

## Merton Council

### Overview and Scrutiny Commission - financial monitoring task group

#### Task group members

#### Councillors:

Stephen Crowe (Chair)  
Nigel Benbow  
Edward Gretton  
Natasha Irons  
Paul Kohler  
Owen Pritchard  
Peter Southgate

**Tuesday 14 January 2020 at 7.15 pm**  
**Committee rooms D & E - Merton Civic Centre, London Road,**  
**Morden SM4 5DX**

#### Agenda

- |   |   |          |
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| 1 | Apologies for absence   |          |
| 2 | Declarations of pecuniary interest  |          |
| 3 | Minutes of last meeting - 29 August 2019  | 1 - 4    |
| 4 | Allocation of grants through the voluntary sector strategic partners programme  | 5 - 18   |
| 5 | Shared services<br><br>This issue was referred by the Overview and Scrutiny Commission so that the financial monitoring task group could consider the recommendations of the shared and outsourced services scrutiny task group and the associated Cabinet action plan. | 19 - 64  |
| 6 | Financial monitoring report - Quarter 2, 2019/20  | 65 - 144 |

**Contact for further information about the task group meeting:**  
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# Agenda Item 3

All minutes are draft until agreed at the next meeting of the committee/panel. To find out the date of the next meeting please check the calendar of events at your local library or online at [www.merton.gov.uk/committee](http://www.merton.gov.uk/committee).

## OVERVIEW AND SCRUTINY COMMISSION - FINANCIAL MONITORING TASK GROUP

29 AUGUST 2019

(7.15 pm - 9.45 pm)

PRESENT: Councillor Stephen Crowe (in the Chair),  
Councillor Nigel Benbow, Councillor Natasha Irons,  
Councillor Paul Kohler, Councillor Owen Pritchard and  
Councillor Peter Southgate

ALSO PRESENT: Caroline Holland (Director of Corporate Services), Roger Kershaw (Assistant Director of Resources), David Keppler (Head of Revenues and Benefits), Sophie Ellis (Assistant Director of Customers, Policy and Improvement) and Julia Regan (Head of Democracy Services)

### 1 APOLOGIES FOR ABSENCE (Agenda Item 1)

Apologies were received from Councillor Ed Gretton.

### 2 DECLARATIONS OF PECUNIARY INTEREST (Agenda Item 2)

There were no declarations of pecuniary interest.

### 3 MINUTES OF LAST MEETING - 17 JULY 2019 (Agenda Item 3)

The minutes were agreed as an accurate record of the meeting, subject to two factual changes:

- Page 2 – the one off savings were £1.1m, not £1.1k
- Page 3 – “housing property council” to be changed to “housing property company”

ACTION: Head of Democracy Services to make changes and re-publish minutes

### 4 CUSTOMER CONTACT PROGRAMME - LESSONS LEARNED (Agenda Item 4)

The Assistant Director of Customers, Policy and Improvement, Sophie Ellis, introduced the report, highlighting the aspects of the customer contact programme that had gone well, those that had gone less well and what lessons had been learned and steps taken to ensure that the learning is shared.

Discussion with the task group explored the balance between using internal staff with a stake in the long term future of the project and bringing in external experts; the extent to which the project was an ambitious one that sought to have a single user log-in (compared to the multiple interfaces that other councils have); the balance between agility and cost particularly in relation to having one large contract compared

to several smaller ones and the use of break clauses. The importance of effective change management was also discussed and how the extent to which this was needed could never be underestimated. Sophie Ellis confirmed that this was being considered and resources applied to other projects and programmes.

Sophie Ellis reassured the task group that, even though there was always scope for further user involvement, there had been large scale customer insight work at the start of the programme that had created customer profiles that were used to inform the programme at key stages.

The Director of Corporate Services, Caroline Holland, reminded members that the programme had a long history and that councillors had been critical of a lack of ambition in an earlier proposal for a “CRM lite” approach. She said officers had taken that on board in the subsequent customer contact strategy and associated website development. In response to a question about whether officers and councillors had been over-ambitious, both Caroline Holland and Sophie Ellis said that Merton’s aspiration to be London’s Best Council demonstrated that the council’s ethos is to be ambitious and that it hadn’t been over ambitious in this instance.

