved Formula Capital	(353,740)	0	0	0
Disabled Facilities Grant	(872,800)	(827,000)	(827,000)	(827,000)
Other Ringfenced Grants	(57,810)	0	0	0
Capital Receipts	(900,000)	(900,000)	(900,000)	(500,000)
Borrowing	(14,287,895)	(10,782,290)	(11,443,693)	(34,448,920)
<b>Total</b>	<b>(35,254,610)</b>	<b>(37,069,390)</b>	<b>(21,018,010)</b>	<b>(40,065,920)</b>

## **8 CONSULTATION UNDERTAKEN OR PROPOSED**

8.1 All relevant bodies have been consulted.

## **9 TIMETABLE**

9.1 In accordance with current financial reporting timetables.

## **10. FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS**

10.1 All relevant implications have been addressed in the report.

## **11. LEGAL AND STATUTORY IMPLICATIONS**

11.1 All relevant implications have been addressed in the report.

## **12 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS**

12.1 Not applicable

## **13 CRIME AND DISORDER IMPLICATIONS**

13.1 Not applicable

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

14.1 There is a specific key strategic risk for the Business Plan, which is monitored in line with the corporate risk monitoring timetable.

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

Appendix 1	Corporate items
Appendix 2A	Capital Programme Outturn Position 2021/22
Appendix 2B	Proposed Budget to be Slipped to 2021/22
Appendix 2C&C1	Current Capital Programme 2022-26 including Slippage
Appendix 2D	Funding the Budgeted Capital Programme 2022-26
Appendix 3	Progress on savings 21/22
Appendix 3A	Progress on savings 20/21
Appendix 4	Debt Report
Appendix 5	Quality of forecasting

## **16 BACKGROUND PAPERS**

16.1 Budgetary Control files held in the Corporate Services department.

## **17. REPORT AUTHOR**

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**APPENDIX 1**

3E. Corporate Items	Council 2021/22 £000s	Current Budget 2021/22 £000s	Year to Date Budget (March) £000s	Year to Date Actual (March) £000s	Forecast Variance at year end (March) £000s	Forecast Variance at year end (Jan.) £000s	Outturn Variance 2020/21 £000s
Cost of Borrowing	11,157	11,157	11,157	10,922	(235)	(145)	(27)
<b>Impact of Capital on revenue budget</b>	<b>11,157</b>	<b>11,157</b>	<b>11,157</b>	<b>10,922</b>	<b>(235)</b>	<b>(145)</b>	<b>(27)</b>
<b>Investment Income</b>	<b>(387)</b>	<b>(387)</b>	<b>(387)</b>	<b>(530)</b>	<b>(143)</b>	<b>(108)</b>	<b>(141)</b>
<b>Pension Fund</b>	<b>86</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,646</b>
Corporate Provision for Pay Award	1,588	195	195	0	(195)	225	(100)
Corporate Provision for National Minimum Wage	1,500	1,500	1,500	0	(1,500)	(1,500)	0
Provision for excess inflation	250	250	250	0	(250)	0	(150)
<b>Pay and Price Inflation</b>	<b>3,338</b>	<b>1,945</b>	<b>1,945</b>	<b>0</b>	<b>(1,945)</b>	<b>(1,275)</b>	<b>(250)</b>
Contingency	1,500	500	500	12	(488)	(250)	(365)
Bad Debt Provision	1,500	1,500	1,500	(897)	(2,397)	0	388
Loss of income arising from P3/P4	400	200	200	0	(200)	(200)	0
Loss of HB Admin grant	23	23	23	0	(23)	0	(23)
Apprenticeship Levy	450	300	300	231	(69)	0	(80)
Revenuisation and miscellaneous	8,005	7,164	7,164	4,011	(3,153)	(4,811)	411
Growth - Provision against DSG	14,078	10,882	10,882	0	(10,882)	0	0
<b>Contingencies and provisions</b>	<b>25,955</b>	<b>20,569</b>	<b>20,569</b>	<b>3,357</b>	<b>(17,212)</b>	<b>(5,261)</b>	<b>331</b>
Other income	0	0	0	10	10	0	7,413
CHAS IP/Dividend	(2,223)	(2,223)	(2,223)	(2,223)	0	0	0
<b>Income items</b>	<b>(2,223)</b>	<b>(2,223)</b>	<b>(2,223)</b>	<b>(2,213)</b>	<b>11</b>	<b>0</b>	<b>7,413</b>
Appropriations: CS Reserves	(1,656)	(193)	(193)	(193)	0	0	0
Appropriations: E&R Reserves	(50)	(404)	(404)	(404)	0	0	0
Appropriations: CSF Reserves	(303)	(313)	(313)	(313)	0	0	0
Appropriations: C&H Reserves	93	(4,029)	(4,029)	(4,029)	0	0	0
Appropriations: Public Health Reserves	(93)	(254)	(254)	(254)	0	0	0
Appropriations: Corporate Reserves	(5,472)	(1,300)	(1,300)	672	1,972	5,472	(7,848)
<b>Appropriations/Transfers</b>	<b>(7,481)</b>	<b>(6,493)</b>	<b>(6,493)</b>	<b>(4,521)</b>	<b>1,972</b>	<b>5,472</b>	<b>(7,848)</b>
<b>Depreciation and Impairment</b>	<b>(25,593)</b>	<b>(26,373)</b>	<b>(26,373)</b>	<b>(26,353)</b>	<b>20</b>	<b>0</b>	<b>0</b>
<b>Central Items</b>	<b>4,852</b>	<b>(1,805)</b>	<b>(1,805)</b>	<b>(19,339)</b>	<b>(17,533)</b>	<b>(1,317)</b>	<b>2,124</b>
<b>Levies</b>	<b>959</b>	<b>959</b>	<b>959</b>	<b>959</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL CORPORATE PROVISIONS</b>	<b>5,811</b>	<b>(846)</b>	<b>(846)</b>	<b>(18,379)</b>	<b>(17,533)</b>	<b>(1,317)</b>	<b>2,124</b>
<b>COVID-19 Emergency expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>235</b>	<b>235</b>	<b>833</b>	<b>5,356</b>
<b>TOTAL CORPORATE EXPENDITURE inc. COVID-19 &amp; Provision for DSG Deficit</b>	<b>5,811</b>	<b>(846)</b>	<b>(846)</b>	<b>(18,145)</b>	<b>(17,299)</b>	<b>(484)</b>	<b>7,480</b>
Less: Provision for DSG Deficit	14,078	10,882	10,882	0	(10,882)	0	0
<b>TOTAL CORPORATE EXPENDITURE exc. Provision for DSG Deficit</b>	<b>(8,267)</b>	<b>(11,728)</b>	<b>(11,728)</b>	<b>(18,145)</b>	<b>(6,417)</b>	<b>(484)</b>	<b>7,480</b>



## Capital Outturn Position 2021-22

<b>Corporate Services</b>	<b>Budget</b>	<b>Outturn</b>	<b>Variance</b>	<b>Reason for underspend and justification of any sums for slippage</b>
<b>Customer, Policy &amp; Improvement</b>				
Customer Contact Programme	45,000	4,482	(40,518)	Required to help fund IT Implementation Programme
Robotics Process Automation	45,000	0	(45,000)	Unavailability of Merton staff for testing.
Web Content Management System	60,000	96,196	36,196	Scheme progressed more quickly than estimated budget in 2022-23
<b>Facilities Management - Works to Buildings</b>				
Capital Building Works	650,000	571,223	(78,777)	Block Scheme Budget to be relinquished
Boiler Replacement	90,000	89,478	(522)	Slight slippage - main scheme in 2022-23
<b>Facilities Management - Works to Buildings</b>				
Civic Centre Cycle Parking	60,000	0	(60,000)	Progression of scheme delayed until post Covid travel behaviour is established
<b>Facilities Management - Invest to Save</b>				
Project General	50,000	1,580	(48,420)	Net underspend of £36,060 to be slipped into 2022-23
Photovoltaics & Energy Conserv	22,890	35,248	12,358	
De-Carbonisation Scheme	100,000	42,193	(57,807)	Funding criteria has lengthened time required to identify and deliver project completion date moved from 31-03 22 to 30-06-22
<b>Business Systems</b>				
Aligned Assets LLP G&LSG System	75,000	0	(75,000)	Delay in Procurement
Capital Housing System	71,920	23,816	(48,104)	Service area staff availability caused project delay.
ePayments Project	0	31,455	31,455	Funded from a revenue contribution
Planning & Public Protection Sys	340,710	0	(340,710)	Final costs for scheme completion
Spectrum Spatial Analyst Repla	78,200	78,203	3	
Regulatory System	28,640	0	(28,640)	Delayed by service staff shortages.
Ancillary IT Systems	50,000	0	(50,000)	Lack of capacity in BST to deliver.
Youth Justice IT Systems	100,000	106,335	6,335	Costs of project higher than estimated
Payroll System	156,200	0	(156,200)	Project delayed due to technical challenges.
<b>Social Care IT System</b>				
SEN Case Management System	47,770	47,765	(6)	
<b>Disaster Recovery</b>				
Disaster Recovery	332,960	110,880	(222,080)	£128k to be relinquished and £94k to be slipped into 2022-23
<b>Infrastructure &amp; Technology</b>				
Project General	990,150	317,859	(672,291)	Net underspend of £324,820 - there is a worldwide shortage of electronic equipment due to pandemic this has delayed the receipt of equipment etc. that has been ordered
Data Centre Support Equipment	82,530	71,672	(10,858)	
IT Equipment	0	359,496	359,496	
Office 365	73,470	72,307	(1,163)	
<b>Corporate Items</b>				
Acquisitions Budget	200,000	200,000	0	
Westminster Coroners Court	60,000	0	(60,000)	Works underway budget to be slipped
Clarion CPOs	4,079,460	0	(4,079,460)	Scheme just approved by Merton - Wholly funded by Clarion
<b>Total Corporate Services</b>	<b>7,889,900</b>	<b>2,260,187</b>	<b>(5,629,713)</b>	
<b>Community and Housing</b>	<b>Budget</b>	<b>Outturn</b>	<b>Variance</b>	<b>Reason For Variance</b>
<b>Housing</b>				
Disabled Facilities Grants	1,200,000	1,154,200	(45,800)	Slippage agreed as wholly ringfenced grant funded
Disabled Facilities Grants - Merton Owned Property	12,330	0	(12,330)	Slippage agreed
<b>Libraries</b>				
Library Self Service Project	175,830	120,951	(54,879)	Small budget to be slipped into 2022-23 - remainder to be relinquished
Library Management System	24,000	0	(24,000)	Portal in test mode estimated go live late summer 2022
<b>Total Community and Housing</b>	<b>1,412,160</b>	<b>1,275,151</b>	<b>(137,009)</b>	

## Capital Outturn Position 2021-22

Children, Schools and Families	Budget	Outturn	Variance	Reason For Variance
<b>Primary</b>				
Hollymount - Schools Capital maintenance	60,000	55,800	(4,200)	Funded by School Condition Grant slipped into 2022-23 along with grant
West Wimb - Schools Capital maintenance	339,000	318,388	(20,612)	
Hatfeild - Schools Capital maintenance	135,000	54,713	(80,287)	
Hillcross - Schools Capital maintenance	195,000	155,892	(39,108)	
Joeseph Hood - Schools Capital maintenance	65,000	28,881	(36,119)	
Dundonald - Schools Capital maintenance	159,010	142,930	(16,080)	
Merton Abbey - Schools Capital maintenance	65,000	56,392	(8,608)	
Merton Park - Schools Capital maintenance	50,000	35,507	(14,493)	
Pelham - Schools Capital maintenance	55,000	42,785	(12,215)	
Wimbledon Chase - Schools Capital maintenance	181,000	102,606	(78,394)	
Wimbledon Park - Schools Capital maintenance	465,000	395,875	(69,125)	
Abbotsbury - Schools Capital maintenance	79,000	73,174	(5,826)	
Malmesbury - Schools Capital maintenance	114,000	109,474	(4,526)	
Bond - Schools Capital maintenance	38,000	32,122	(5,878)	
Cranmer - Schools Capital maintenance	64,000	45,171	(18,829)	
Haslemere - Schools Capital maintenance	80,000	8,264	(71,736)	
Links - Schools Capital maintenance	145,000	127,147	(17,853)	
St Marks - Schools Capital maintenance	125,900	112,143	(13,757)	
Lonesome - Schools Capital maintenance	5,000	1,721	(3,279)	
Sherwood - Schools Capital maintenance	345,000	337,854	(7,146)	
William Morris - Schools Capital maintenance	158,000	139,586	(18,415)	
<b>Secondary</b>				
Harris Academy Merton - Schools Capital maintenance	34,170	0	(34,170)	Funded by School Condition Grant slipped into 2022-23 along with grant
Rutlish - Schools Capital maintenance	40,000	36,919	(3,081)	Funded by School Condition Grant slipped into 2022-23 along with grant
Harris Academy Wimbledon Expansion	410,000	395,065	(14,935)	SCIL Funded Scheme - To be Slipped into 2022-23
<b>Special</b>				
Perseid - Schools Capital maintenance	360,000	300,643	(59,357)	Funded by School Condition Grant slipped into 2022-23 along with grant
Perseid School Expansion	9,130	0	(9,130)	SCIL/High Needs Grant Funded to be slipped
Cricket Green - Schools Capital maintenance	141,000	133,917	(7,083)	Funded by School Condition Grant slipped into 2022-23 along with grant
Cricket Green School Expansion	54,480	15,437	(39,043)	SCIL/High Needs Grant Funded to be slipped
Melrose - Schools Capital maintenance	140,000	143,135	3,135	Funded by School Condition Grant slipped into 2022-23 along with grant
Melrose School Expansion	2,450,000	2,704,792	254,792	SCIL Funding to be utilised to fund
Whatley Avenue SEN	100,000	60,487	(39,513)	SCIL/High Needs Grant Funded to be slipped
Further SEN	20,000	525	(19,475)	SCIL/High Needs Grant Funded to be slipped
Melbury College - Schools Capital maintenance	7,500	(1,857)	(9,357)	Funded by School Condition Grant slipped into 2022-23 along with grant
Medical PRU Expansion	200,000	138,298	(61,702)	SCIL/High Needs Grant Funded to be slipped
Stanford Primary ARP	24,200	19,191	(5,009)	SCIL/High Needs Grant Funded to be slipped
<b>Other</b>				
Devolved Formula Capital	356,450	356,453	3	
Bond Rd Family Centre	20,000	0	(20,000)	Start of project delayed by works for the Lavendar Project which needed to be completed first.
Pollards Hill Digital Divide	20,000	2,400	(17,600)	Progression of the project delayed whist additional funding was identified for the scheme
<b>Children Schools &amp; Families</b>	<b>7,309,840</b>	<b>6,681,830</b>	<b>(628,010)</b>	

## Capital Outturn Position 2021-22

Environment and Regeneration	Budget	Outturn	Variance	Reason For Variance
<b>Public Protection &amp; Development</b>				
Pay and Display Machines - On Street Parking	530,000	246,219	(283,781)	There is a delay in the supply of new machines
Car Park Upgrades	120,000	111,019	(8,981)	Funds utilised for the structural issues at Peel House in 21-22
CCTV cameras & infrast upgrade	156,110	45,974	(110,136)	Awaiting BT to update infrastructure before placing equipment orders with TYCO
Rapid Response Cameras	66,000	52,902	(13,098)	Bid included VAT and contingency cost. Actual prices were known when Tyco contract was signed in Dec 21
Public Protection & Development	10,000	8,320	(1,680)	Block Scheme No Slippage
<b>Street Scene &amp; Waste</b>				
Replacement of Fleet Vehicles	598,000	379,516	(218,484)	£197,470 net slippage - slippage approved as 23-4 Budget Relinquished (a)
Mechanical Street Washer	75,000	75,000	0	n/a
Alley Gating Scheme	2,000	0	(2,000)	Block Scheme No Slippage
SLWP - Waste Bins	17,000	0	(17,000)	Awaiting outcome of "Recycle to go" project before procuring new bins in town centres
SLWP - Replacement of Fleet Vehicles	35,000	56,012	21,012	See above (a)
SLWP - Street Cleanse Sub Dep Mitcham	20,000	0	(20,000)	In partnership with Veolia, we are reviewing a revised action plan following service improvement notice in March.
<b>Highways</b>				
Street Tree Programme	60,000	60,041	41	
New Street Tree Programme	74,590	30,600	(43,990)	SCIL Scheme to be slipped into 2022-23
Raynes Park Station Pub Realm	2,970	2,986	16	
Street Lighting Replacement Pr	290,000	290,815	815	
Accessability Programme	101,760	63,374	(38,386)	Block Scheme No Slippage
Casualty Reduction & Schools	55,200	88,252	33,052	Block Scheme No Slippage
Traffic Schemes	220,050	252,562	32,512	Block Scheme No Slippage
Surface Water Drainage	143,630	96,243	(47,387)	Block Scheme No Slippage
Repairs to Footways	1,000,000	1,137,503	137,503	Block Scheme No Slippage
Maintain AntiSkid and Coloured	85,000	15,918	(69,082)	Block Scheme No Slippage
Borough Roads Maintenance	1,200,000	1,199,770	(230)	Block Scheme No Slippage
Highways bridges & structures	200,000	178,051	(21,949)	Slippage allowed due to pressure of Bishopsford Bridge
Tfl Principal Road Maint	20,930	20,927	(3)	
Culverts Upgrade	20,000	57	(19,943)	SCIL Scheme to be slipped into 2022-23
ZZ3233 - High Path School Harr	20,000	7,569	(12,431)	SI06 Scheme to be slipped into 2022-23
Bishopsford Bridge	2,177,740	1,921,645.0	(256,095)	SCIL/Tfl Funded Scheme Budget to be slipped
Lamp Column Chargers	237,360	181,085	(56,275)	Phase 1 complete
Active Travel Fund	239,890	240,952	1,062	Scheme Complete
Pollards Hill Lighting	6,240	6,187	(53)	Scheme Complete
AFC Wimbledon CCTV	39,000	34,361	(4,639)	Awaiting BT to complete infrastructure before project can be completed
Residential Secure Cycle Store	36,490	9,178	(27,312)	Awaiting delivery of cycle hangars
Cycle Lane Rdway Bshfd Bridge	175,000	157,093	(17,907)	Unlikely to need full amount, Awaiting 2 final invoices
ANPR Cameras School Streets	486,000	266,888	(219,112)	New TYCO contract was only in place in Dec 21. Two month supply timescale, installation still in progress.
Street Lighting Wimbledon	500,000	439,404	(60,596)	Supply timescales meant that installation works not yet complete.
Salt Barn Enhancement	81,400	81,373	(27)	Scheme Complete
<b>Transport Improvements</b>				
Cycle Access Parking	19,640	21,277	1,637	Overspend funded by SCIL budget on 740308-00001638
Cycle Improve Residential Stre	53,010	29,430	(23,580)	Awaiting delivery of cycle hangars (linked to budget on 740308-00001638)
Cycle Lane Works Plough Lane	10,000	16,031	6,031	SK underestimated staff time during Q4 when this budget was re-profiled.
Morden Park Cycle Path	135,000	111,888	(23,112)	Design of bridge in Morden Park to facilitate scheme not yet complete

## Capital Outturn Position 2021-22

Environment and Regeneration Continued....	Budget	Outturn	Variance	Reason For Variance
<b>Regeneration</b>				
Mitcham Town Centre	19,480	0	(19,480)	Budget to be relinquished
Canons - Parks for People	1,670,750	1,044,847	(625,903)	Budget to be slipped scheme to be finalised
Rowan Pk Comm Fac Match Fund	150,000	0	(150,000)	Awaiting decision from NHS and developer to progress with the facility
Crowded Places-Hostile Vehicl	0	2,582	2,582	Budget from 2022-23 to be used to fund overspend
Polka Theatre	20,180	0	(20,180)	NCIL funded grant. Works at Polka delayed due to change in project scope.
Metrobank Public Realm S106	33,130	22,173	(10,957)	Scheme Complete
Wimb Public Realm Implement	100,000	93,034	(6,966)	Small underspend to be carried forward and added to 22-23 budget for next phase of work.
Dean City Farm	0	(16,416)	(16,416)	Part repayment of NCIL grant as DC Farm could not progress part of project.
Windmill Museum	20,000	20,000	0	
Haydons Rd Public Realm Improv	20,000	6,851	(13,149)	Over-estimated staff time during Q4 when this budget was re-profiled.
Wimbledon Hill Rd	154,850	34,717	(120,133)	Awaiting final designs for scheme before progressing works
Wimb Vill Herit Led Pblc Tealm	30,000	0	(30,000)	Project not started due to resource issues.
Crown Creative Knowledge Exch	75,000	0	(75,000)	Project not started due to delay in procurement of provider.
Wandle Project	57,020	37,993	(19,027)	SL Partnership (primary funder of project) required feasibility report
Shop Front Improvement	195,000	0	(195,000)	Grant agreement to be finalised before balance handed over to Merton
Merton Lost Rivers	25,000	0	(25,000)	ARG that we moved to revenue?
Haydons Rd Shop Front Impr	481,580	234,461	(247,119)	No works progressed due to resource issues.
Bramcote Parade Improvements	104,150	99,495	(4,655)	Second phase of works to commence soon
Vacant Premises Upgrade	5,430	8,290	2,860	Scheme complete, remaining budget to be relinquished
Carbon Offset Funding	150,000	0	(150,000)	Budget from 2022-23 to be used to fund overspend
<b>Leisure and Culture</b>				
Morden Leisure Centre	15,850	15,846	(4)	S106 Scheme set up late in 2021-22 to be slipped
Wimbledon Park Lake Safety	1,177,960	862,190	(315,770)	
Leisure Centre Plant & Machine	410,470	345,245	(65,225)	Budget to be slipped scheme underway
<b>Parks Investment</b>				
Parks Investment	434,090	505,578	71,488	Contractual obligation budget to be slipped
Canons - Parks for People	285,520	220,151	(65,369)	
Wimb Pk Surface Car Park Op 2	40,000	0	(40,000)	Budget to be slipped scheme to be finalised
Paddling Pool Option 1	135,000	0	(135,000)	Business case required if budget to be c/f
Durnsford Road Rec Facilities	32,000	33,816	1,816	Idverde costs for initial plans were higher than anticipated, alternative cheaper solution now agreed.
Morley Park Enhancements	27,780	8,405	(19,375)	
Bennets Hole Nature Reserve	12,840	12,834	(6)	S106 Scheme budget to be slipped into 2022-23
Wandle Nature Pk Flood Defence	44,690	30,628	(14,062)	Package of works split into 2 phases. 1st phase complete, next phase now planned.
Sports Drainage	150,000	0	(150,000)	Need to procure specialist drainage company as FMC not qualified to deliver the work in Sir Joseph Hood park which lies in flood plain.
<b>Environment and Regeneration</b>	<b>15,397,780</b>	<b>11,559,141</b>	<b>(3,838,639)</b>	
<b>Capital</b>	<b>32,009,680</b>	<b>21,776,308</b>	<b>(10,233,372)</b>	

## Capital Outturn Position 2021-22

Summary	Recommened Slipped	Clawback	Relinquished	Justification for slippage
<b>Corporate Services</b>	5,490,590	(36,190)	128,000	
<b>Community and Housing</b>	87,130	0	49,880	
<b>Children Schools &amp; Families</b>	887,810	0	0	
<b>Environment and Regeneration</b>	3,565,550	(76,370)	433,024	
<b>Total</b>	<b>10,031,080</b>	<b>(112,560.00)</b>	<b>610,904</b>	

Corporate Services	Recommened Slipped	Clawback	Relinquished	Reason for underspend and justification of any sums for slippage
<b>Customer, Policy &amp; Improvement</b>				
Customer Contact Programme	34,190	0	0	Required to help fund IT Implementation Programme
Robotics Process Automation	45,000	0	0	Part of IT Implementation Project
Web Content Management System	0	(36,190)	0	Scheme progressed more quickly than estimated budget in 2022-23
<b>Facilities Management - Works to Buildings</b>				
Boiler Replacement	520	0	0	Slight slippage - main scheme in 2022-23
<b>Facilities Management - Works to Buildings</b>				
Civic Centre Cycle Parking	60,000	0	0	Officers expect post covid travel behaviour will be established early in 22-23 allowing the shceme to be progressed
<b>Facilities Management - Invest to Save</b>				
Project General	36,060	0	0	Will be added to the budget available to progress schemes in 23-24
De-Carbonisation Scheme	57,810	0	0	Confirmed grant may be applied to end of June 2022
<b>Business Systems</b>				
Aligned Assets LLPG&LSG System	75,000	0	0	Part of IT Implementation Project
Capita Housing System	48,100	0	0	Part of IT Implementation Project
Planning&Public Protection Sys	340,710	0	0	Part of IT Implementation Project
Regulatory System	28,640	0	0	Part of IT Implementation Project
Ancillary IT Systems	50,000	0	0	Part of IT Implementation Project
Payroll System	156,200	0	0	Part of IT Implementation Project
<b>Disater Recovery</b>				
Disater Recovery	94,080	0	128,000	£128k relinquished and £94k slipped to cover estimated costs
<b>Infrastructure &amp; Technology</b>				
Project General	324,820	0	0	It is envisaged that equipment etc. shortages will reduce in 22-23
<b>Corporate Items</b>				
Westminster Coroners Court	60,000	0	0	Works underway budget to be slipped
Clarion CPOs	4,079,460	0	0	Scheme just approved by Merton - Wholly funded by Clarion
<b>Total Corporate Services</b>	<b>5,490,590</b>	<b>(36,190)</b>	<b>128,000</b>	
<b>Community and Housing</b>				
<b>Housing</b>				
Disabled Facilities Grants	45,800	0	0	Slippage agreed as wholly rinfenced grant funded
Disabled Facilities Grants - Merton Owned Property	12,330	0	0	Slippage agreed
<b>Libraries</b>				
Library Self Service Project	5,000	0	49,880	Small budget to be slipped into 22-23 - remainder to be relinquished
Library Management System	24,000	0	0	Portal in test mode estimated go live late summer 2022
<b>Total Community and Housing</b>	<b>87,130</b>	<b>0</b>	<b>49,880</b>	

## Capital Outturn Position 2021-22

Children, Schools and Families	Reccomeded Slipped	Slipage Jusification Req	Clawback	Relinquished	Reason for underspend and justification of any sums for slippage
<b>Primary</b>					
Hollymount - Schools Capital maintenance	4,200	0	0	0	Funded by School Condition Grant slipped into 2022-23 along with grant
West Wimb - Schools Capital maintenance	20,610	0	0	0	
Hatfeild - Schools Capital maintenance	80,290	0	0	0	
Hillcross - Schools Capital maintenance	39,110	0	0	0	
Joeseph Hood - Schools Capital maintenance	36,120	0	0	0	
Dundonald - Schools Capital maintenance	16,080	0	0	0	
Merton Abbey - Schools Capital maintenance	8,610	0	0	0	
Merton Park - Schools Capital maintenance	14,500	0	0	0	
Pelham - Schools Capital maintenance	12,220	0	0	0	
Wimbledon Chase - Schools Capital maintenance	78,390	0	0	0	
Wimbledon Park - Schools Capital maintenance	69,130	0	0	0	
Abbotsbury - Schools Capital maintenance	5,830	0	0	0	
Malmesbury - Schools Capital maintenance	4,530	0	0	0	
Bond - Schools Capital maintenance	5,880	0	0	0	
Cranmer - Schools Capital maintenance	18,830	0	0	0	
Haslemere - Schools Capital maintenance	71,740	0	0	0	
Links - Schools Capital maintenance	17,850	0	0	0	
St Marks - Schools Capital maintenance	13,760	0	0	0	
Lonesome - Schools Capital maintenance	3,280	0	0	0	
Sherwood - Schools Capital maintenance	7,150	0	0	0	
William Morris - Schools Capital maintenance	18,420	0	0	0	
Unallocated - Schools Capital maintenance	1,820	0	0	0	
<b>Secondary</b>					
Harris Academy Merton - Schools Capital maintenance	34,170	0	0	0	Funded by School Condition Grant slipped into 2022-23 along with grant
Rutlish - Schools Capital maintenance	3,080	0	0	0	Funded by School Condition Grant slipped into 2022-23 along with grant
Harris Academy Wimbledon Expansion	14,940	0	0	0	SCIL Funded Scheme - To be Slipped into 2022-23
<b>Special</b>					
Perseid - Schools Capital maintenance	59,360	0	0	0	Funded by School Condition Grant slipped into 2022-23 along with grant
Perseid School Expansion	9,130	0	0	0	SCIL/High Needs Grant Funded to be slipped
Cricket Green - Schools Capital maintenance	7,080	0	0	0	Funded by School Condition Grant slipped into 2022-23 along with grant
Cricket Green School Expansion	39,040	0	0	0	SCIL/High Needs Grant Funded to be slipped
Whatley Avenue SEN	39,510	0	0	0	SCIL/High Needs Grant Funded to be slipped
Further SEN	19,480	0	0	0	SCIL/High Needs Grant Funded to be slipped
Melbury College - Schools Capital maintenance	9,360	0	0	0	Funded by School Condition Grant slipped into 2022-23 along with grant
Medical PRU Expansion	61,700	0	0	0	SCIL/High Needs Grant Funded to be slipped
Stanford Primary ARP	5,010	0	0	0	SCIL/High Needs Grant Funded to be slipped
<b>Other</b>					
Bond Rd Family Centre	20,000	0	0	0	Required to progress the scheme in 2022-23
Pollards Hill Digital Divide	17,600	0	0	0	Required to progress the scheme in 2022-23
<b>Children Schools &amp; Families</b>	<b>887,810</b>	<b>0</b>	<b>0</b>	<b>0</b>	

## Capital Outturn Position 2021-22

Environment and Regeneration	Recommened Slipped	Clawback	Relinquished	Reason for underspend and justification of any sums for slippage
<b>Public Protection &amp; Development</b>				
Pay and Display Machines - On Street Parking	283,780	0	0	There is a delay in the supply of new machines, anticipated delivery June 2022 - £236k of commitments plus proj. mngmt.
Car Park Upgrades	8,980	0	0	Funds utilised for the structural issues at Peel House, surveys underway to assess remaining priorities
CCTV cameras & infrast upgrade	110,140	0	0	Awaiting BT to update infrastructure before placing equipment orders with TYCO
Rapid Response Cameras	13,100	0	0	To be added to 22-23 budget to purchase as many cameras as possible
<b>Street Scene &amp; Waste</b>				
Replacement of Fleet Vehicles	197,470	0	0	£197,470 net slippage - slippage approved as 23-4 Budget Relinquished
SLWP - Waste Bins	17,000	0	0	Awaiting outcome of "Recycle to go" project before procuring new bins in town centres
SLWP - Street Cleanse Sub Dep Mitcham	20,000	0	0	In partnership with Veolia, we are reviewing a revised action plan following service improvement notice in March.
<b>Highways</b>				
New Street Tree Programme	43,990	0	0	SCIL Scheme to be slipped into 2022-23
Surface Water Drainage	40,000	0	0	SCIL element of the scheme to be slipped to 2025-26
Repairs to Footways	0	(33,690)	0	Clawback of budget from 2022-23
Highways bridges & structures	21,950	0	0	Slippage allowed due to pressure of Bishopsford Bridge
Culverts Upgrade	19,940	0	0	SCIL Scheme to be slipped into 2022-23
ZZ3233 - High Path School Harr	12,430	0	0	S106 Scheme to be slipped into 2022-23
Bishopsford Bridge	256,100	0	0	SCIL/TfL Funded Scheme Budget to be slipped
Lamp Column Chargers	7,040	0	49,235	£7,040 SCIL required for Phase 2 of the Scheme in 2022-23
AFC Wimbledon CCTV	4,640	0	0	Needed for project completion when BT infrastructure is ready
Residential Secure Cycle Store	25,670	0	0	Supply timescales meant that installation works not yet complete.
Cycle Lane Rdway Bshfd Bridge	17,910	0	0	Awaiting 2 final invoices
ANPR Cameras School Streets	219,110	0	0	New TYCO contract was only in place In Dec 21. 2 month supply timescale, installation still in progress.
Street Lighting Wimbledon	60,600	0	0	Supply timescales meant that installation works not yet complete.
Salt Barn Enhancement	0	0	27	Scheme Complete
<b>Transport Improvements</b>				
Cycle Improve Residential Stre	23,580	0	0	Awaiting delivery of cycle hangars (linked to budget on 740308-00001638)
Cycle Lane Works Plough Lane	0	(6,030)	0	Clawback of budget from 2022-23
Morden Park Cycle Path	22,890	0	220	Design of bridge in Morden Park to facilitate scheme not yet complete

## Capital Outturn Position 2021-22

Environment and Regeneration Continued....	Reccomeded Slipped	Slipage Jusification Req	Clawback	Relinquished	Reason For Variance
<b>Regeneration</b>					
Mitcham Town Centre	0	0	0	19,480	No slippage budget relinquished
Canons - Parks for People	515,450	0	0	110,450	Budget to be slipped scheme to be finalised
Rowan Pk Comm Fac Match Fund	150,000	0	0	0	Awaiting decision from NHS and developer to progress with the facility
Polka Theatre	20,180	0	0	0	NCIL funded grant. Works at Polka delayed due to change in project scope.
Metrobank Public Realm S106	0	0	0	10,957	Scheme Complete
Wimb Public Realm Implement	6,970	0	0	0	Small underspend to be carried forward and added to 22-23 budget for next phase of work.
Haydons Rd Public Realm Improv	13,150	0	0	0	SK over-estimated staff time during Q4 when this budget was re-profiled.
Wimbledon Hill Rd	122,540	0	0	3,000	Awaiting final designs for scheme before progressing works
Wimb Vill Herit Led Pblc Tealm	30,000	0	0	0	Project not started due to resource issues.
Crown Creative Knowledge Exch	75,000	0	0	0	Project not started due to delay in procurement of provider. SLPartnership (primary funder of project) required feasibility report
Wandle Project	19,030	0	0	0	Grant agreement to be finalised before balance handed over to Merton Priory Trust
Shop Front Improvement	0	0	0	195,000	Spend and budget moved to revenue
Merton Lost Rivers	25,000	0	0	0	No works progressed due to resource issues.
Haydons Rd Shop Front Impr	247,120	0	0	0	Second phase of works to commence soon
Bramcote Parade Improvements	0	0	0	4,655	Scheme complete, remaining budget to be relinquished
Vacant Premises Upgrade	0	0	(2,860)	0	Budget from 2022-23 to be used to fund overspend
Carbon Offset Funding	150,000	0	0	0	S106 Scheme set up late in 2021-22to be slipped
<b>Leisure and Culture</b>					
Wimbledon Park Lake Safety	315,770	0	0	0	Budget to be slipped scheme underway
Leisure Centre Plant & Machine	65,220	0	0	0	Contractual obligation budget to be slipped
<b>Parks Investment</b>					
Parks Investment	0	0	(33,790)	0	
Canons - Parks for People	65,370	0	0	0	Budget to be slipped scheme to be finalised
Wimb Pk Surface Car Park Op 2	0	0	0	40,000	Budget relinquished, may be progressed in the future as part of a larger scheme
Paddling Pool Option 1	135,000	0	0	0	Four sites to be completed before end of July 2022 - other two sites likely to be progressed as part of Parks Investment
Morley Park Enhancements	19,370	0	0	0	S106 Scheme budget to be slipped into 2022-23
Wandle Nature Pk Flood Defence	14,060	0	0	0	Package of works split into 2 phases. 1st phase complete, next phase now planned.
Sports Drainage	150,000	0	0	0	Need to procure specialist drainage company as FMC not qualified to deliver the flood plain work in Sir Joseph Hood Park.
<b>Environment and Regeneration</b>	<b>3,565,550</b>	<b>0</b>	<b>(76,370)</b>	<b>433,024</b>	
<b>Capital</b>	<b>10,031,080</b>	<b>0</b>	<b>(112,560)</b>	<b>610,904</b>	



**Proposed Revisions to Capital Programme 2022-23**

Summary	Original Budget 2022-23	Slippage into 2022-23 from 2021-22	Reprofiled into Future Years	New 2022-23	Virement	Clawback	Revised Budget 2022-23
Corporate Services	8,522,210	5,490,590	(5,991,960)	160,520	0.00	(36,190)	8,145,170
Community and Housing	2,530,400	(1,445,870)	(140,000)	50,000	0.00	0	994,530
Children Schools & Families	6,441,080	887,810	(844,560)	2,287,190	0.00	0	8,771,520
Environment and Regeneration	15,117,660	3,565,550	(2,290,000)	1,026,550	0.00	(76,370)	17,343,390
<b>Total</b>	<b>32,611,350</b>	<b>8,498,080</b>	<b>(9,266,520)</b>	<b>3,524,260</b>	<b>0</b>	<b>(112,560)</b>	<b>35,254,610</b>