Task group members said that a number of the lessons learned were already known from the experience of other large scale public sector projects. Sophie Ellis said that the council had been mindful of that wider experience and had taken steps to address this. For example, although external expertise had been used, including a specialist contract lawyer, the programme had still encountered difficulties and lessons learned required future programmes to focus on how to manage difficulties as they arise and how to achieve the best balance between outcomes and cost. Caroline Holland added that, although a number of new systems have been subsequently introduced, this was the first major new IT system for many years and so one of the learning points was to look at how to help staff to get involved in shaping change as well as adapting to it.

In response to questions about the monitoring and enforcement of the contract, Caroline Holland said that those aspects had been successful and enabled a good proportion of the outcomes to be delivered despite the staffing and other issues experienced by the contractor which have previously been reported to the Overview and Scrutiny Commission. In a private session at the end of the meeting, Sophie Ellis explained what the mediation process had been, how this had worked in practice and what outcomes had been achieved.

Caroline Holland said that a number of the learning points had already been actioned, including making contact with other councils using the same provider in order to share experiences and exert leverage when required.

In response to questions about recruitment, Caroline Holland said that the council was exploring every avenue to recruit staff with specialist IT project management skills but that these staff were in short supply.

In response to a question about the next steps for the customer contact programme, Sophie Ellis said that further developments would be actioned once the council had

moved to Office 365 (which will happen shortly) and that there were some other incremental changes being implemented through a number of providers. One recent improvement is that residents can now report street issues such as fly tips without being required to provide a name and address. Sophie Ellis agreed that further communication to residents would be helpful and that she would consider other ways in which users could input, for example through a user forum. She stressed that the council continued to learn through its analysis of complaints and other user feedback.

## 5 FINANCIAL MONITORING REPORT - QUARTER 1, 2019/20 (Agenda Item 5)

### Open minute of closed session

The Director of Corporate Services, Caroline Holland, introduced the report and summarised the content. She drew the task group's attention to the £700k overspend that is currently forecast for the end of the year. She stressed that the three month report is early in the year in terms of the forecasts for both the revenue and capital budgets and said that the increase in debt is typical for this stage of the year. She added that the quarterly monitoring report excludes information on the business rates pilot that could potentially bring in an additional £1.5 of income.

Caroline Holland, Roger Kershaw (Assistant Director of Resources) and David Keppler (Head of Revenues and benefits) provided additional information on specific sections of the report in response to questions:

### Environment and Regeneration

Waste services – the non-budgeted internal debt charge arose due to an error in assigning the capital costs for vehicles.

Caroline Holland undertook to clarify what arrangement the council had made in relation to the removal of side waste that was reported in the Wimbledon Guardian.

**ACTION:** Director of Corporate Services

Members noted that Veolia would be attending a meeting of the Sustainable Communities Overview and Scrutiny Panel on 3 September, providing an opportunity to ask questions about operational and contractual issues.

### Children Schools and Families

Caroline Holland said that there was ongoing discussion with the department in order to identify the level of growth that will be needed.

Dedicated Schools Grant – Caroline Holland said that the £800m put aside by the government to assist with DSG budgets nationally would not go far, that developments were awaited on this and it was an area of concern for the council.

### Community and Housing

The predicted overspends this year are marginal and are being addressed by the department.

Caroline Holland undertook to ensure that the next quarterly monitoring report would contain more information on the Public Health budget. ACTION: Director of Corporate Services

#### Capital Programme

The cost of repairs to or rebuild of the Bishopford Road Bridge and whether this will be covered by insurance will depend on the reason for its collapse. It is currently being inspected by structural engineers.

Morden regeneration update – currently awaiting funding confirmation from Transport for London, seeking a joint venture partner and working to clarify ballot conditions.

#### Miscellaneous debt update

David Keppler reported that the arrangement whereby a portion of housing benefit debt that had previously been written off was passed to a third party to collect and to share proceeds fifty-fifty had raised about £25k in the first two months of operation. He said that the longer term projections would become clear shortly. He reminded members that in future a lower level of housing benefit debt will be accrued and written off in future due to new data matching processes that have been introduced.

David Keppler undertook to provide an explanation for the unbudgeted surplus in the Housing Benefit budget referred to on page 5 of the report.

ACTION: Head of Revenues and Benefits

The task group AGREED that it would discuss the miscellaneous debt update earlier in the agenda than previously.

#### HR data

The task group asked the Director to consider how the data is presented and whether there was a way to show how much was spent rather than just showing headcounts. Caroline Holland explained that the data was presented this way in response to requests made by the task group in previous years but that she would give some thought to providing budget information on staffing.

Task group members expressed interest in discussing the Merton offer and recruitment and retention.

The task group AGREED to discuss HR issues earlier on at the next meeting.

## 6 DATES AND AGENDA ITEMS FOR FUTURE MEETINGS (Agenda Item 6)

The task group AGREED the work programme set out in the report and AGREED to add the item on social care charging to the agenda for the February meeting.

The task group also AGREED that it would have a private briefing session on treasury management immediately prior to its meeting on 12 November and AGREED that invitations should be extended to all councillors.

**Committee:** Financial Monitoring Task Group

**Date:** 14 January 2020

Wards: All

**Subject:** Allocation of grants through the Strategic Partner Programme

Lead officer: Caroline Holland, Director of Corporate Services  
Hannah Doody, Director of Community and Housing

Lead member: Councillor Edith Macauley, Cabinet Member for Voluntary Sector, Partnerships and Community Safety  
Councillor Tobin Byers, Cabinet Member for Adult Social Care, Health and the Environment

Contact officer: John Dimmer, [john.dimmer@merton.gov.uk](mailto:john.dimmer@merton.gov.uk); 020 8545 3477

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## Recommendations:

- A. That the Financial Monitoring Task Group note the allocation of funding for each of the five elements of the Strategic Partner Programme 2019-22 as set out at Appendix I.
  - B. That the Financial Monitoring Task Group discuss and comment on the development of the expanded 2019 programme and the process for allocating funding.
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## 1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 This report sets out the funding principles and the processes followed for the Strategic Partner Programme, alongside information on the level of grants funding allocated to the Voluntary and Community Sector (VCS) in 2019-22.

## 2. BACKGROUND

- 2.1 The aim of Strategic Partner Funding has historically been to provide core funding to VCS organisations that undertake a strategic role in the borough. This includes umbrella bodies representing other VCS groups, support services for the VCS, or cross-cutting services that do not fall into service department funding categories, in particular community advice services.
- 2.2 In July 2017 Cabinet agreed that a future Strategic Grants programme be based on a commissioning approach, with specifications being developed with the voluntary sector and partners. It was proposed that current departmental grants for advice services and voluntary sector support would be reviewed and where possible consolidated into a single pot. The perceived advantages of this approach were:
  - greater economies of scale by including all Council spend on these types of services;
  - a range of stakeholders including the VCS, partners, service users and Council would be involved in drawing up the specifications to ensure

different viewpoints and ideas on how best to commission these services were considered; and

- specifications that reflect the priorities agreed by Cabinet to ensure that resources are targeted to those priorities and that future monitoring ensures that outputs are delivered in line with the specification.

- 2.3 Cabinet agreed that funding would be maintained at the current level for 2018/19 – 21 with a view to supporting Strategic Partners to put in place a long term sustainable funding base. Cabinet also agreed to a grant based programme to maximise joint working with the voluntary and community sector.
- 2.4 Following the subsequent work undertaken to pool or align other relevant departmental grants as outlined later in this report, Cabinet further agreed on 17 September 2018 an expanded Strategic Partner programme comprising of five elements:
- Information and Advice provision;
  - Voluntary Sector Infrastructure Support;
  - Wellbeing Services;
  - Carers Services; and
  - Healthwatch Merton
- 2.5 Each element had a separate funding pot and there was no reduction in funding. Merton Council has been one of only a handful of boroughs not to cut funding for these services.
- 2.6 Cabinet also agreed the [Strategic Partner Programme Prospectus](#) that formed the basis of the criteria used to select the strategic partners and approved the scoring methodology and weighting to assess providers. Organisations could bid to more than one funding pot but submit separate applications. Consortia bids were allowed.
- 2.7 A total of 15 voluntary organisations received funding through the Strategic Partner programme, with funding for Round 1 and 2 totalling £3,858,059. The agreed Strategic Partners 2019-22 and allocated funding from this programme are set out in Appendix I.

### **3. DETAIL**

#### **Collaborative Approach**

- 3.1 From the start of the recommissioning process it was clear a co-produced approach involving a range of stakeholders including the VCS would be beneficial, as it would ensure different viewpoints and ideas on how best to commission services were considered. The VCS had asked to be involved in the process and subsequently were able to offer insights which informed the final Prospectus.
- 3.2 The recommissioning process was launched with a workshop at Vestry Hall in November 2017, which was attended by approximately 50 voluntary and public sector representatives. The outputs from the workshop have formed the basis of a number of working papers to inform development of the funding prospectus.