Corporate Services	Original Budget 2022-23	Slippage into 2022-23 from 2021-22	Reprofiled into 2023-24	New 2022-23	Virement	Clawback	Revised Budget 2022-23
<b>Facilities Management</b>							
Morden Park House Courtyard	0	0	0	160,520	0	0	160,520
Capital Building Works	650,000	0	0	0	0	0	650,000
Boiler Replacement	378,680	520	0	0	0	0	379,200
Civic Centre Lightning Upgrade	300,000	0	0	0	0	0	300,000
Civic Centre Cycle Parking	0	60,000	0	0	0	0	60,000
Invest to Save schemes	573,690	36,060	0	0	0	0	609,750
Photovoltaics & Energy Conser	50,000	0	0	0	0	0	50,000
De-Carbonisation Scheme	0	57,810	0	0	0	0	57,810
<b>Information Technology</b>							
<b>Business Systems</b>	<b>1,215,000</b>	<b>698,650</b>	<b>(240,710)</b>	<b>0</b>	<b>801,000</b>	<b>0</b>	<b>2,473,940</b>
Aligned Assets LLPG&LSG System	0	75,000	0	0	0	0	75,000
Customer Contact Programme	1,081,000	34,190	0	0	(811,000)	0	304,190
Robotics Process Automation	55,000	45,000	0	0	10,000	0	110,000
Web Content Management Syst	90,000	0	0	0	0	(36,190)	53,810
Environmental Asset Managem	240,000	0	0	0	0	0	240,000
Revenue and Benefits	700,000	0	0	0	0	0	700,000
Capita Housing System	0	48,100	0	0	0	0	48,100
Children's Safeguarding	125,000	0	0	0	0	0	125,000
Planning&Public Protection Sys	0	340,710	(240,710)	0	0	0	100,000
Spectrum Spatial Analyst Repla	0	0	0	0	270,000	0	270,000
Customer Portal-Account	0	0	0	0	187,500	0	187,500
CRM&TK Amendments	0	0	0	0	27,500	0	27,500
CRM Workplan and Delivery	0	0	0	0	118,000	0	118,000
Office 365 Tools incl Power BI	0	0	0	0	168,000	0	168,000
Vehicle Route Mapping System	0	0	0	0	30,000	0	30,000
Regulatory System	0	28,640	0	0	0	0	28,640
Ancillary IT Systems	0	50,000	0	0	0	0	50,000
Payroll System	0	156,200	0	0	0	0	156,200
Transport Management System	150,000	0	0	0	0	0	150,000
<b>Social Care IT System</b>	<b>0</b>	<b>0</b>	<b>281,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>281,000</b>
Replacement SC System	0	0	281,000	0	(281,000)	0	0
ASC Mosaic System Updates	0	0	0	0	120,000	0	120,000
EHCP Hub	0	0	0	0	64,000	0	64,000
Mosaic Workflow and System In	0	0	0	0	27,000	0	27,000
Transitions Tracker	0	0	0	0	35,000	0	35,000
Insights to Intervention	0	0	0	0	15,000	0	15,000
SEN Transport Allocation	0	0	0	0	20,000	0	20,000
<b>Disaster recovery site</b>	<b>0</b>	<b>94,080</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>94,080</b>
Disaster recovery	0	94,080	0	0	0	0	94,080
Planned IT Replacement Program	705,000	324,820	0	0	0	0	1,029,820
Network Switch Upgrade	200,000	0	0	0	0	0	200,000
Acquisitions Budget	0	0	469,050	0	0	0	469,050
Westminster Ccl Coroners Court	802,000	60,000	0	0	0	0	862,000
CPO Clarion	2,421,840	4,079,460	(6,501,300)	0	0	0	0
<b>Corporate Services</b>	<b>8,522,210</b>	<b>5,490,590</b>	<b>(5,991,960)</b>	<b>160,520</b>	<b>0</b>	<b>(36,190)</b>	<b>8,145,170</b>

**Proposed Revisions to Capital Programme 2022-23**

<b>Community and Housing</b>	<b>Original Budget 2022-23</b>	<b>Slippage into 2022-23 from 2021-22</b>	<b>Reprofiled into 2023-24</b>	<b>New 2022-23</b>	<b>Virement</b>	<b>Clawback</b>	<b>Revised Budget 2022-23</b>
Telehealth	30,400	0	0	0	0	0	<b>30,400</b>
Disabled Facilities Grant	827,000	45,800	0	0	0	0	<b>872,800</b>
DFG - Merton Owned Property	0	12,330	0	0	0	0	<b>12,330</b>
Learning Disability Aff Housing	1,533,000	(1,533,000)	0	50,000	0	0	<b>50,000</b>
Library Self Service	0	5,000	0	0	0	0	<b>5,000</b>
Library Management System	140,000	24,000	(140,000)	0	0	0	<b>24,000</b>
<b>Community and Housing</b>	<b>2,530,400</b>	<b>(1,445,870)</b>	<b>(140,000)</b>	<b>50,000</b>	<b>0</b>	<b>0</b>	<b>994,530</b>

### Proposed Revisions to Capital Programme 2022-23

Children, Schools and Families	Original Budget 2022-23	Slippage into 2022-23 from 2021-22	Reprofiled into 2023-24	New 2022-23	Virement	Clawback	Revised Budget 2022-23
<b>Primary Schools</b>							
Hollymount - Schools Capital ma	0	4,200	0	0	0	0	4,200
West Wimbledon - Schools Cap	65,000	20,610	0	0	73,000	0	158,610
Hatfeild - Schools Capital mainte	0	80,290	0	0	5,000	0	85,290
Hillcross - Schools Capital maint	63,000	39,110	0	0	118,000	0	220,110
Joseph Hood - Schools Capital r	45,000	36,120	0	0	0	0	81,120
Dundonald - Schools Capital ma	20,000	16,080	0	0	0	0	36,080
Merton Abbey - Schools Capita	0	8,610	0	0	0	0	8,610
Merton Park - Schools Capital m	0	14,500	0	0	0	0	14,500
Pelham - Schools Capital mainte	30,000	12,220	0	0	83,780	0	126,000
Poplar - Schools Capital mainten	0	0	0	0	40,000	0	40,000
Wimbledon Chase - Schools Cap	35,000	78,390	0	0	72,000	0	185,390
Wimbledon Park - Schools Capit	0	69,130	0	0	95,000	0	164,130
Abbotsbury - Schools Capital m	0	5,830	0	0	131,170	0	137,000
Malmesbury - Schools Capital m	0	4,530	0	0	42,470	0	47,000
Morden - Schools Capital mainte	0	0	0	0	75,000	0	75,000
Bond - Schools Capital maintena	30,000	5,880	0	0	16,120	0	52,000
Cranmer - Schools Capital mainte	45,000	18,830	0	0	187,000	0	250,830
Gorrige Park - Schools Capital r	0	0	0	0	60,000	0	60,000
Haslemere - Schools Capital mai	160,000	71,740	0	0	20,000	0	251,740
Liberty - Immersive Learning Ce	80,490	0	0	0	0	0	80,490
Links - Schools Capital maintena	20,000	17,850	0	0	77,000	0	114,850
Singlegate - Schools Capital mai	0	0	0	0	145,000	0	145,000
St Marks - Schools Capital maint	55,000	13,760	0	0	0	0	68,760
Lonesome - Schools Capital mai	30,000	3,280	0	0	128,000	0	161,280
Sherwood - Schools Capital mai	0	7,150	0	0	143,000	0	150,150
William Morris - Schools Capital	0	18,420	0	0	0	0	18,420
Unallocated Schools Capital mai	2,500,000	1,820	0	(99,980)	(1,976,540)	0	425,300
<b>Secondary</b>							
Harris Academy Morden Sport C	135,000	0	0	0	0	0	135,000
Harris Academy Merton - Schoo	0	34,170	0	0	0	0	34,170
Raynes Park - Schools Capital m	21,000	0	0	0	55,000	0	76,000
Richards Lodge - Schools Capita	21,610	0	0	0	0	0	21,610
Rutlih - Schools Capital mainten	20,000	3,080	0	0	0	0	23,080
Harris Academy Wimbledon Ne	0	14,940	0	0	0	0	14,940
<b>SEN</b>							
Perseid - Schools Capital mainte	40,000	59,360	0	0	191,000	0	290,360
Perseid School Expansion	0	9,130	0	0	100,000	0	109,130
Cricket Green - Schools Capital r	0	7,080	0	0	0	0	7,080
Cricket Green School Expansion	0	39,040	0	0	0	0	39,040
Melrose - Schools Capital mainte	0	0	0	0	97,000	0	97,000
Whatley Avenue	900,000	39,510	0	2,033,430	0	0	2,972,940
Unallocated Secondary SEN	1,107,980	0	(844,560)	0	(263,420)	0	0
Further SEN Provision	180,000	19,480	0	0	(199,480)	0	0
Melbury College - Schools Capit	0	9,360	0	0	122,000	0	131,360
Medical PRU Expansion	400,000	61,700	0	0	0	0	461,700
Stanford Primary ARP	30,000	5,010	0	0	(35,010)	0	0
West Wimbledon Primary ARP e	0	0	0	0	150,000	0	150,000
Hatfeild Primary School ARP exp	0	0	0	0	187,910	0	187,910
Cranmer Primary School New AR	0	0	0	0	40,000	0	40,000
Raynes Park school ARP expans	0	0	0	0	20,000	0	20,000
Devolved Formula Capital	0	0	0	353,740	0	0	353,740
Bond Road Family Centre	35,000	20,000	0	0	0	0	55,000
Pollards Hill Digital Divide	220,000	17,600	0	0	0	0	237,600
Care Leavers Living Accommod	20,000	0	0	0	0	0	20,000
Care Leavers Drop-In Accommo	132,000	0	0	0	0	0	132,000
<b>Children Schools &amp; Families</b>	<b>6,441,080</b>	<b>887,810</b>	<b>(844,560)</b>	<b>2,287,190</b>	<b>0</b>	<b>0</b>	<b>8,771,520</b>

**Proposed Revisions to Capital Programme 2022-23**

Environment and Regeneration	Original Budget 2022-23	Slippage into 2022-23 from 2021-22	Reprofiled into 2023-24	New 2022-23	Virement	Clawback	Revised Budget 2022-23
<b>Public Protection and Development</b>							
Pay and Display Machines	303,000	283,780	0	0	0	0	586,780
ANPR Cams Air Qual & Traf Sec	86,000	0	0	0	0	0	86,000
Car Park Upgrades	525,530	8,980	0	0	0	0	534,510
CCTV Business Continuity	172,500	0	0	0	0	0	172,500
Brangwyn Crescent/Commonsid	52,430	0	0	0	0	0	52,430
Willow Lane Bridge Imps	39,040	0	0	0	0	0	39,040
CCTV cameras & infrast upgrad	587,630	110,140	0	0	0	0	697,770
Rapid Response Cameras	41,000	13,100	0	0	0	0	54,100
Designing Out Crime for ASB	50,000	0	0	0	0	0	50,000
Replacement of Fleet Vehicles	551,000	197,470	0	0	0	0	748,470
Alley Gating Scheme	46,000	0	0	0	0	0	46,000
SLWP - Project General	8,080	0	0	0	0	0	8,080
Waste Bins	13,350	17,000	0	0	0	0	30,350
SLWP - Replacement of Fleet Ve	340,000	0	0	0	0	0	340,000
Street Cleanse Sub Dep Mitchan	35,000	20,000	0	0	0	0	55,000
<b>Sustainable Communities</b>							
Street Tree Programme	60,000	0	0	0	0	0	60,000
New street tree planting prog	0	43,990	0	0	0	0	43,990
Raynes Park Station Pub Realm	0	0	0	43,500	0	0	43,500
Street Lighting Replacement Pr	290,000	0	0	0	0	0	290,000
Traffic Schemes	150,000	0	0	0	0	0	150,000
Surface Water Drainage	100,000	40,000	(40,000)	0	0	0	100,000
Repairs to Footways	1,000,000	0	0	0	0	(33,690)	966,310
Maintain AntiSkid and Coloured	60,000	0	0	0	0	0	60,000
Borough Roads Maintenance	1,200,000	0	0	0	0	0	1,200,000
Highways bridges & structures	944,000	21,950	0	0	0	0	965,950
Culverts Upgrade	488,430	19,940	0	0	0	0	508,370
ZZ3233 - High Path School Harr	0	12,430	0	1,900	0	0	14,330
Bishopsford Bridge	0	256,100	0	0	0	0	256,100
Lamp Column Chargers	0	7,040	0	753,190	0	0	760,230
AFC Wimbledon CCTV	0	4,640	0	0	0	0	4,640
Residential Secure Cycle Store	0	25,670	0	0	0	0	25,670
Cycle Lane Rdway Bshfd Bridge	0	17,910	0	35,000	0	0	52,910
ANPR Cameras School Streets	0	219,110	0	0	0	0	219,110
Street Lighting Wimbledon	261,680	60,600	0	0	0	0	322,280
S Wimb Bus Area Wayfinding	135,360	0	0	0	0	0	135,360
Milner Road Improvements	140,000	0	0	0	0	0	140,000
Motspur Pk Stat Access for All	190,000	0	0	0	0	0	190,000
<b>Cycle Route Improvements</b>	<b>322,220</b>	<b>46,470</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(6,030)</b>	<b>362,660</b>
Cycle access/parking	5,000	0	0	0	0	0	5,000
Cycle Improve Residential Stre	0	23,580	0	0	0	0	23,580
Cycle Lane Works Plough Lane	210,000	0	0	0	0	(6,030)	203,970
Morden Park Cycle Path	107,220	22,890	0	0	0	0	130,110

### Proposed Revisions to Capital Programme 2022-23

Description	Original Budget 2022-23	Slippage into 2022-23 from 2021-22	Reprofiled into 2023-24	New 2022-23	Virement	Clawback	Revised Budget 2022-23
<b>Regeneration</b>							
Canons - Parks for People	0	515,450	0	0	0	0	515,450
Elmwood Centre Hub	65,000	0	0	0	0	0	65,000
Rowan Pk Comm Fac Match Fund	0	150,000	0	0	0	0	150,000
New Horizon Centre	68,500	0	0	0	0	0	68,500
Sandy Lane Public Realm	235,000	0	0	0	0	0	235,000
Pollards Hill Bus Shelter	150,000	0	0	0	0	0	150,000
Crowded Places-Hostile Vehicle	180,000	0	0	0	0	0	180,000
Polka Theatre	0	20,180	0	0	0	0	20,180
Wimb Public Realm Implement	901,190	6,970	0	66,950	0	0	975,110
Haydons Rd Public Realm Impro	380,000	13,150	0	0	0	0	393,150
Wimbledon Hill Rd	0	122,540	0	0	0	0	122,540
Wimb Vill Herit Led Pblc Tealm	770,000	30,000	0	0	0	0	800,000
Morden TC Regen Match Fundi	2,000,000	0	(2,000,000)	0	0	0	0
Crown Creative Knowledge Exch	75,000	75,000	0	0	0	0	150,000
Morden Town Centre Improvem	200,000	0	0	0	0	0	200,000
Wandle Project	0	19,030	0	50,000	0	0	69,030
Merton Lost Rivers	175,000	25,000	0	0	0	0	200,000
Haydons Rd Shop Front Impr	0	247,120	0	76,010	0	0	323,130
42 Graham Road	50,000	0	0	0	0	0	50,000
Vacant Premises Upgrade	17,840	0	0	0	0	(2,860)	14,980
Carbon Offset Funding	0	150,000	0	0	0	0	150,000
Comm Centr Engy Sving Lightin	35,000	0	0	0	0	0	35,000
<b>Sports and Leisure</b>							
Wimbledon Park Lake Safety	204,440	315,770	0	0	0	0	520,210
Leisure Centre Plant & Machine	250,000	65,220	0	0	0	0	315,220
<b>Parks</b>							
Parks Investment	300,000	0	0	0	0	(33,790)	266,210
Canons - Parks for People	0	65,370	0	0	0	0	65,370
Resurface Tennis Courts	150,440	0	0	0	0	0	150,440
New water play feature Wimb Pk	226,000	0	0	0	0	0	226,000
Paddling Pool Option 1	135,000	135,000	0	0	0	0	270,000
Morley Park Enhancements	0	19,370	0	0	0	0	19,370
Wandle Nature Pk Flood Defenc	0	14,060	0	0	0	0	14,060
Sports Drainage	75,000	150,000	(75,000)	0	0	0	150,000
Multi Use Sports Areas	175,000	0	(175,000)	0	0	0	0
Abbey Recreation Ground	40,000	0	0	0	0	0	40,000
Colliers Wood Rec Ground	67,000	0	0	0	0	0	67,000
<b>Environment and Regeneration</b>	<b>15,117,660</b>	<b>3,565,550</b>	<b>(2,290,000)</b>	<b>1,026,550</b>	<b>0</b>	<b>(76,370)</b>	<b>17,343,390</b>
<b>Total Capital</b>	<b>32,611,350</b>	<b>8,498,080</b>	<b>(9,266,520)</b>	<b>3,524,260</b>	<b>0</b>	<b>(112,560)</b>	<b>35,254,610</b>