- 3.3 A task and finish 'Collaborative Working Group' drawn from attendees at the workshop was subsequently set up, which included representatives from across the Council, CCG, and voluntary sector. Meetings were co-chaired between Hannah Doody (the CMT lead for the voluntary sector) and Suzanne Hudson (Chief Executive of Citizens Advice Merton and Lambeth – the largest advice provider in the borough). In addition, the group had nominated leads for data/needs analysis, engagement/consultation, and best practice to ensure shared ownership and constructive working across the group.
- 3.4 The Collaborative Working Group met on five occasions in total. Discussion in this group was lively and passionate and helped to develop a series of papers outlining the main issues and ways forward with regards to the provision of information, advice, wellbeing support and support to the sector. The outcomes identified by the group formed the basis for the development of the specifications. The group also developed a set of Values and Principles to inform the working relationship between the new Strategic Partners.
- 3.5 The Collaborative Working Group has been considered as best practice for its successful approach to collaborative working.

#### **Mapping of needs and demand**

- 3.6 In developing the draft funding prospectus a needs analysis was undertaken and two surveys were developed which gathered the views of the voluntary and community sector and its service users over the previous two years.
- 3.7 The results from the surveys were analysed and emerging from this were several categories of information and advice provision which were identified as a priority, both from service user and organisational data. Overwhelming the demand was for advice on welfare benefits, debt and housing. This information was used in the development of the prospectus.
- 3.8 An initial mapping exercise involved a number of commissioning managers in Merton, and a further 'Commissioners meeting' took place in June 2018, involving commissioners within the Council and beyond (the CCG, housing providers).

#### **The Prospectus, consultation and engagement**

- 3.9 The prospectus and consultation was launched at MVSC's last INVOLVE meeting on 14 July 2019, which featured a series of presentations, questions and answers, and workshops. Suzanne Hudson also gave a short presentation highlighting the success of the Collaborative Working Group and speaking to the co-design of the prospectus. This greatly improved the reception the prospectus received.
- 3.10 The launch event also provided an opportunity for the voluntary sector to ask questions and leave comments, using a sticky note system. Any questions which could not be answered on the day were taken away, and a FAQ document was compiled, uploaded online, and sent to the attendees. More than 50 questions were asked, and raised some important considerations regarding eligibility for funding and questions about the process.
- 3.11 In addition to this launch event, relevant officers made themselves available for a two-hour drop-in session at Vestry Hall, and the voluntary sector were encouraged to attend and ask questions.

## **Application Process**

- 3.12 Following the six-week consultation on the draft prospectus and subsequent approval at Cabinet, the initial application process for the Strategic Partner Programme was opened on 1 October 2018 with a deadline of 12 November 2018.
- 3.13 The process was streamlined as much as possible, with a single application form and supplementary form developed for additional applications. The same process and timetable was followed for all funding streams. To ensure as much transparency as possible, a new Right to Review procedure was developed, as outlined at 3.21. All funding documentation including the standard funding agreement template were reviewed and updated in line with the recommendations from the recent Internal Audit of Grant Funding and Commissioning to the Voluntary Sector.
- 3.14 Panels were convened on 27 and 28 November and panel recommendations were subject to a key decision on 18 December 2018. Panel membership is set out at Appendix II.
- 3.15 Of the three applications received for the Information and Advice pot, Citizens Advice Merton and Lambeth (CAML) was the strongest bid, scored the highest and the panel recommended total funding of £710,000 for 2019-21.
- 3.16 The two other applications were both eligible for funding but received the same lower score. As the funding requested overall was more than the funding remaining in the pot there was not enough funding available to fund these applications.
- 3.17 It was therefore agreed to re-open the Information and Advice element of the programme for a second round fund in January 2019. This bidding round would only be open to existing unsuccessful bidders to this funding pot.
- 3.18 The CAML application met most of the key features outlined in the funding prospectus. The panel therefore proposed that the second round of funding should focus on the more specialist requirements set out in the prospectus. The highest priority identified for the remaining funding related to the provision of specialist/legal representation (Tier 4). An additional priority identified related to outreach support for residents with some of the most challenging needs who may be less likely to approach an advice organisation for information and advice or are more likely to go where they feel most comfortable.
- 3.19 The second round funding panel was convened on 22 January to score applications against the weighted criteria, including the key features set out in the Round 2 Information and Advice funding prospectus. Membership of the panel remained the same, although a different external observer from MVSC was in attendance. Applications were scored and ranked. Any that were found to fall below the minimum threshold or fell outside the scope set out in the Prospectus were automatically not eligible. Funding allocations were then considered based on ranking.
- 3.20 Panel membership for Round 1 and 2 is set out at Appendix II and the scoring criteria used for both rounds is set out at Appendix III.