Revisions to Capital Programme 2023 to 2026

Appendix 2c1

Summary	Original Budget 2023-24	Reprofiled from 2022-23	New 2023-24	Reprofiled to 2024-25	Revised Budget 2023-24	Original Budget 2024-25	Reprofiled from 2023-24	New 2024/25	Reprofiled to 2025-26	Revised Budget 2024-25	Original Budget 2025-26	New 2024/25	Reprofiled from Prior Years	Revised Budget 2025-26
Corporate Services	5,570,000	6,461,010	7,432,350	0	19,463,360	4,755,000	0	0	0	4,755,000	12,896,120	0	(469,050)	12,427,070
Community and Housing	972,000	1,673,000	0	(150,000)	2,495,000	720,410	150,000	306,590	0	1,177,000	690,000	547,000	0	1,237,000
Children Schools & Families	3,400,000	844,560	2,683,000	0	6,927,560	4,300,000	0	4,437,010	0	8,737,010	3,400,000	78,850	0	3,478,850
Environment and Regeneration	8,108,470	2,290,000	0	(2,215,000)	8,183,470	6,174,000	2,215,000	0	(2,040,000)	6,349,000	20,883,000	0	2,040,000	22,923,000
<b>Total</b>	<b>18,050,470</b>	<b>11,268,570</b>	<b>10,115,350</b>	<b>(2,365,000)</b>	<b>37,069,390</b>	<b>15,949,410</b>	<b>2,365,000</b>	<b>4,743,600</b>	<b>(2,040,000)</b>	<b>21,018,010</b>	<b>37,869,120</b>	<b>625,850</b>	<b>1,570,950</b>	<b>40,065,920</b>
	<b>Final Budget 2023-24</b>	<b>Reprofiled from 2022-23</b>	<b>Reprofiled from 2022-23</b>	<b>Reprofiled to 2024-25</b>	<b>Revised Budget 2023-24</b>	<b>Final Budget 2024-25</b>	<b>Reprofiled from 2023-24</b>	<b>New 2024/25</b>	<b>Reprofiled to 2025-26</b>	<b>Revised Budget 2024-25</b>	<b>Original Budget 2025-26</b>	<b>New 2024/25</b>	<b>Reprofiled from Prior Years</b>	<b>Revised Budget 2025-26</b>
<b>Facilities Management</b>														
Capital Building Works	650,000	0	0	0	650,000	650,000	0	0	0	650,000	650,000	0	0	650,000
Comb. Heat & Power System Re	450,000	0	0	0	450,000	0	0	0	0	0	0	0	0	0
Absorption Chiller Replacement	275,000	0	0	0	275,000	0	0	0	0	0	0	0	0	0
Invest to Save schemes	300,000	0	0	0	300,000	300,000	0	0	0	300,000	300,000	0	0	300,000
<b>Information Technology</b>														
Customer Contact Programme	1,000,000	0	0	0	1,000,000	0	0	0	0	0	1,000,000	0	0	1,000,000
Web Content Management Syst	0	0	0	0	0	100,000	0	0	0	100,000	0	0	0	0
Capita-Housing System	0	0	0	0	0	0	0	0	0	0	120,000	0	0	120,000
ePayments Project	0	0	0	0	0	150,000	0	0	0	150,000	0	0	0	0
Planning&Public Protection Sys	0	240,710	0	0	240,710	550,000	0	0	0	550,000	0	0	0	0
Kofax Scanning	150,000	0	0	0	150,000	0	0	0	0	0	0	0	0	0
Spectrum Spatial Analyst Repla	0	0	0	0	0	0	0	0	0	0	200,000	0	0	200,000
Parking System	175,000	0	0	0	175,000	0	0	0	0	0	0	0	0	0
Youth Justice IT Systems	0	0	0	0	0	0	0	0	0	0	100,000	0	0	100,000
Replacement SC System	1,100,000	(281,000)	0	0	819,000	1,000,000	0	0	0	1,000,000	0	0	0	0
IT Planned Replacement Program	770,000	0	0	0	770,000	1,405,000	0	0	0	1,405,000	1,060,000	0	0	1,060,000
Financial System	700,000	0	0	0	700,000	0	0	0	0	0	0	0	0	0
<b>Corporate</b>														
Acquisitions Budget	0	0	0	0	0	0	0	0	0	0	6,785,180	0	(469,050)	6,316,130
Capital Bidding Fund	0	0	0	0	0	0	0	0	0	0	1,000,000	0	0	1,000,000
Multi Functioning Device (MFD	0	0	0	0	0	600,000	0	0	0	600,000	0	0	0	0
Corporate Capital Contingency	0	0	0	0	0	0	0	0	0	0	1,680,940	0	0	1,680,940
CPO Clarion	0	6,501,300	7,432,350	0	13,933,650	0	0	0	0	0	0	0	0	0
<b>Corporate Services</b>	<b>5,570,000</b>	<b>6,461,010</b>	<b>7,432,350</b>	<b>0</b>	<b>19,463,360</b>	<b>4,755,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,755,000</b>	<b>12,896,120</b>	<b>0</b>	<b>(469,050)</b>	<b>12,427,070</b>
Disabled Facilities Grant	827,000	0	0	0	827,000	520,410	0	306,590	0	827,000	280,000	547,000	0	827,000
Learning Dsblity Aff Housing	145,000	1,533,000	0	(150,000)	1,528,000	0	150,000	0	0	150,000	0	0	0	0
West Barnes Library Re-Fit	0	0	0	0	0	200,000	0	0	0	200,000	0	0	0	0
Library Capital Building Works	0	0	0	0	0	0	0	0	0	0	60,000	0	0	60,000
Library Self Service	0	0	0	0	0	0	0	0	0	0	350,000	0	0	350,000
Library Management System	0	140,000	0	0	140,000	0	0	0	0	0	0	0	0	0
<b>Community and Housing</b>	<b>972,000</b>	<b>1,673,000</b>	<b>0</b>	<b>(150,000)</b>	<b>2,495,000</b>	<b>720,410</b>	<b>150,000</b>	<b>306,590</b>	<b>0</b>	<b>1,177,000</b>	<b>690,000</b>	<b>547,000</b>	<b>0</b>	<b>1,237,000</b>
Unallocated Schools Capital mai	2,500,000	0	0	0	2,500,000	2,500,000	0	0	0	2,500,000	2,500,000	0	0	2,500,000
Perseid School Expansion	0	738,340	761,660	0	1,500,000	0	0	2,516,860	0	2,516,860	0	0	0	0
Unallocated Secondary SEN	0	106,220	(106,220)	0	0	0	0	0	0	0	0	0	0	0
Mainstream SEN (ARP)	900,000	0	(900,000)	0	0	1,800,000	0	(1,800,000)	0	0	900,000	(900,000)	0	0
West Wimbledon Primary ARP e	0	0	274,520	0	274,520	0	0	0	0	0	0	0	0	0
Cranmer Primary School New Af	0	0	623,040	0	623,040	0	0	0	0	0	0	0	0	0
Further Primary School ARP exp	0	0	200,000	0	200,000	0	0	215,990	0	215,990	0	0	0	0
Raynes Park school ARP expans	0	0	1,000,000	0	1,000,000	0	0	1,019,340	0	1,019,340	0	0	0	0
Secondary school ARP expansic	0	0	300,000	0	300,000	0	0	575,970	0	575,970	0	0	0	0
Secondary school ARP expansic	0	0	500,000	0	500,000	0	0	1,208,850	0	1,208,850	0	0	0	0
Secondary school ARP expansic	0	0	30,000	0	30,000	0	0	700,000	0	700,000	0	978,850	0	978,850
<b>Children Schools &amp; Families</b>	<b>3,400,000</b>	<b>844,560</b>	<b>2,683,000</b>	<b>0</b>	<b>6,927,560</b>	<b>4,300,000</b>	<b>0</b>	<b>4,437,010</b>	<b>0</b>	<b>8,737,010</b>	<b>3,400,000</b>	<b>78,850</b>	<b>0</b>	<b>3,478,850</b>

Revisions to Capital Programme 2023 to 2026

Appendix 2c1

Summary	Original Budget 2023-24	Reprofiled from 2022-23	New 2023-24	Reprofiled to 2024-25	Revised Budget 2023-24	Original Budget 2024-25	Reprofiled from 2023-24	New 2024/25	Reprofiled to 2025-26	Revised Budget 2024-25	Original Budget 2025-26	New 2024/25	Reprofiled from Prior Years	Revised Budget 2025-26
<b>Public Protection and Development</b>														
ANPR Cams Air Qual & Traf Sen	300,000	0	0	0	300,000	300,000	0	0	0	300,000	300,000	0	0	300,000
Pay and Display Machines	0	0	0	0	0	60,000	0	0	0	60,000	0	0	0	0
5 New Permanent Cameras Per Y	135,000	0	0	0	135,000	100,000	0	0	0	100,000	100,000	0	0	100,000
CCTV cameras & infrast upgrad	554,470	0	0	0	554,470	0	0	0	0	0	0	0	0	0
Rapid Response Cameras	0	0	0	0	0	0	0	0	0	0	45,000	0	0	45,000
Designing Out Crime for ASB	35,000	0	0	0	35,000	20,000	0	0	0	20,000	20,000	0	0	20,000
Replacement of Fleet Vehicles	300,000	0	0	0	300,000	0	0	0	0	0	1,212,000	0	0	1,212,000
Alley Gating Scheme	24,000	0	0	0	24,000	24,000	0	0	0	24,000	24,000	0	0	24,000
SLWP Contract General	0	0	0	0	0	0	0	0	0	0	42,000	0	0	42,000
SLWP Replacement of Fleet Veh	0	0	0	0	0	0	0	0	0	0	15,000,000	0	0	15,000,000
<b>Sustainable Communities</b>														
Street Tree Programme	60,000	0	0	0	60,000	60,000	0	0	0	60,000	60,000	0	0	60,000
Street Lighting Replacement Pr	290,000	0	0	0	290,000	290,000	0	0	0	290,000	290,000	0	0	290,000
Traffic Schemes	150,000	0	0	0	150,000	150,000	0	0	0	150,000	150,000	0	0	150,000
Surface Water Drainage	100,000	40,000	0	(40,000)	100,000	100,000	40,000	0	(40,000)	100,000	60,000	0	40,000	100,000
Repairs to Footways	1,000,000	0	0	0	1,000,000	1,000,000	0	0	0	1,000,000	1,000,000	0	0	1,000,000
Maintain AntiSkid and Coloured	60,000	0	0	0	60,000	60,000	0	0	0	60,000	60,000	0	0	60,000
Borough Roads Maintenance	1,200,000	0	0	0	1,200,000	1,200,000	0	0	0	1,200,000	1,200,000	0	0	1,200,000
Highways bridges & structures	260,000	0	0	0	260,000	260,000	0	0	0	260,000	260,000	0	0	260,000
Haydons Rd Access for All	100,000	0	0	0	100,000	0	0	0	0	0	0	0	0	0
Motspur Pk Stat Access for All	500,000	0	0	0	500,000	0	0	0	0	0	0	0	0	0
Cycle access/parking	40,000	0	0	0	40,000	0	0	0	0	0	0	0	0	0
<b>Regeneration</b>														
Pollards Hill Bus Shelter	100,000	0	0	0	100,000	0	0	0	0	0	0	0	0	0
Morden TC Regen Match Fundi	2,000,000	2,000,000	0	(2,000,000)	2,000,000	2,000,000	2,000,000	0	(2,000,000)	2,000,000	0	0	2,000,000	2,000,000
Merton Lost Rivers	100,000	0	0	0	100,000	0	0	0	0	0	0	0	0	0
<b>Sports and Leisure</b>														
Wimbledon Park Lake Building	0	0	0	0	0	0	0	0	0	0	500,000	0	0	500,000
Leisure Centre Plant & Machine	250,000	0	0	0	250,000	250,000	0	0	0	250,000	250,000	0	0	250,000
Parks Investment	300,000	0	0	0	300,000	300,000	0	0	0	300,000	300,000	0	0	300,000
Sports Drainage	75,000	75,000	0	0	150,000	0	0	0	0	0	0	0	0	0
Multi Use Sports Areas	175,000	175,000	0	(175,000)	175,000	0	175,000	0	0	175,000	0	0	0	0
Watersports Fleet	0	0	0	0	0	0	0	0	0	0	10,000	0	0	10,000
<b>Environment and Regeneration</b>	<b>8,108,470</b>	<b>2,290,000</b>	<b>0</b>	<b>(2,215,000)</b>	<b>8,183,470</b>	<b>6,174,000</b>	<b>2,215,000</b>	<b>0</b>	<b>(2,040,000)</b>	<b>6,349,000</b>	<b>20,883,000</b>	<b>0</b>	<b>2,040,000</b>	<b>22,923,000</b>
<b>Total Capital</b>	<b>18,050,470</b>	<b>11,268,570</b>	<b>10,115,350</b>	<b>(2,365,000)</b>	<b>37,069,390</b>	<b>15,949,410</b>	<b>2,365,000</b>	<b>4,743,600</b>	<b>(2,040,000)</b>	<b>21,018,010</b>	<b>37,869,120</b>	<b>625,850</b>	<b>1,570,950</b>	<b>40,065,920</b>

**Funding the Budgeted Capital Programme 2022-23**

**Appendix 2d**

Department	Revised Budget 2022-23	Strategic CIL	Neighbourhood CIL	Section 106	Revenue Contributions	Corporate Reserves	TfL	Other Ringfenced Grants	General Grants	Capital Receipts	Borrowing
Corporate Services	8,145,170	0	0	0	(316,720)	0	0	(57,810)	0	0	7,770,640
Community and Housing	994,530	0	0	(50,000)	(12,330)	(30,400)	0	(872,800)	0	0	29,000
Children, Schools and Families	8,771,520	(889,610)	(80,490)	0	0	0	0	(7,649,420)	0	0	152,000
Environment and Regeneration	17,343,390	(6,903,270)	(1,188,720)	(268,900)	(354,880)	0	(906,880)	(348,850)	0	0	7,371,890
Generally Applied to Programme	0	0	0	0	(135,635)	0	0	0	0	(900,000)	(1,035,635)
<b>Total</b>	<b>35,254,610</b>	<b>(7,792,880)</b>	<b>(1,269,210)</b>	<b>(318,900)</b>	<b>(819,565)</b>	<b>(30,400)</b>	<b>(906,880)</b>	<b>(8,928,880)</b>	<b>0</b>	<b>(900,000)</b>	<b>14,287,895</b>

**Funding the Budgeted Capital Programme 2023-24**

Department	Revised Budget 2023-24	Strategic CIL	Neighbourhood CIL	Section 106	Revenue Contributions	Corporate Reserves	TfL	Other Ringfenced Grants		Capital Receipts	Borrowing
Corporate Services	19,463,360	0	0	0	(13,933,650)	0	0	0	0	0	5,529,710
Community and Housing	2,495,000	0	0	(1,528,000)	0	0	0	(827,000)	0	0	140,000
Children, Schools and Families	6,927,560	(1,336,220)	0	0	0	0	0	(5,591,340)	0	0	0
Environment and Regeneration	8,183,470	(2,115,890)	0	0	0	0	0	0	0	0	6,067,580
Generally Applied to Programme	0	0	0	0	(55,000)	0	0	0	0	(900,000)	(955,000)
<b>Total</b>	<b>37,069,390</b>	<b>(3,452,110)</b>	<b>0</b>	<b>(1,528,000)</b>	<b>(13,988,650)</b>	<b>0</b>	<b>0</b>	<b>(6,418,340)</b>		<b>(900,000)</b>	<b>10,782,290</b>

**Funding the Budgeted Capital Programme 2024-25**

Department	Revised Budget 2024-25	Strategic CIL	Neighbourhood CIL	Section 106	Revenue Contributions	Corporate Reserves	TfL	Other Ringfenced Grants		Capital Receipts	Borrowing
Corporate Services	4,755,000	0	0	0	0	0	0	0	0	0	4,755,000
Community and Housing	1,177,000	0	0	(150,000)	0	0	0	(827,000)	0	0	200,000
Children, Schools and Families	8,737,010	(2,717,317)	0	0	0	0	0	(4,300,000)	0	0	1,719,693
Environment and Regeneration	6,349,000	(625,000)	0	0	0	0	0	0	0	0	5,724,000
Generally Applied to Programme	0	0	0	0	(55,000)	0	0	0	0	(900,000)	(955,000)
<b>Total</b>	<b>21,018,010</b>	<b>(3,342,317)</b>	<b>0</b>	<b>(150,000)</b>	<b>(55,000)</b>	<b>0</b>	<b>0</b>	<b>(5,127,000)</b>		<b>(900,000)</b>	<b>11,443,693</b>

**Funding the Budgeted Capital Programme 2025-26**

Department	Indicative Budget 2025-26	Strategic CIL	Neighbourhood CIL	Section 106	Revenue Contributions	Corporate Reserves	TfL	Other Ringfenced Grants		Capital Receipts	Borrowing
Corporate Services	12,427,070	0	0	0	0	0	0	0	0	0	12,427,070
Community and Housing	1,237,000	(10,000)	0	0	0	0	0	(827,000)	0	0	400,000
Children, Schools and Families	3,478,850	0	0	0	0	0	0	(3,400,000)	0	0	78,850
Environment and Regeneration	22,923,000	(850,000)	0	0	0	0	0	0	0	0	22,073,000
Generally Applied to Programme	0	0	0	0	(30,000)	0	0	0	0	(500,000)	(530,000)
<b>Total</b>	<b>40,065,920</b>	<b>(860,000)</b>	<b>0</b>	<b>0</b>	<b>(30,000)</b>	<b>0</b>	<b>0</b>	<b>(4,227,000)</b>		<b>(500,000)</b>	<b>34,448,920</b>



APPENDIX 3

Department	Target Savings 2021/22	Projected Savings 2021/22	2021/22 Shortfall	Shortfall %	2022/23 Expected Shortfall
	£000	£000	£000	%	£000
Corporate Services	1,322	1,086	236	17.9%	125
Children Schools and Families	1,460	410	1,050	71.9%	550
Community and Housing	2,541	1,631	910	35.8%	800
Environment and Regeneration	1,580	461	1,119	70.8%	750
<b>Total</b>	<b>6,903</b>	<b>3,588</b>	<b>3,315</b>	<b>48.0%</b>	<b>2,225</b>

## DEPARTMENT: CORPORATE SERVICES SAVINGS PROGRESS 2021/22

Ref	Description of Saving	2021/22 Savings Required £000	2021/22 Savings Achieved £000	Shortfall	RAG	2022/23 Savings Expected £000	2022/23 Expected Shortfall £000	22/23 RAG	Responsible Officer	Comments	R /A Included in Over/Under spend? Y/N
<b>Customers, Policy &amp; Improvement</b>											
2019-20 CS28	cash collection reduction	19	19	0	G	19	0	G	Sean Cunniffe		
2021-22 CS01	Cash collection contract	23	23	0	G	23	0	G	Sean Cunniffe		
2021-22 CS05	Contract savings and IT procurement	200	200	0	G	200	0	G	CPI AD		
2021-22 CS15	Delete a post from Customer Contact	32	32	0	G	32	0	G	Sean Cunniffe		
<b>Resources</b>											
2018-19 CS07	Retender of insurance contract	25	0	25	R	0	0	N/A	Nemashe Sivayogan	New contract has delivered cost savings but there is shortfall against the budgeted saving due to original pressures in the budget. Saving removed from 2022/23 budgets	Y
2018-19 CS08	Increase in income from Enforcement Service	15	0	15	R	0	15	R	David Keppler	Not achievable in year due to covid	Y
2021-22 CS11	Review of shared Bailiff service with Sutton	40	0	40	R	0	40	R	David Keppler	Team structure reduced but saving not achievable in year due to covid impacting income levels	Y
2021-22 CS12	Miscellaneous savings within Resources (eg. Consultancy)	69	69	0	G	35	0	G	Resources Senior Management	Includes a one off saving of £34k, saving target reduces to £35k from 2022/23 onwards	
<b>Corporate Governance</b>											
2021-22 CS04	Establish income grant budget for transparency agenda	13	13	0	G	13	0	G	Paul Phelan		
2021-22 CS07	Remove previous inflation built in to reduce Overall Members' Allowances Budget	11	5	6	A	11	0	A	Andrew Robertson		Y
2021-22 CS08	reduced running costs due to canvass reform	10	10	0	G	10	0	G	Andrew Robertson	Currently on track even with decision to send household notification letters in early 2022.	
2021-22 CS09	legal services - reduce affiliation, counsel and land registry fees	40	40	0	G	40	0	G	Paul Phelan		
2021-22 CS10	reduce AD budget running costs	6	6	0	G	6	0	G	Louise Round		
2021-22 CS14	Local Land Charges - amend income budget for service to reflect net cost recovery	90	90	0	G	90	0	G	Paul Phelan		
<b>Human Resources</b>											
2019-20 CS26	Review of contract arrangements	120	0	120	R	50	70	G	Liz Hammond	The iTrent contract renewal did not proceed to an early exit as previously expected and the savings will now not start until 22/23. Savings target for 2022/23 reduced to £50k	Y
<b>Infrastructure &amp; Technology</b>											
2019-20 CS21	Implement phase 2 of the Flexible Working Programme to generate additional vacant floor space and generate income from commercial lease arrangements.	90	90	0	G	90	0	G	Edwin O'Donnell		
2019-20 CS23	Implement a means assessed charging scheme for appointeeships undertaken by the CFA team.	30	0	30	R	30	0	A	Tina Dullaway	Charging scheme yet to be agreed and implemented	Y
2021-22 CS06	Facilities Management - Reduction in various running costs.	75	75	0	G	75	0	G	Various I&T managers		
<b>Corporate</b>											
2019-20 CS12	Increase in Empty Homes Premium for long term empty properties	16	16	0	G	16	0	G	David Keppler		
2021-22 CS02	Corporately funded items (eg. Supplies and services)	75	75	0	G	75	0	G	Senior Management		
2021-22 CS03	Realignment of Pension Added years budget	63	63	0	G	63	0	G	Senior Management		
2021-22 CS13	CHAS Dividend	260	260	0	G	260	0	G	Senior Management		
<b>Total CS Savings for 2021/22</b>		<b>1322</b>	<b>1086</b>	<b>236</b>		<b>1138</b>	<b>125</b>	<b>0</b>			

## DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES - PROGRESS ON SAVINGS 21-22

Ref	Description of Saving	2021/22 Savings Required £000	2021/22 Savings Achieved £000	Shortfall	21/22 RAG	2022/23 Savings Expected £000	2022/23 Expected Shortfall £000	22/23 RAG	Responsible Officer	Comments	R/A Included in Forecast Over/Underspend? Y/N
CSF2019-12	Review of public health commissioned services	400	0	400	R	0	400	N/A	Dheeraj Chibber	This saving has been cancelled	
CSF2019-16	National Minimum rate for Fostering/Guardianship/Adoption	20	20	0	G	20	0	G	Dheeraj Chibber		
CSF2019-17	Increased use of in-house foster care	40	40	0	G	40	0	G	Dheeraj Chibber		
CSF2019-18	Review and reshape shortbreaks provision	200	0	200	R	200	0	G	Elizabeth Fitzpatrick		
CSF2019-19	SEND travel assistance	150	150	0	G	150	150	R	Elizabeth Fitzpatrick	This is difficult to achieve at the moment due to increased fuel costs and ongoing growth in EHPCS	
2021-22 CSF01	Education & Early Help -Reduction made in provision for PFI Unitary Charges	450	0	450	R	450	0	A	Elizabeth Fitzpatrick	The PFI budget O/S in 2021/22 due to increased fuel costs. The ongoing impact is unknown	
2021-22 CSF03	CSF - Ongoing underspend	200	200	0	A	200	0	G	Dheera Chibber/Elizabeth Fitzpatrick		
	<b>Total Children, Schools and Families Department Savings for 2021/22</b>	<b>1,460</b>	<b>410</b>	<b>1,050</b>	<b>0</b>	<b>1,060</b>	<b>550</b>	<b>0</b>			

Updated March'22										APPENDIX 3	
DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2021/22											
Ref	Description of Saving	2021/22 Savings Required £000	2021/22 Savings Achieved £000	Shortfall	RAG	2022/23 Savings Expected £000	2022/23 Expected Shortfall £000	22/23RAG	Responsible Officer	Comments	R / A Included in Forecast Over/Unders pend? Y/N
<b>Adult Social Care</b>											
CH93	LD Offer- Proposal to review the LD offer to adults with learning disabilities	500	490	10	G	500	0	G	Gill Moore	The programme is underway and additional resources are being put in place to ensure delivery	
CH94	Integration- Merton Health & Care Together Partnership Programme	500	0	500	R	0	500	R	Phil Howell	Changes in the health landscape make savings through integrated working more difficult to deliver at this time. This will be kept under review as the new ICS arrangements emerge	
CH95	Public Health	500	100	400	R	100	300	R	Dagmar Zeuner	the impact of COVID and provider issues make this undeliverable at this time.	
CH96	Home care monitoring	110	110	0	G	110	0	G	Keith Burns	Project to broaden number of providers using ECM solution is in progress.	
CH98	Transport	200	200	0	A	200	0	G	Phil Howell	The transport review has been delayed by COVID but this is offset in year by reduced concessionary fares costs (one off)	
CH99	Promoting Independence	500	500	0	G	500	0	G	Phil Howell		
CH102	Dementia Hub Recommissioning	55	55	0	G	55	0	G	Richard Ellis	The savings has been delivered for 2021/22 by achievement of additional contribution from health	
CH103	HRS Decommissioning Floating Support	176	176	0	G	176	0	G	Steve Langley	The work was delayed by COVID but is now on track to be delivered by end Dec 2021 with fye 2022/23	
<b>Subtotal Adult Social Care</b>		<b>2,541</b>	<b>1,631</b>	<b>910</b>	<b>0</b>	<b>1,641</b>	<b>800</b>				
<b>Total C &amp; H Savings for 2021/22</b>		<b>2,541</b>	<b>1,631</b>	<b>910</b>		<b>1,641</b>	<b>800</b>				

DEPARTMENT: ENVIRONMENT & REGENERATION SAVINGS PROGRESS: 2021-22

Ref	Description of Saving	2021/22 Savings Required £000	2021/22 Savings Achieved £000	Shortfall	RAG	2022/23 Savings Expected £000	2022/23 Expected Shortfall £000	2022/23 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Unders pend? Y/N
<b>SUSTAINABLE COMMUNITIES</b>											
ENV2021-01	Future Merton: Street works team income (increase in income)	100	100	0	G	100	0	G	James McGinlay		
ENV1920-06	Future Merton: Highways advertising income through re-procurement of the advertising contract for the public highway.	70	70	0	G	70	0	G	James McGinlay	Covid-19 estimated to impact on saving. Should be achieved from 2022/23.	Y
ENV2021-10	D&BC: Savings as a result of the 'Assure' M3 upgrade . Reduce BC/DC admin by 1 FTE	15	15	0	G	15	0	G	James McGinlay	Staff issue with the admin manager being off sick has delayed progress.	Y
ENV2021-02	D&BC: Increase PPA's income (increased income) through a dedicated Majors team	80	80	0	G	80	0	G	James McGinlay	Staff issue with the admin manager being off sick has delayed progress.	Y
ENV2021-05	D&BC: Reduction in various minor budget spends	12	12	0	G	12	0	G	James McGinlay		
<b>PUBLIC PROTECTION</b>											
ENV1819 - 04	Parking: Reduction in the number of pay & display machines required.	26	26	0	G	26	0	G	Cathryn James	Please refer to Item ENV 2021-04 below where the modernisation project is due to be rolled out in October 2021 and will deliver the reduction targets.	
ENV1920-01	Parking: Application to change Merton's PCN charge band from band B to band A. To effect this a full business case will need to be presented to Full Council. Following this, an application will be made to the London Councils Transport, and Environment Committee. Depending on the outcome at the Committee, the Mayor will also be required to ratify the application and the Secretary of State has final sign off. This 'saving' reflects the impact on estimated revenue until motorist compliance takes full effect .The objective is to reduce non-compliance but if the band change is implemented it is likely that there will be a short term increase in revenue.  The purpose of PCN parking charges is to dissuade motorists from breaking parking restrictions and charges must be proportionate. The income from charges must only be used in accordance with the Road Traffic Regulation Act 1984. These purposes are contained within the Council's traffic management and other policy objectives.	340	56	284	R	340	0	G	Cathryn James	Following the consultation process and approval by Merton, approved is required by the following: London Councils, GLA, Mayor for London and Secretary of State. Applications are now with Secretary of state for final sign off. Possible implementation date Q4 2022.  Process was delayed due to London Mayoral Election, officers working with GLA to progress the application. Additional questions raised by GLA have now been responded to and approved. Estimated operational date Feb 2022 resulting in 2 months (£56k) pro rata of this saving being achieved. to be sent by GLA to Mayor for London.  Band A charges were introduced on the 1st February 2022. The impact of the increased charge will be monitored.	Y
ENV2021-04	Parking: EBC - potentially commencing in 2nd half of 2021/22. Assumes a 10% reduction in 2023/24, and a further 10% in 2024/25.	750	0	750	R	0	750	R	Cathryn James	EBC no longer going ahead - saving to be removed from next financial year. In th current year this has been met from the corporate contingency.	Y
ENV2021-08	Parking: Activity to improve On Street parking compliance.	100	50	50	R	100	0	A	Cathryn James	Due to COVID and current on street activity this saving has not been met in Q1-3 2021. Operational consideration now being worked through for implementation in Q4. Possible Risk £50k will be achieved next year rather than this financial year.  Additional on street activity commenced in January and a minimum £50k saving will be achieved in 2021/22.	Y

DEPARTMENT: ENVIRONMENT & REGENERATION SAVINGS PROGRESS: 2021-22

Ref	Description of Saving	2021/22 Savings Required £000	2021/22 Savings Achieved £000	Shortfall	RAG	2022/23 Savings Expected £000	2022/23 Expected Shortfall £000	2022/23 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Unders pend? Y/N
ENV2021-06	Service restructure across Safer Merton and CCTV	35	0	35	R	35	0	A	Cathryn James	Cost pressures within the CCTV budget present a challenge to meeting this savings target. The CCTV upgrade programme will reduce the CCTV revenue costs (e.g. the upgrades to the network will lower data transmission costs), therefore the delivery of these savings is contingent on the timely implantation of the upgrade programme.	Y
<b>PUBLIC SPACE</b>											
ENV2021-09	Zero tolerance approach to littering and environmental offences leading to increase in the intensification of patrols and subsequent fix penalty notices being issued.	52	52	0	G	52	0	G	John Bosley		
<b>Total Environment and Regeneration Savings 2021/22</b>		<b>1,580</b>	<b>461</b>	<b>1,119</b>		<b>830</b>	<b>750</b>				

**APPENDIX 3A**

<b>Department</b>	<b>Target Savings 2020/21</b>	<b>Shortfall 2020/21</b>	<b>Shortfall 2021/22</b>	<b>Projected Shortfall 2022/23 (at end of March 2022)</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Corporate Services	2,718	883	228	20
Children Schools and Families	2,969	664	500	100
Community and Housing	2,460	128	128	128
Environment and Regeneration	3,927	3,373	3,177	0
<b>Total</b>	<b>12,074</b>	<b>5,048</b>	<b>4,033</b>	<b>248</b>

## DEPARTMENT: CORPORATE SERVICES SAVINGS PROGRESS 2020/21

Ref	Description of Saving	2020/21 Savings Required £000	2020/21 Savings Achieved £000	Shortfall	RAG	2021/22 Savings Achieved £000	2021/22 Shortfall £000	21/22 RAG	2022/23 Savings Expected £000	2022/23 Expected Shortfall £000	22/23 RAG	Responsible Officer	Comments	R/A Included in Outturn Over/Under spend? Y/N
<b>Customers, Policy &amp; Improvement</b>														
2019-20 CS02	Charge for Blue Badges	15	0	15	R	0	15	R	15	0	A	Sean Cunniffe	Looking to have an outsourced solution that can incorporate charges for BB's	Y
2018-19 CS07	Retender of insurance contract	50	0	50	R	7	43	A	7	0	N/A	Nemashe Sivayogan	New contract has delivered cost savings but there is shortfall against the budgeted saving due to original pressures in the budget. Shortfall on saving has been removed from the 2022/23 savings target	Y
2018-19 CS08	Increase in income from Enforcement Service	20	0	20	R			N/A	0	20	R	David Keppler	Not achievable in light of covid-19 circumstances. Saving removed from 2021/22 and deferred to 2022/23 per December 2020 Cabinet report	Y
<b>Corporate Governance</b>														
2018-19 CS12	SLLp - reduction in legal demand	50	0	50	R	0	50	R			N/A	Louise Round	Saving removed from 22/23	Y
2019-20 CS14	impose criminal litigation cap at 20k	20	0	20	R	0	20	R			N/A	Louise Round	Saving removed from 22/23	Y
2019-20 CS15	reduce civil litigation legal support by 50%	45	0	45	R	0	45	R			N/A	Louise Round	Saving removed from 22/23	Y
<b>Infrastructure &amp; Technology</b>														
2019-20 CS22	Reduction in the frequency of the cleaning within the corporate buildings	25	0	25	R	0	25	R	25	0	G	Edwin O'Donnell	Not achievable in light of covid-19 circumstances	Y
2020-21 CS9	Reduction in the frequency of the cleaning within the Councils corporate buildings.	30	0	30	R	0	30	R	30	0	G	Edwin O'Donnell	Not achievable in light of covid-19 circumstances	Y
<b>Corporate</b>														
2019-20 CS13	Improved collection of HB overpayments and reduce Bad Debt Provision	500	0	500	R			N/A			N/A	David Keppler	Saving removed permanently from 22/23	n/a
<b>Total CS Savings for 2020/21</b>		<b>755</b>	<b>0</b>	<b>755</b>		<b>7</b>	<b>228</b>	<b>0</b>	<b>77</b>	<b>20</b>				



## DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES - PROGRESS ON SAVINGS 20-21

Ref	Description of Saving	2020/21 Savings Required £000	2020/21 Savings Achieved £000	Shortfall	20/21 RAG	2021/22 Savings Achieved £000	2021/22 Shortfall £000	20/21 RAG	2022/23 Savings Expected £000	2022/23 Expected Shortfall £000	22/23 RAG	Responsible Officer	Comments	R / A Included in Forecast Over/Undersp end? Y/N
CSF2019-10	Reduced contribution towards the MSCB	44	10	34	R	44	0	G			G	Elizabeth Fitzpatrick		
CSF2019-21	Review and reshaping of Short Break provision across CWD	200	60	140	R	0	200	R	200		G	Elizabeth Fitzpatrick		
CSF2019-15	South London Family Drug and Alcohol Court commissioning	45	15	30	R	15	30	R	30		G	Dheeraj Chibber		
CSF2019-02	Establish more cost effective Merton independent living provision	400	200	200	R	200	200	R	100	100	A	Dheeraj Chibber	Going out to the market - delayed during COVID, procurement now in train	
CSF2019-04	Deliver the 14+ leaving care service through personal advisors rather than social workers	60	20	40	R	60	0	G			G	Dheeraj Chibber		
CSF2019-13	Review of current Adolescent and Family service	100	30	70	R	30	70	R	70		G	Dheeraj Chibber	Picked up in re-organsiation	
CSF2019-15	Development of Family Network Co-Ordinators Service	45	15	30	R	45	0	G			G	Dheeraj Chibber		
CSF2019-17	Culture change and clarification of financial support entitlement for care leavers	50	0	50	R	50	0	G			G	Dheeraj Chibber		
CSF2019-18	Implementation of the DfE National Minimum rate	20	0	20	R	20	0	G			G	Dheeraj Chibber		
	<b>Total Children, Schools and Families Department Savings for 2020/21</b>	<b>964</b>	<b>350</b>	<b>614</b>		<b>464</b>	<b>500</b>		<b>400</b>	<b>100</b>	<b>0</b>			

March'22													APPENDIX 3A	
DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2020/21														
Ref	Description of Saving	2020/21 Savings Required £000	2020/21 Savings Achieved £000	Shortfall	RAG	2021/22 Savings Achieved £000	2021/22 Shortfall £000	21/22 RAG	2022/23 Savings Expected £000	2022/23 Expected Shortfall £000	22/23 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Unders pend? Y/N
<b>Adult Social Care</b>														
CH76	OPMH Staffing	100	0	100	R	0	100	R	0	100	R	John Morgan	We need to review the demand for MH services with the trust due to C19. Further work is required to establish the necessary resourcing	
CH87	Mascot Income	100	72	28	R	72	28	R	72	28	R	Andy Ottaway-Searle	MASCOT income has fallen due to cancelled services	
<b>Subtotal Adult Social Care</b>		200	72	128		72	128		72	128				
<b>Total C &amp; H Savings for 2020/21</b>		200	72	128		72	128		72	128				

DEPARTMENT: ENVIRONMENT & REGENERATION SAVINGS PROGRESS: 2020-21

Ref	Description of Saving	2020/21 Savings Required £000	2020/21 Savings Achieved £000	Shortfall	RAG	2021/22 Savings Achieved £000	2021/22 Shortfall £000	2021/22 RAG	2022/23 Savings Expected £000	2022/23 Expected Shortfall £000	22/23 RAG	Responsible Officer	Comments	R / A Included in Forecast Over/Unders pend? Y/N
ENV1920-06	Future Merton: Highways advertising income through re-procurement of the advertising contract for the public highway.	40	0	40	R	0	40	R	40	0	G	James McGinlay	Covid-19 estimated to impact on saving. Should be achieved from 2022/23.	Y
ENV1819-03	Parking: 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 incidental 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. <b>The above will be subject to the outcome of the consultation process in 2019.</b>	1,900	0	1,900	R	0	1900	R	1900	0	A	Cathryn James	PARKING PERMITS: The new charges were implemented on 14th January 2020. Early analysis shows a reduction in sales of Permits, including scratch cards, and a greater number of 6 month permits being sold than 12 month permits against historic trends, which is even more evident in the case of diesel cars permits. Unfortunately Covid 19 began only approximately 2 months after the introduction of the new charges, resulting in a significant change in Permit sales, which has made projections very difficult. Permit sales for 20/21 were estimated to be down by approx. 10% overall for the calendar year 2020. Due to the reasons above this saving will not be fully met in 2020/21. Lockdown continued in quarter 1 of 2021/22 and activity will continue to be monitored and reviewed.  ON STREET PARKING CHARGES - PAY & DISPLAY. Following the introduction of On Street charges, data showed expected income was being achieved, but off street showed a slight under recovery on estimated. Unfortunately, Covid 19 began only approximately 2 months after the introduction of the new charges, resulting in a reduction in parking activity, which makes analysis against budget projection very difficult. For the period June through to October 20/21 data showed off street activity at 50% of pre covid and on street at 80%. Lockdown 2 (Nov 2020) resulted in a reduction in 'on and off street' parking activity Lockdown 3 had a further significant detrimental effect in 'on and off street parking' activity. Covid / lockdown and associated change in social behaviour during the last quarter 2020/21 continued to have a direct effect on service activity and resulted in the saving not being met. This saving will continue to be reviewed and monitored on a monthly basis but lockdown during the first quarter in 2021/22 continues to affect income levels. As at October 2021 savings continue to be monitored but lockdown and change in driver behaviour continues to result in this saving not being achieved.  Monitoring shows that on street P&D activity in Q3 has recovered to approx 90% of the pre covid period and car park activity at approx 60% of pre covid. Residential permit sales are slightly reduced from pre covid, and are stable, but a reduction in diesel sales continues. Visitor permits and annual visitor permits have continued to vary greatly dependent on working from home and lock down guidance. This saving will not be fully met in 2021/22.	Y
ENV1819 - 04	Parking: Reduction in the number of pay & display machines required.	13	0	13	R	13	0	G	13	0	G	Cathryn James	Expected to be achieved in 2021/22.	
ENV1920-01	Parking: Application to change Merton's PCN charge band from band B to band A. To effect this a full business case will need to be presented to Full Council. Following this, an application will be made to the London Councils Transport, and Environment Committee. Depending on the outcome at the Committee, the Mayor will also be required to ratify the application and the Secretary of State has final sign off. This 'saving' reflects the impact on estimated revenue until motorist compliance takes full effect. The objective is to reduce non-compliance but if the band change is implemented it is likely that there will be a short term increase in revenue.  The purpose of PCN parking charges is to dissuade motorists from breaking parking restrictions and charges must be proportionate. The income from charges must only be used in accordance with the Road Traffic Regulation Act 1984. These purposes are contained within the Council's traffic management and other policy objectives.	340	0	340	R	0	340	R	340	0	G	Cathryn James	Following the consultation process and approval by Merton, the proposal was put before London Council, GLA, Mayor for London and Secretary of State to approve.  Process was delayed due to London Mayoral Election, officers are working with GLA to progress the application. GLA now approved application and Sec of State has 3 weeks to comment. Earliest implementation will be in January 2022.  <b>Band A charges were introduced on the 1st February 2022. The impact of the increased charge will be monitored.</b>	N
ENV1920-02	Parking: Compliance rates for ANPR Moving Traffic Offences have not decreased significantly or as estimated since the implementation of the ANPR cameras and as a consequence the PCN revenue remains above original estimations. This 'saving' recognises revenue currently being received by the Council rather than any estimated increase.  The purpose of PCN parking charges is to dissuade motorists from breaking parking restrictions and charges must be proportionate. The income from charges must only be used in accordance with the Road Traffic Regulation Act 1984. These purposes are contained within the Council's traffic management and other policy objectives.	300	0	300	R	0	300	R	300	0	A	Cathryn James	Since mid-March 2020 there has been an unprecedented reduction in traffic on our roads. This has resulted in the number of PCNs being issued by ANPR to drop to less than 10% of normal activity for April/May 2020. Although numbers started increasing through June to September, due to this change in activity as a result of Covid 19, this saving projection will not be met in 2020/21, and the longer term impact continues to be analysed. The November 2020 lockdown had limited effect on driver habits. It is however expected that this saving will not be met. Tier 4 and Lockdown 3 will result in less 'on street' activity. It is therefore estimated that there will be a greater shortfall in achieving this saving this year. Current traffic movements remain affected with less ANPR activity.  <b>Q4 2021/22 continues to show less street ANPR activity than pre covid. This saving will not be met in 2021/22.</b>	Y
ALT1920-02	Parking: The use of ANPR to enforce moving traffic contraventions has been operational since July 2016. The number of cameras has increased and the locations varied over this period and the number of PCNs remains above initial estimates.	337	0	337	R	0	337	R	337	0	A	Cathryn James	Since mid-March 2020 there has been an unprecedented reduction in traffic on our roads. This has resulted in the number of PCNs being issued by ANPR to drop to less than 10% of normal activity for April/May 2020. Although numbers started increasing through June to September, due to this change in activity as a result of Covid 19, this saving projection will not be met in 2020/21, and the longer term impact continues to be analysed. The November 2020 lockdown had limited effect on driver habits. It is however expected that this saving will not be met. Tier 4 and Lockdown 3 will result in less 'on street' activity. It is therefore estimated that there will be a greater shortfall in achieving this saving this year. Lockdown continues in Q1 2021/22 and on street activity remains lower than normal. Saving for 2020/21 is unlikely to be met on current trends. Current traffic movements remain affected with less ANPR activity.  <b>Q4 2021/22 continues to show less street ANPR activity than pre covid. This saving will not be met in 2021/22.</b>	Y