### **Right to review**

- 3.21 All voluntary and community sector organisations that submitted an application to Round 1 and 2 of the Strategic Partner Programme 2019 were offered the opportunity to request a review of the panel recommendations. A Right to Review form was developed, along with supporting procedure and guidance. In this form, organisations were able to set out their reasons for requesting a review, focusing on the misinterpretation, incorrect weighting or failure to consider information that organisations submitted in their applications.
- 3.22 Any responses received were reviewed by a different panel/officer to the one that made the original assessment and the views of this panel along with copies of the Right to Review form were submitted for consideration to the Chief Executive, alongside the recommendations report.

### **Outcome and next steps**

- 3.23 The agreed Strategic Partners 2019-22 and allocated funding from this programme are set out in Appendix I. Funding for these partners commenced in April 2019.
- 3.24 The council hosted a Voluntary Sector engagement event in June 2019, attended by Merton voluntary and community sector organisations including Strategic Partners and advice/support providers and commissioners from the Council and CCG. The event provided an opportunity to hear from Merton Council's Director of Community and Housing and senior commissioners on some key issues of relevance to local voluntary and community sector organisations.
- 3.25 One of the key workshops provided the opportunity for VCS organisations to feed back on the grants process and discuss how they want our Strategic Partners to work together going forward. It also sought initial ideas on a new Advice and Information Forum for Merton advice/support providers, which CAML is commissioned through the information and advice strand to support. Feedback will help to shape the future Strategic Partner programme and next steps for the Advice and Information Forum.
- 3.26 Feedback on the funding process was largely very positive, however, there were some areas highlighted around access to funding for smaller organisations and the fact that more time and support was needed for collaborative bids. This will be reviewed ahead of the next funding round in 2022.

## **4. ALTERNATIVE OPTIONS**

- 4.1 The Chief Executive and Director in making their funding decisions, could have chosen to fund other organisations instead of those recommended by the panel. However, this action would have been in conflict with the evaluation and judgement process that was followed by the panel in coming to their recommendations in line with the Cabinet Report of 17 September 2018.
- 4.2 The Chief Executive and Director could have chosen to roll over funding solely for those organisations currently commissioned in 2018-19 at a similar or alternative level. However, this would have conflicted with Cabinet's decision to apply a competitive process against the criteria for this funding, which was subject to extensive consultation with the VCS.

## **5. CONSULTATION UNDERTAKEN OR PROPOSED**

- 5.1 A workshop took place in November 2017 that included approximately 50 representatives from the voluntary sector. This workshop formed the basis of much of the discussion moving forward.
- 5.2 Two surveys were developed which gathered the views of voluntary sector organisations and its service users over the past two years. These were distributed in both digital and physical form, and were promoted by Merton Council and organisations across the voluntary sector. Overwhelming the demand from service users was for advice on welfare benefits, debt and housing.
- 5.3 Conversations with commissioners within the Council and beyond (the CCG, housing providers) took place throughout this process.
- 5.4 The formal consultation on the draft funding prospectus opened on 16 July 2018 and ended on 27 August (six weeks). The launch event for this draft prospectus took place at MVSC's INVOLVE meeting on 17 July 2018, with over 50 individuals attending and a drop in session for voluntary and community sector organisations was held on 14 August 2018. Presentations and discussions also took place with the Merton Compact Board and Merton Partnership Executive Board. Four responses were received via a consultation survey. The consultation findings were reported to Cabinet on 17 September 2018 and the prospectus was updated in line with the feedback received.
- 5.5 Discussions took place in December 2018 with unsuccessful bidders to Round 1 of the Information and Advice element to explain the process for Round 2 and the council's commissioning requirements as set out in the revised Prospectus.