G A R

APPENDIX 3A

DEPARTMENT: ENVIRONMENT & REGENERATION SAVINGS PROGRESS: 2020-21

Ref	Description of Saving	2020/21 Savings Required £000	2020/21 Savings Achieved £000	Shortfall	RAG	2021/22 Savings Achieved £000	2021/22 Shortfall £000	2021/22 RAG	2022/23 Savings Expected £000	2022/23 Expected Shortfall £000	22/23 RAG	Responsible Officer	Comments	R / A Included in Forecast Over/Unders pend? Y/N
ENV1920-04	Waste: The service change in October 2018 has had a significant impact on waste arisings and recycling levels. Residual waste volume has reduced by c12% whilst recycling levels have increased from c34% to c45% . Whilst we have already built £250k into the MTFS we believe that this can be added to.	250	0	250	R	0	250	R	250	0	A	John Bosley	The service maintained a high recycling rate in 2020 /21 which has been maintained this year. We have recycled C 42% of all domestic waste which has been achieved through a 49% increase in Food waste along with a 10% increase in Garden waste. As such this budget is now under pressure as this is new waste being managed by the services following the National impact of COVID 19 and residents working from home. We have not seen an equal reduction in the general waste stream which would historically off set these cost and generate significant savings to the services. With the national increase in the level of recycling being generated, processing facilities are becoming stricter with regards to the quality of the material being accepted, resulting in areas of non compliance being rejected. CONFIDENTIAL The current national shortage of drivers impacting the collection schedule, the service has been required to combine rounds and co collect waste streams. This is being monitored through our BCP and the financial impact amended through our budget forecasting.	Y
ALT1920-03	Leisure: Increased income from Leisure Centres Management Contract	10	0	10	R	0	10	R	10	0	G	John Bosley	This amount is already included in the income target for this year and going forward, but with Covid 19 changing the uses of leisure centres this will not be achieved this year	Y
ALT1920-04	Waste Services: Increase level of Environmental Enforcement activities of both internal team & service provider - ensuring the operational service is cost neutral	150	31	119	R	150	0	G	150	0	G	John Bosley	The commissioning and procurement of a new enforcement contract along with the wider Public Space restructure is scheduled for late 21/22 and we hope to implement this in the new year subject to any continuity plans which may take presedent over these two work streams.	
ALT1920-07	Greenspaces: Realign budgets to better reflect current levels of income from outdoor events.	64	0	64	R	64	0	G	64	0	G	John Bosley		
<b>Total Environment and Regeneration Savings 2018/19</b>		<b>3,404</b>	<b>31</b>	<b>3,373</b>		<b>227</b>	<b>3,177</b>		<b>3,404</b>	<b>0</b>				

## Appendix 4

### Subject: Miscellaneous Debt Update March 2022

#### 1. LATEST ARREARS POSITION – MERTON'S AGED DEBTORS REPORT

- 1.1 A breakdown of departmental net miscellaneous debt arrears, as at 31 March 2022, is shown in column F of the table below.

Sundry Debtors aged balance – 31 March 2022 – not including debt that is less than 30 days old (Please note the new system reports debt up to 30 days whereas previously we reported up to 39 days)

Department a	30 days to 6 months b	6 months to 1 year c	1 to 2 years d	Over 2 years e	March 22 arrears f	Dec 21 arrears	Direction of travel
	£	£	£	£	£	£	
Env & Regeneration	£1,636,704	£687,633	£449,799	£762,640	£3,536,776	£3,577,764	↓
Corporate Services	£262,046	£134,724	£132,626	£127,650	£657,045	£972,782	↓
Housing Benefits	£259,045	£440,139	£398,112	£3,524,437	£4,621,733	£4,821,482	↓
Children, Schools & Families	£365,386	£61,679	£247,648	£298,768	£973,481	£1,155,103	↓
Community & Housing	£803,733	£612,223	£864,866	£1,150,573	£3,431,396	£4,055,142	↓
<b>Total</b>	<b>£3,326,914</b>	<b>£1,936,398</b>	<b>£2,093,051</b>	<b>£5,864,068</b>	<b>£13,220,431</b>	<b>£14,582,273</b>	↓

- 1.3 Since the position was last reported on 31 December 2021, the net level of arrears, i.e. invoices over 30 days old, has reduced by £1,261,842.
- 1.4 Since last reported at the end of December there has been reductions in all departments debts.
- 1.5 The debt recovery team continue to proactively pursue all outstanding sundry debt, working with service departments to improve collection.

#### 2 IMPACT OF COVID19

- 2.1 Towards the end of March 20, all recovery action for council tax, business rates, sundry debt, parking PCN's and enforcement work ceased.
- 2.2 Gradually over the next year recovery action was re-commenced for all debt types.
- 2.3 **Council Tax**
- 2.4 At the end of March 2021, the full year collection rate was 0.98% down from the previous year. The shortfall in council tax income for the year was £1.197 million, Merton's share of this shortfall was £946,000.
- 2.5 The collection rate for 2021/22 as at the end of March was 96.58%, this is a slight decrease from 2020/21 when the collection rate was 96.81%. Just over £127.5 million in council tax has been collected.
- 2.6 Normal recovery action for non-payment of council tax has been undertaken with reminders, SMS and summonses being issued. Monthly remote Liability Order Hearings are taking place.
- 2.7 Debts are also regularly being referred to the enforcement team to pursue debts where the residents have failed to contact us or adhere to payment arrangements
- 2.8 At the end of March 21 the arrears figure for all previous years council tax debt was £10.927 million. As at the end of March 22 this has reduced to £7.199 million.
- 2.9 **Business Rates**
- 2.10 At the end of March 2021, the full year collection rate was 7.87% down from the previous year. The shortfall in business rates income for the year was £3.814 million, Merton's share of this shortfall was £1.144 million.
- 2.11 The collection rate for 2021/22 as at the end of March was 96.35%, this is an increase on the 2020/21 figure of 90.08%. Just over £72.6 million has been collected.
- 2.12 From the 1<sup>st</sup> April 2021 to 30 June 2021 100% retail and nursery relief had been granted to all qualifying businesses. From 1<sup>st</sup> July this relief reduced to 66%. This means that many retail, hospitality, leisure businesses, and nurseries received a rates bill for the first time in 15 months.
- 2.13 For the five years prior to the pandemic the yearly collection rate was between 97.7% and 98.8%.

- 2.14 The government provided funding of £4.7 million to reduce business rates bills for businesses that had not received the extended retail relief or nursery relief. Fewer applications than expected were received despite an extended application window and directly contacting businesses twice. Those business that did qualify received 100% reduction on their business rates bill for 2021/22.
- 2.15 Recovery action has taken place although where businesses are contacting us for help we are continuing to defer their payments for both this year and last year. Reminders and summonses have been issued and we have obtained Liability Orders for non-payment against some businesses. Selected cases have been passed to the enforcement team for collection
- 2.16. **Sundry Debt**
- 2.17 As detailed in the table above in 1.2, debt older than 30 days for all departments has reduced since December 21 by just under £1.26 million.
- 2.18 Normal recovery action continues to take place, with reminders and final notices being issued.
- 2.19 Staff are progressing cases to the in-house legal service for collection. The following debt types have been referred: housing benefit overpayments, CIL, Adult Social care, Commercial rents, overpayment of salary.
- 2.20 Adult Social Care debt has reduced from £3.211 million at the end of December 21 to £3.104 million at the end of March 22. A reduction of £107,000
- 2.21 The overall trend is that Adult Social Care debt has reduced over the past two years. In June 20 the debt was £4.648 million. The current debt level is the lowest it has been. The improvements to working processes, targeted collection, increased legal action and ongoing monitoring has contributed to the improvement
- 2.22 **Housing Benefit Overpayments**
- 2.23 Housing Benefit overpayment debt has reduced from £6.784 million in December 21 to £6.735 million at the end of December 21.
- 2.24 A large proportion of the housing benefit debts not on payment arrangements are over two years old. An exercise has commenced to target these debts to establish where recovery is possible. It is likely that some will have to be written off as uncollectable.

### 3. TOTAL DEBT DUE TO MERTON

The total amount due to Merton as at 31 March 22 is detailed in the table below.

Total debt outstanding as at 31 March 22 and compared with previous periods over the past 15 months

	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22
	£	£	£	£	£	£
Miscellaneous sundry debt Note 1	16,453,772	16,414,842	17,762,694	19,775,064	17,859,937	16,386,203
Housing Benefit debt	7,342,968	7,190,534	7,186,188	6,995,264	6,784,811	6,735,283
Parking Services	4,895,362	4,661,940	4,201,421	4,724,415	4,975,404	4,852,027
Council Tax Note 2	7,139,145	10,927,588	9,054,527	8,579,459	7,858,125	11,789,747
Business Rates Note 3	3,611,524	8,414,383	6,234,231	5,258,727	3,003,815	5,615,872
<b>Total</b>	<b>39,442,771</b>	<b>47,609,287</b>	<b>44,439,061</b>	<b>45,332,929</b>	<b>40,482,092</b>	<b>45,379,132</b>

Note 1 The amount shown against miscellaneous sundry debt above differs from the amount shown in table 1 as it shows all debt, including debt which is less than 30 days old and table 1 only includes debt over 30 days old and also includes housing benefit overpayments which is shown separate in the table above.

Note 2 Council tax debt now includes unpaid council tax for 2021/22 in March 22 figures hence the increase.

Note 3 Business rates debt now includes unpaid business rates for 2021/22 in March 22 figure hence the increase.

3.1 The overall debt outstanding has increased by £4,897,040 since last reported at the end of December 21.

3.2 A more relevant comparison is between March 21 and March 22. The changes in outstanding debt are as follows

**Overall £2,230,155 decrease**

Sundry debt £28,639 decrease

Housing Benefit £455,251 decrease

Council Tax £862,159 increase

Parking £190,087 increase

Business Rates £2,798,511 decrease

3.3 The increase in previous years debts for council tax is due to the lower collection rates in 2021/22 compared to pre pandemic levels.



3.4 There has been a large reduction of business rates debt between March 21 and March 22. Part of this was due to an exercise to write off of old debts where the businesses had gone into liquidation. This resulted in £1.4 million of debt written off.

3.5 Detailed breakdowns of the Council Car Parking figures as at 31 March 2022 are shown in the table below:

Age of Debt			
Age of Debt	Outstanding £	Number of PCNs	Average Value £
0-3 months	£1,194,507	11,081	£108
3-6 months	£911,002	5,290	£172
6-9 months	£602,215	3,305	£182
9-12 months	£532,214	2,930	£181
12-15 months	£218,896	1,204	£182
Older than 15 months	£1,394,193	7,714	£181
<b>Total</b>	<b>£4,852,027</b>	<b>31,524</b>	<b>£154</b>

Total December 2021

**£4,975,404      32,726**

Increase/-decrease

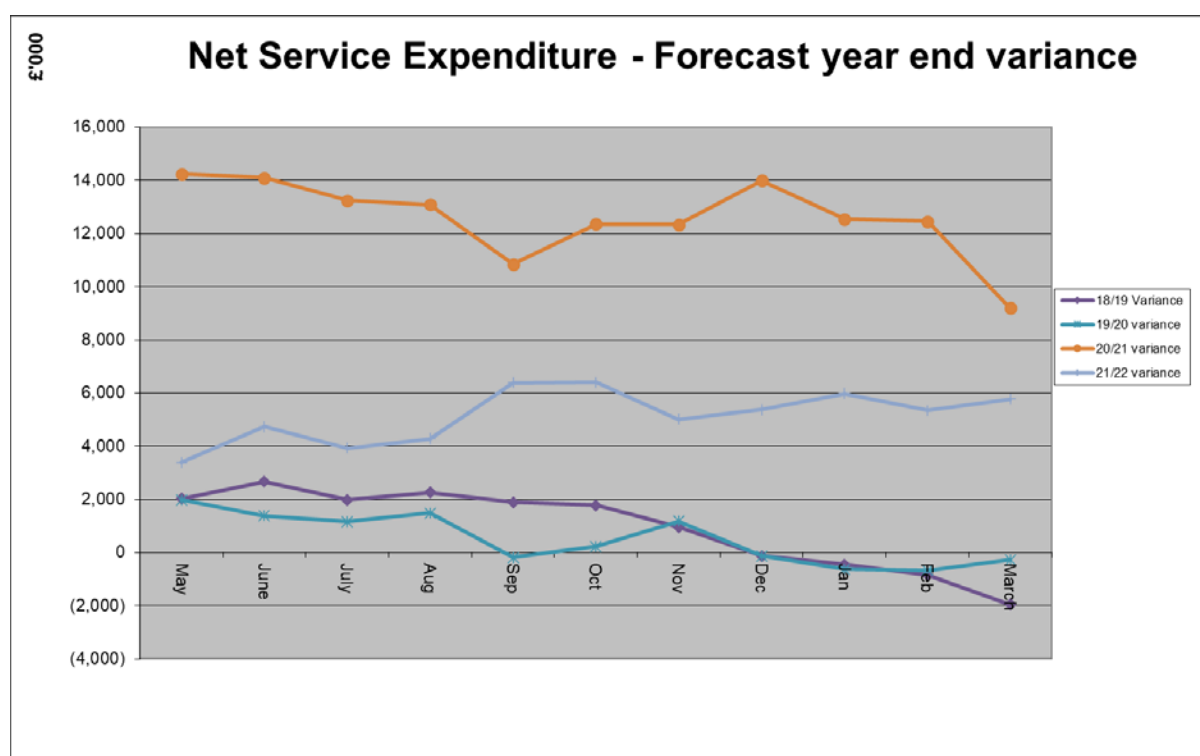
**£123,377-      1,202-**

APPENDIX AUTHOR - David Keppler (020 8545 3727/[david.keppler@merton.gov.uk](mailto:david.keppler@merton.gov.uk))

### Quality of Forecasting

This section explains the reasons for variances between the period 10 forecast, which was the last forecast reported to Cabinet, and the final outturn.

The quality of accurate forecasting at a high level for the Council has significantly improved in 2021/22 compared to the previous year, as demonstrated by the graph below. There are, however, some departments and services which have experienced difficulties with producing accurate forecasts and have therefore had larger movements between the variance expected in period 10 monitoring report compared to the outturn position. Budget monitoring and forecasting will continue to be reviewed and challenged in 2022/23 with a focus on improving training and engagement of budget managers, targeting high financial value areas which have demonstrated a lack of accuracy during 2021/22.



### Corporate Services – Reasons for January to Outturn variances

Division	December Forecast variance £'000	January Forecast variance £'000	February Forecast variance £'000	Outturn variance £'000	January – Outturn Variance £'000
Customers, Policy & Improvement	(214)	(246)	(232)	(191)	55
Infrastructure & Technology	137	116	146	80	(37)
Corporate Governance	80	90	95	141	51
Resources	280	107	107	13	(94)
Human Resources	207	232	232	214	(19)
Corporate Other	688	656	589	388	(268)
<b>Total</b>	<b>1,179</b>	<b>957</b>	<b>938</b>	<b>645</b>	<b>(312)</b>

### **Customers, Policy & Improvement**

The favourable forecast variance reduced from £246k expected at period 10 to £191k at year end. Whilst there were some smaller changes offsetting one another within the division, the largest areas of change from period 10 include the Registrars Service which had a £26k movement where, in contrast to previous years, the income forecast was overly optimistic. The staffing forecasts within both Merton Link and the Communications team also had adverse movements due to backdated pay awards and under-forecasting against the cost of agency staff. Offsetting these adverse movements was a reduction in voluntary sector grant spend due to a grant for 2022/23 incorrectly being included in the 2021/22 forecast.

### **Infrastructure and Technology**

The outturn position of a £80k adverse variance has improved compared to the period 10 forecast adverse variance of £116k. The net movement of £37k is made up of many offsetting movements.

The most significant favourable movements compared to period 10 include £65k on Telecoms as the previous forecast contained the cost for a service spanning multiple future years which was identified as part of the year end process and only the 2021/22 portion was accounted for within the year's expenditure. A favourable movement of £77k was seen across the Post and Print Room service due to the internal recharges to services being under estimated at period 10. This will be monitored throughout the coming year and recharges closely monitored to ensure they remain up to date to assist with forecasting. A further £70k favourable movement within the division came from the Business Systems Team which was predominately due to the inclusion of the support and maintenance cost of a contract being included which was accounted for in a previous financial year and the achievement of higher income relating to street naming and numbering than previously anticipated.

The largest adverse movements between period 10 and outturn were from the Facilities service which achieved lower income than expected as various project works were not able to be completed and charged for by the end of March 2022 whilst more repairs were required on Corporate Services buildings than anticipated. It was also agreed not to use a reserve to fund the shortfall on a historic energy saving which resulted in a further adverse movement.

### **Corporate Governance**

Corporate Governance's outturn adverse variance is £141k compared to £90k forecast at period 10. This is largely due to spend on the May 2022 local elections which was required before the end of the 2021/22 financial year, including the postage of poll cards. This will result in lower spend being included in the new financial year for the cost of the election. The adverse movement was also contributed to by higher courier costs during February and March for Democracy Services and a deficit being seen on the South London Legal Partnership (SLLp) which Merton retain a £17k share of.

The impact of the above was partly offset by Merton's claim to cover the cost of the 2021 GLA election being accepted in full despite being over the allocated amount.

### **Resources**

The outturn in resources had a net favourable movement of £94k from the period 10 forecast position.

The main favourable movements within the division came from the Bailiffs Service (£165k) due to additional income being recognised from council tax payers who had paid their bailiff fees and council tax together and a higher proportion of debt collected for the Sutton element of the service than anticipated which resulted in Sutton taking a higher share of the service running costs. Going forward, monthly transfers will take place to ensure bailiff fees paid with council tax are recognised correctly throughout the year and included within the monthly forecasting. Other favourable movements within

the division include £22k on Benefits Administration owing to additional government income not known at the time of forecasting and £43k on the Resources AD budget due to the implementation of a system upgrade for the financial system being delayed from February 2022 which is now expected to take place over the Autumn of 2022/23.

Adverse movements from period 10 include £91k on the Local Welfare Service as it has been decided not to utilise reserve funding in year for this spend and £44k on the Local Taxation Service due to an error in the period 10 forecast which didn't allow for additional postage costs during February and March.

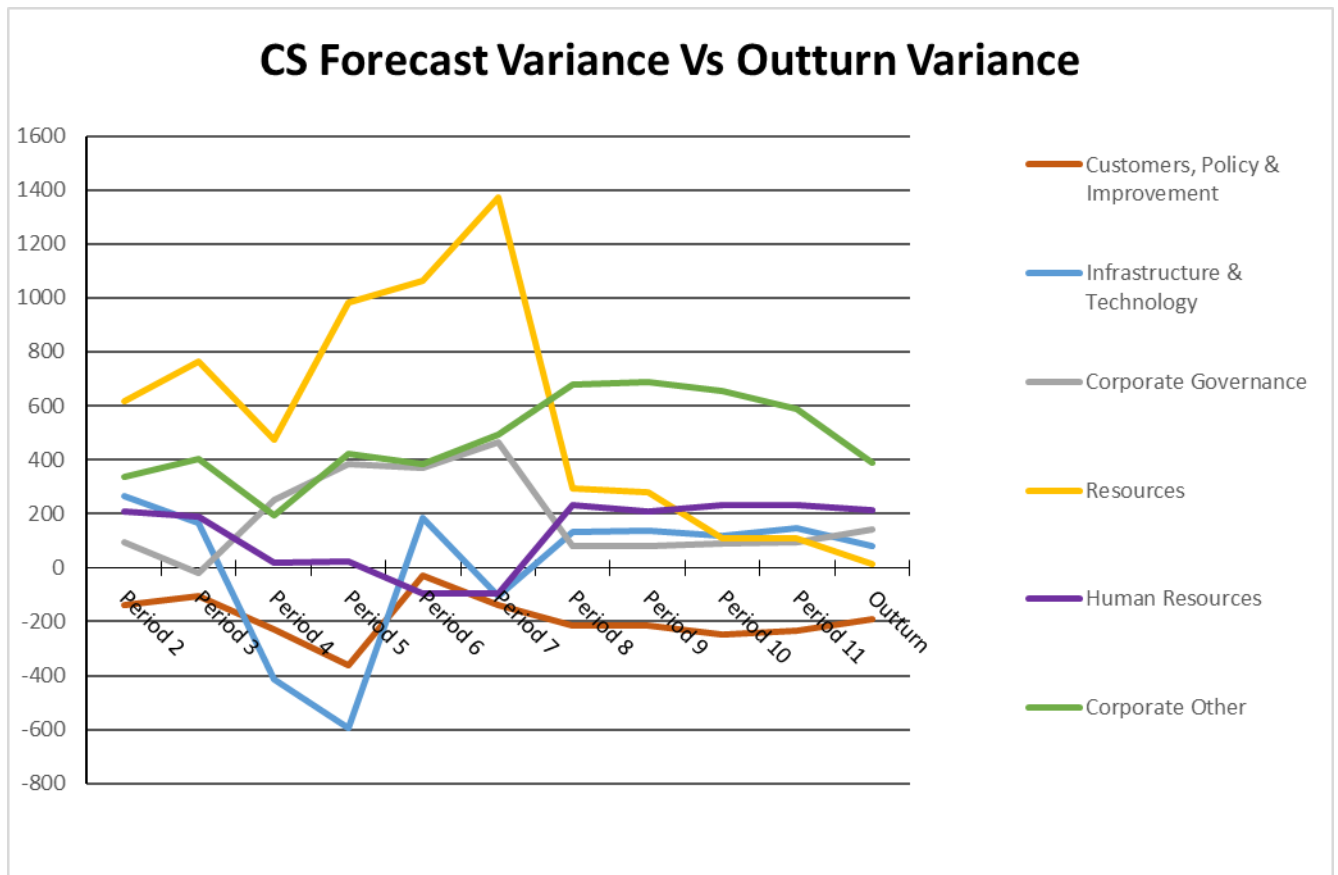
**Human Resources**

The variance on HR moved from £232k adverse variance forecast at period 10 to £214k adverse variance at year end. The favourable movement is mainly due to leave taken which resulted in agency spend not being as high as forecast.

**Corporate Items**

Compared to period 10, the outturn variance has moved favourably by £268k. The main contributing factor is requiring less of the corporately funded items budget in year and not needing to top up the bad debt provision for housing benefit debts owed to the council following a review at year end. The final costs advised by Westminster Council for the Coroners Court service was also lower than previously forecast based on the latest information received at the time of period 10 monitoring.

The following graph represents the monthly forecast variances reported by each division throughout 2021/22, compared to the final outturn position:



## **Environment & Regeneration – Reasons for Jan-Outturn variances**

Division	Forecast Variance			Outturn variance £'000	Jan – Outturn £'000
	December £'000	January £'000	February £'000		
Public Protection	4,603	4,354	4,283	4,142	(212)
Public Space	516	222	367	157	(66)
Senior Management	(175)	(194)	(194)	(192)	(2)
Sustainable Communities	(44)	(223)	(546)	(675)	(425)
<b>TOTAL</b>	<b>4,810</b>	<b>4,159</b>	<b>3,910</b>	<b>3,431</b>	<b>(728)</b>

### **Public Protection – favourable movement of £212k**

The principal reasons for the improvement between January and outturn relate to Parking Services and Regulatory Services. The adverse variance within Parking Services reduced by £171k mainly due to income (£129k) whereby the position on P&D and Parking bay suspension improved by £182k and £26k respectively. This was partially offset by lower than expected permit income of £190k.

Third party payments saw a £122k favourable movement primarily due to £85k cycle training underspend. There was an additional £46k favourable movement in premises expenses due to an over projection in rent for St Marks Car Park. The above was offset by £53k increase in spend for agency staff resulting from additional 9 CEOs being recruited since period 10 and an additional 3 back-office staff recruited against the agency budget since period 10.

The position within Regulatory Services also improved between January and outturn by £122k, mainly due to £42k additional LBR Pollution income which was not previously forecast due to uncertainty of whether the service would receive lip funding/climate change income. There was also an additional £43k income from EH commercial, and £17k underspend on consultants' budget line.

A relatively minor variation was experienced between January and outturn within the position within Safer Merton improving by (£80k). This is primarily due to £53k under forecast on grant payments and £24k on Advocacy & Mentoring Services.

### **Public Space – favourable movement of £66k**

The favourable movement is primarily due to the favourable movement within Leisure and Culture, that has partially been offset by adverse movement in Waste Services and Green Spaces.

Within Leisure and Culture, there was an over recovery in GLL income £203k compared with the period 10 estimate. GLL's movement was impacted by covid-19. Up until period 10, there were uncertainties as to the level of guaranteed income they would be able to pay Merton Council. They had initially proposed to pay £450k, which resulted in prudent forecasting of income by the service. £112k Premises underspend (£103k LC Utilities), staffing underspend £84k also contributed to the overall favourable movement.

The above was partly offset by the adverse movement in Waste services of £142k. Disposals were higher than expected. As a result of changes to our residents working arrangements, we have seen a greater increase in the number of households now working from home following the Government advice in relation to Covid-19. This has resulted in an increase in overall domestic waste across all

kerbside collection services. In order to mitigate this cost, the service is currently supporting SLWP in the planning of the re-procurement of both Food and Garden waste processing services which currently expire in 2022.

Green Spaces also saw an adverse movement of £153k. There were various movements within various budget lines, the most notable being a £95k swing on Park operations mainly due to under recovery of MSJCB income of £75k. Additionally, there was a £34k swing in Parks and grounds maintenance due to Storm Eunice works.

Minor variations were experienced within Transport Services (£53k).

### **Sustainable Communities – favourable movement of £478k**

Between January and outturn the adverse variance was replaced with a favourable variance of £360k within Future Merton and £292k within Property Management. This was partly offset by an adverse movement with Development & Building Control of £173k.

Since period 10, there have been the below significant movements within various budget lines in Future Merton:

- £64k swing is accounted for by the increase in salary budget which was added into E5 after period 10. Forecasts for salary costs included the pay award, but the budget had not been increased in the financial system to reflect the pay award. This means that the reported overspend at period 10 could have been overstated by £64k.
- CPZ Costs -£56k swing: due to lower than anticipated works costs. One large CPZ scheme (Compton Rd Area in Wimbledon) had a very long delay in being implemented due to it taking 2 years to get to a final decision on how to proceed. This is being implemented now and will cost £30-£40k
- Crossovers -£85k swing: due to underestimate of net income.
- Winter Maintenance -£45k swing: Costs were lower than anticipated due to mild weather in Feb and March.
- Street Lighting -£32k swing: due to lower than anticipated electricity costs in Feb and March 22. Expected increase in costs has not yet occurred.
- Street Works Income -£35k swing: due to higher than anticipated income in Feb and March 22
- CIL Income -£20k swing: due higher CIL admin income during Q4
- Vestry Hall -£31k swing: higher income and lower salary costs
- Net income from Clarion for Planning Agreement for Estates Regeneration -£35k

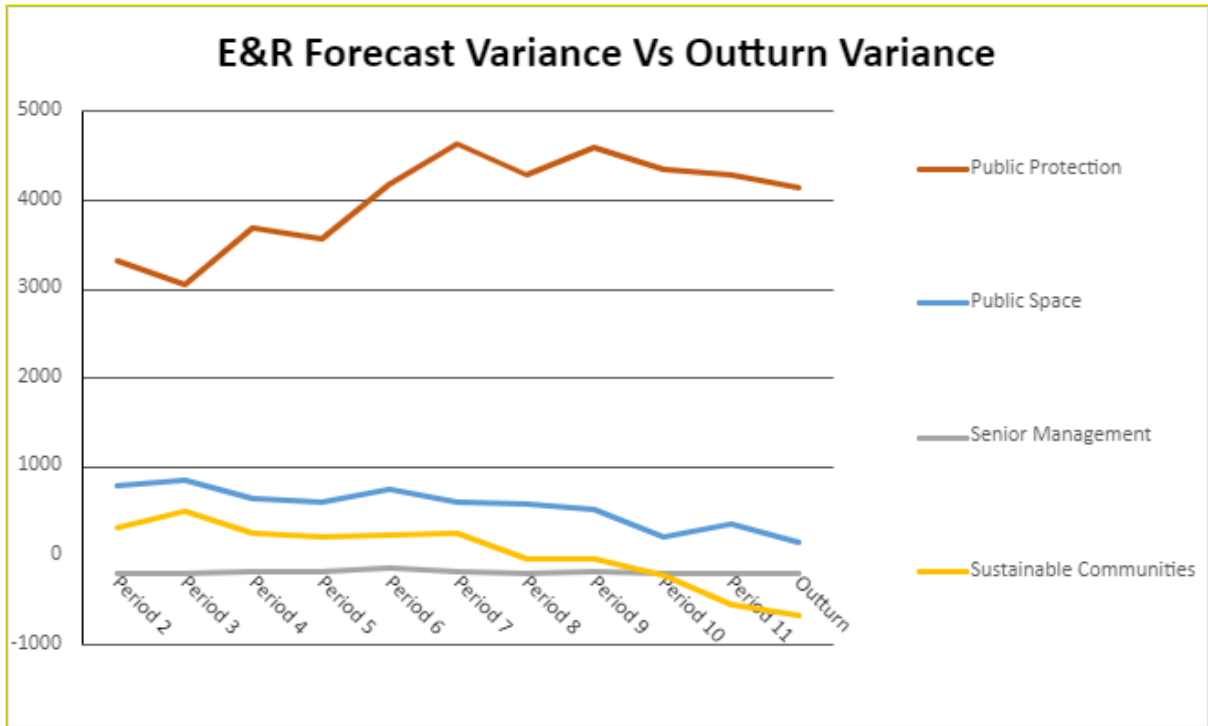
The movements within Property Management were primarily due to premises –(repairs and alterations) £132k. The difference in forecast is due mainly to Premises repairs and alterations in particular Batsworth Road and South Mitcham Community centre where a total of £72k was forecast but the work will now take place in 22-23. Works at 3 & 4 Crown parade was £5k under forecast. There were a number of £500-£2k adjustments to reflect actual costs.

Additionally, Endeavour Way Dilapidations payment £82k, GLA Grant - £24k, Utilities £20k moved favourable.

The services had previously reviewed it is forecast in period 11 and change in variance is £94,964.

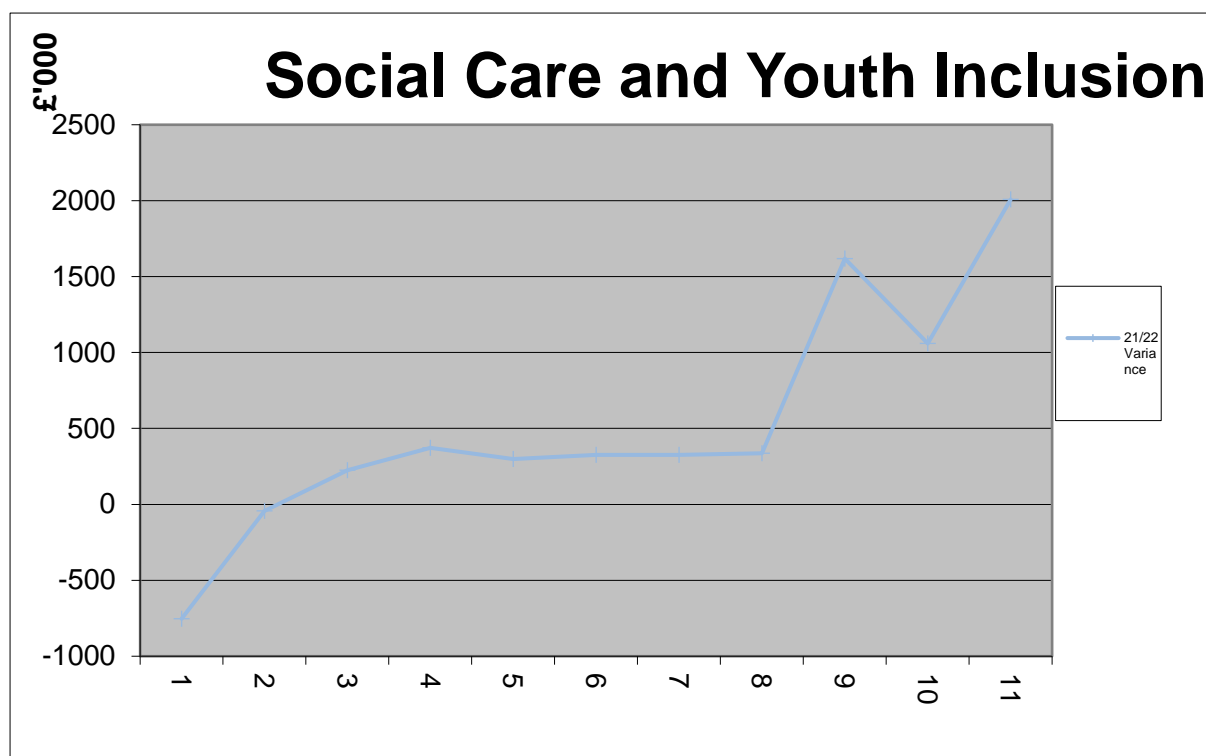
Adverse movements in Building Development and control are due to application Fees (£75k) increased applications resulted in income recovered exceeding budget, but was less than anticipated. Planning Performance Agreement - £40k adverse - PPA staged payments not materialising till 2022/23, BC Full Plans £55k - less applications went through in 2021/22 than anticipated and Building Notice Application - less applications materialised in 2021/22 than anticipated.

The following graph represents the monthly forecast variances reported by each division throughout 2021/22, compared to the final outturn position:-



## Children, Schools and Families – Reasons for Jan-Outturn variances

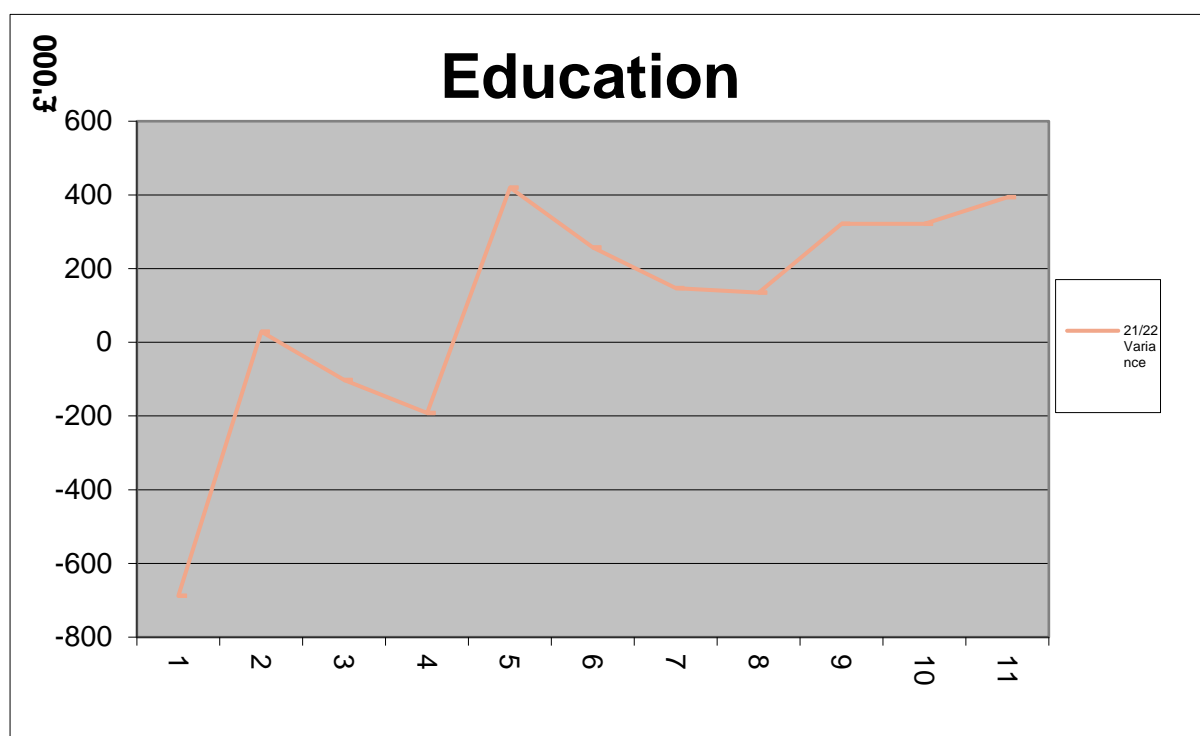
Children, Schools and Families (£000's)	2021/22 December Variance	2021/22 January Variance	2021/22 February Variance	2021/22 Outturn Variance	2020/21 Outturn Variance
<b>CSC&amp;YI</b>					
Senior Management		443	333	429	
Help and Family Assessment		-814	-1,091	-676	
Family Support and Safeguarding		1,851	1,693	2,019	
Adolescent and Safeguarding		-621	-630	-572	
Corporate Parenting		760	755	809	
<b>CSC Sub Total</b>	<b>335</b>	<b>1,619</b>	<b>1,060</b>	<b>2,009</b>	<b>-908</b>
<b>Education</b>					
Contracts, Proc & School Org	180	236	236	409	-159
Early Years & Children Centres	-240	-174	-174	-311	-207
Education - School Improvement	-9	-108	-108	-1	-36
Education Inclusion	-130	-109	-109	-131	-279
Schools Delegated Budget	0	0	0	-3	1
SEN & Disability Integrat Serv	-44	-21	-21	49	-1,306
Senior Management	293	293	293	364	208
Policy, Planning & Performance	122	230	230	75	113
Departmental Business Support	-37	-26	-26	-57	-54
<b>Education SubTotal</b>	<b>135</b>	<b>321</b>	<b>321</b>	<b>394</b>	<b>-1,719</b>
<b>Grand Total</b>	<b>470</b>	<b>1,940</b>	<b>1,381</b>	<b>2,403</b>	<b>-2,627</b>



The increase in the overspend between January and March 2022 is the net impact of changes across a number of budgets. However the main movements continue to be in the cost of packages of care, including expensive complex care. As they often relate to a small number of expensive placements, they can be difficult to forecast as a change in a single placement can have a significant financial impact. Complex and expensive packages are reviewed regularly with a view to identifying cost effective means of meeting the child's needs.



The other key factor is the increasing difficulties in recruitment, particularly of social workers. Agency rates have been climbing steadily as local authorities compete for workers. We are working on a pan-London agreement to cap agency fees, but not all authorities have always honoured these agreements.

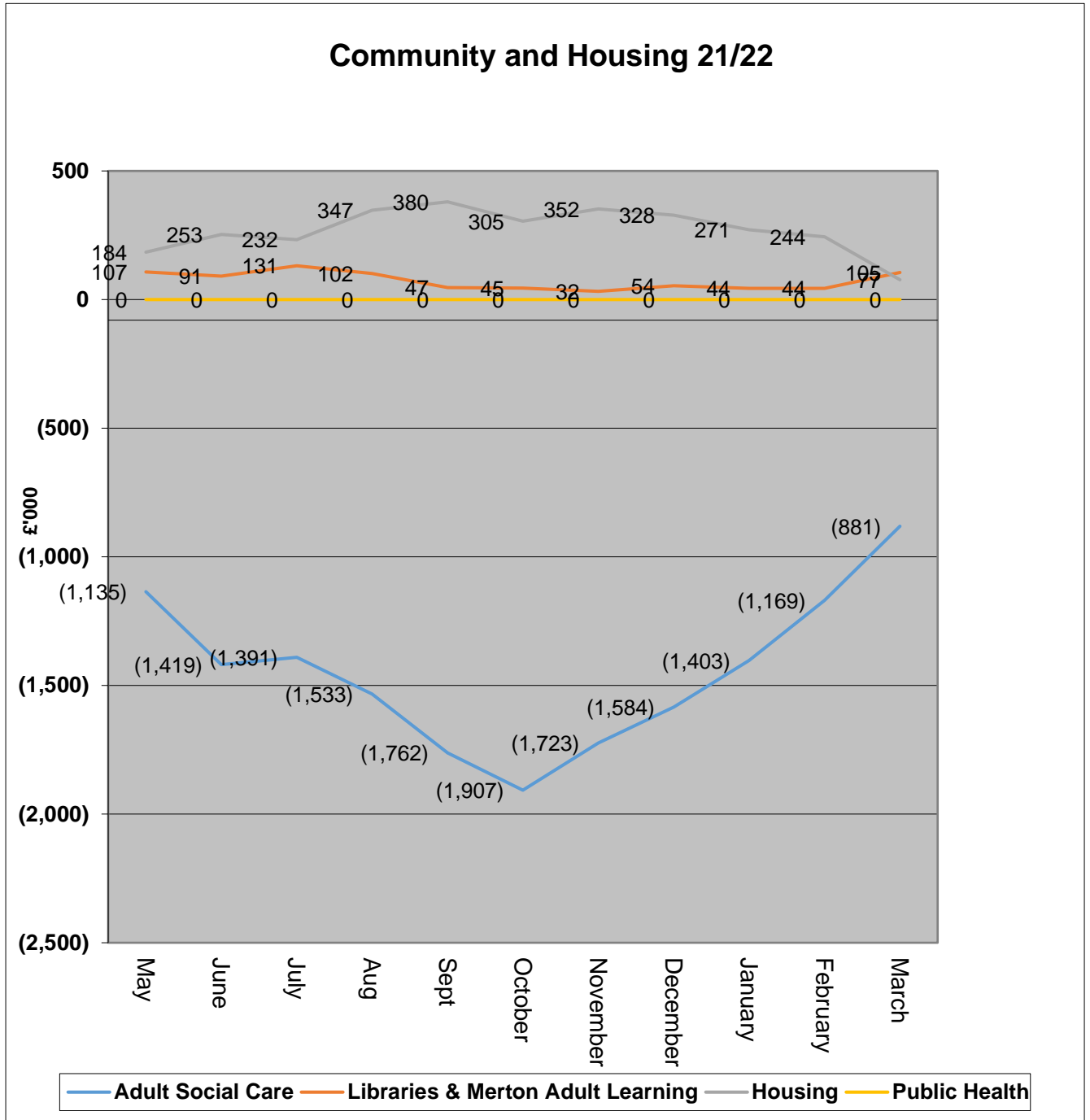


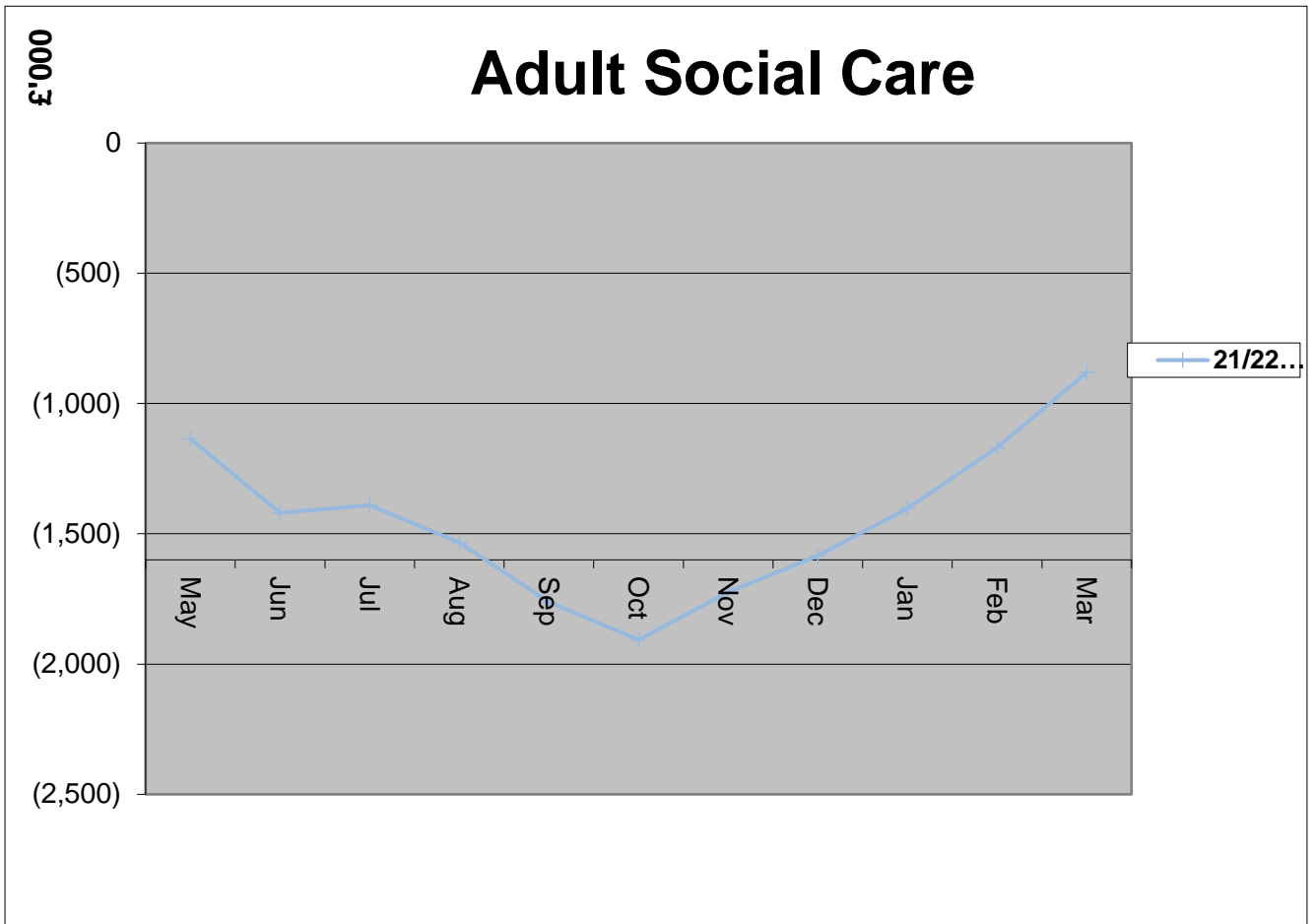
The forecast for Education LA funded budgets has been relatively stable since period 5. The small increase to year end reflects increased transport costs for an increased number of EHCP plans and increased fuel costs.

#### Community & Housing – Reasons for Jan'22 -Outturn variances

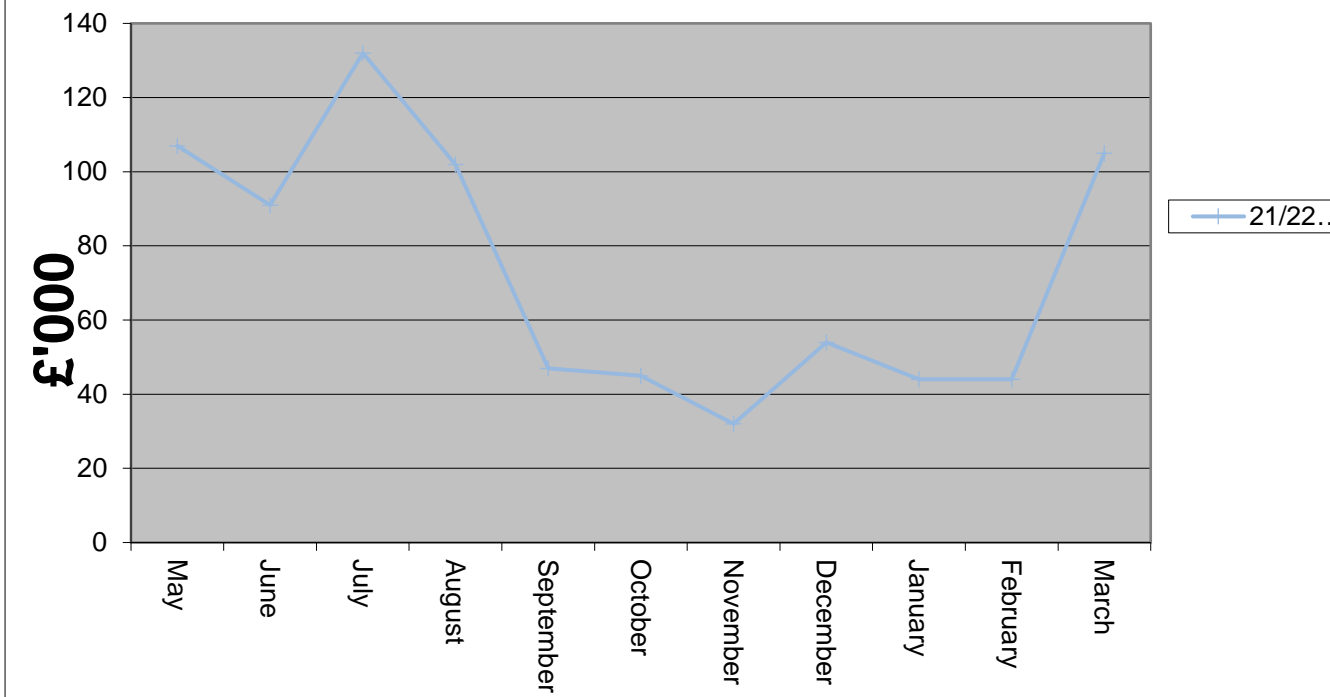
Division	December Forecast variance £'000	January Forecast variance £'000	February Forecast variance £'000	March'22 Outturn variance £'000	Jan'21– Outturn Variance £'000
Adult Social Care	(1,584)	(1,403)	(1,169)	(881)	(1,142)
Housing	328	271	244	77	480
Libraries & Merton Adult Learning	54	44	44	105	233
Public Health	0	0	0	0	0
<b>TOTAL</b>	<b>(1,202)</b>	<b>(1,088)</b>	<b>(881)</b>	<b>(699)</b>	<b>(429)</b>

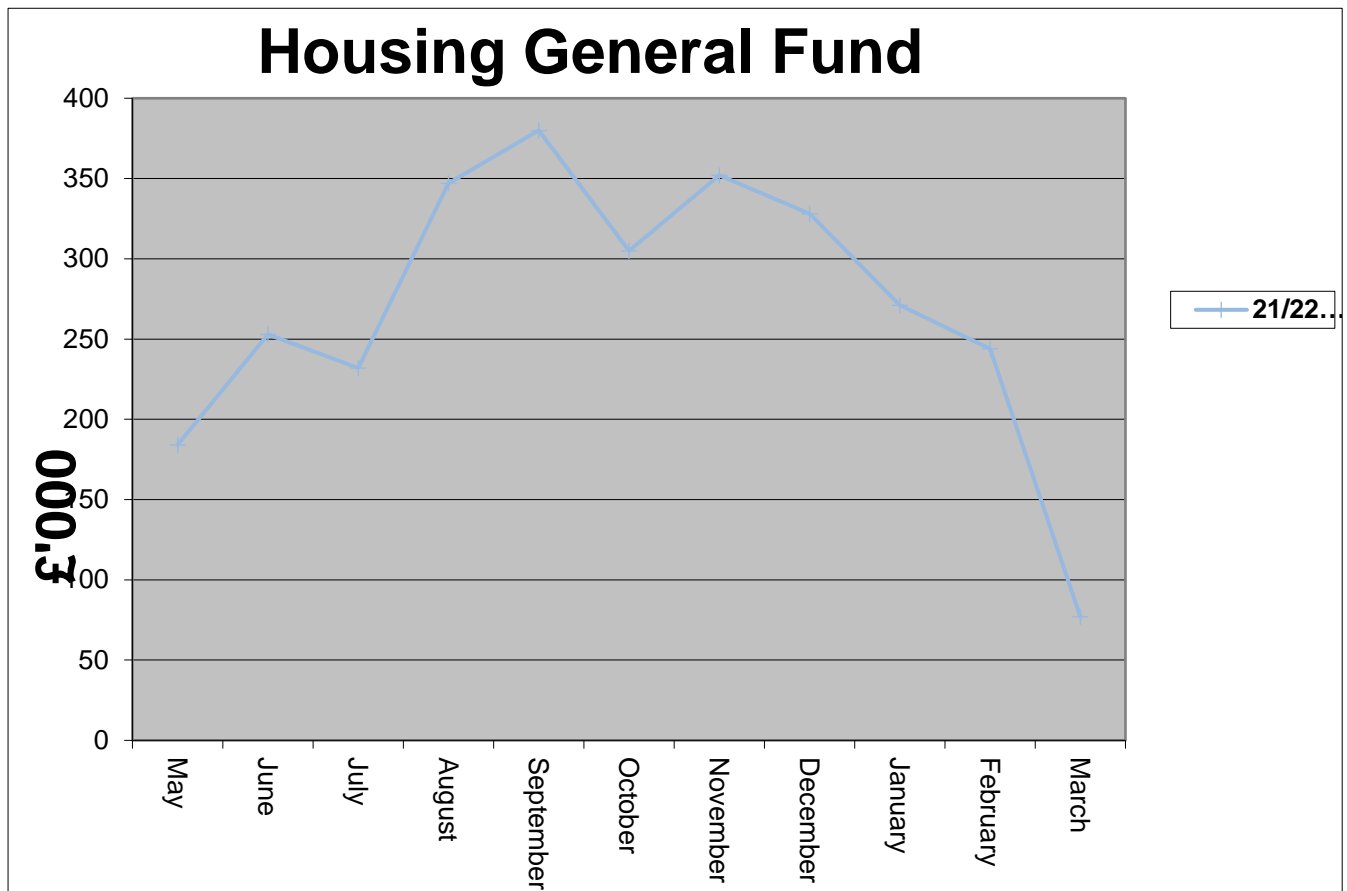
The following graph represents the monthly forecast variances reported by each division in community & housing throughout 2021/22 compared to the final outturn position: -





# Libraries & Adult Education





### Community & Housing (C&H)

**C&H Outturn position as compared to period 10 has varied by £389K**

#### Adult Social Care - **£881k favourable**

This service outturn position has changed due to the inclusion of additional placements cost of £437k relating to one child transitioning to adults for whom we are in discussion with SWL CCG over responsibilities

#### Housing - **£77k unfavourable variance**

The Housing service forecasted outturn in January was £271k but due to a credit arising from a decommissioned contract and the use of homelessness prevention grant outturn in March was £77k adverse.

#### Libraries & Merton Adult Learning - **£104k unfavourable position**

This is due to shortfall in income and the repayment of an Art's Council Grant.

**Public Health** – Achieved a breakeven position

A transfer to reserves due to the delay in projects and on-going negotiations with a provider.