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

- 6.1 There are no financial implications arising directly from this report.
- 6.2 The cost of the Information and Advice element is £1.06 million over two years 2019-21 (excluding notional funding). This can be met within the current core budget.
- 6.3 The cost of the Voluntary Sector Infrastructure Support element proposed in this report is £370k over two years 2019-21 (excluding notional funding). This can be met within the current core budget.
- 6.4 It is proposed to award contracts for Information and Advice and Voluntary Sector Infrastructure Support over a three year period with funding agreed for the first two years as set out in Appendix 1. We would notify providers of the level of funding to be allocated in 2021/22 for these two elements in 2020/21, following a Cabinet decision.
- 6.5 The total grants allocation for Wellbeing Services 2019-22 is £1.2 million and Carers Services is £829,000 over the same funding period. The grant funding for these services is from the Adult Social Care core budget. In addition a very small proportion of the grant allocation is funded from the Better Care Fund budget and the Winter Pressures Grant budget and is therefore dependent on both of these grants being renewed.
- 6.6 The grant funding available for Healthwatch Merton is £375k over the three years 2019-22. This is met predominately from Corporate Services budget

(£100,000 per annum) with the remainder met from the Department of Health Local Reform and Community Voices grant.

- 6.7 While there is no reduction in overall funding up to 2021/22, some organisations have lost funding and others have gained funding. There was no provision in the Strategic Partner budget for any transitional arrangements for organisations who were no longer funded. The overall budget will be kept under review as part of the approach to balancing the budget over the medium-term.

## **7. LEGAL AND STATUTORY IMPLICATIONS**

- 7.1 The Council has the power under the Localism Act 2011 (known as the general power of competence) to do anything an individual may do, unless specifically prohibited. This includes the power to make grants.
- 7.2 In adopting a commissioned grants approach, care must be taken to ensure that the outcomes identified are not such that a funding agreement is in reality a contract, which would be subject to the Public Contracts Regulations 2015 (PCR) and the Council's Contract Standing Orders. It is noted that the threshold at which the PCR requires a tender for services is £181,302 for services.
- 7.3 Care should also be taken that the giving of a grant does not amount to State Aid. As such the Council should ensure that prior to award of grant a declaration is made by the organisation.

## **8. HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS**

- 8.1 The process and decision-making was informed by robust equality analysis and this was published alongside the September 2018 Cabinet Report, December 2018 key decision report and February 2019 decision report.

## **9. CRIME AND DISORDER IMPLICATIONS**

- 9.1 None for the purposes of this report.

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

- 10.1 There are no legal or statutory implications arising from this report.

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

Appendix I - Round 1 and Round 2 Strategic Partners and funding allocations

Appendix II – Strategic Partner Programme 2019 - Panel membership Round 1 and 2

Appendix III – Strategic Partner Programme 2019 - Scoring criteria Round 1 and 2.

## **12. BACKGROUND PAPERS**

1. Key Decision Report - Strategic Partner Programme 2019/22  
25/02/2019  
<https://democracy.merton.gov.uk/ieDecisionDetails.aspx?ID=714>

2. Key Decision Report - Strategic Partner Programme 2019/22  
18/12/2018  
<https://democracy.merton.gov.uk/ieDecisionDetails.aspx?ID=687>
3. Cabinet report – Strategic Partner Programme 2019/22 –  
commissioning requirements 17/09/2018 -  
<https://democracy.merton.gov.uk/ieDecisionDetails.aspx?ID=629>
4. Cabinet report – Future Funding of the Strategic Partner Programme –  
03/07/2017 -  
<https://democracy.merton.gov.uk/ieDecisionDetails.aspx?ID=477>

**Strategic Partner Funding 2019 – Round 1 and Round 2 Strategic Partners and funding allocations**

**Information and advice provision**

<b>Organisation</b>	<b>Summary of Service</b>	<b>Funding amount 2019-21</b>
Citizens Advice Merton & Lambeth	Continue to provide a range of information, advice, casework and specialist support services to people across the borough relating to social welfare law. Additionally provide a Specialist Support Partnership Service and Merton Advice Forum.	<b>£710,000</b>
Association for Polish Family	Provide support for the Polish and EE communities in Merton mainly through the provision of information and signposting but also piloted skills development workshops.	<b>£54,000</b>
Commonside Trust	Outreach support provided by South West London Law Centres (SWLLC) to Commonside Trust service users. Provision will include qualified legal advice in the areas of debt and housing. Hosting of specialist adviser from SWLLC three times per month.	<b>£16,200</b>
deafPLUS	Provide a new Merton Deaf Advice Service. Delivery of a two or three day per week Social Welfare Advice Service to Deaf and Hard of Hearing residents of Merton.	<b>£48,000</b>
South West London Law Centres	Provide legal casework and representation services in social welfare law (debt, employment, immigration, asylum, community care, housing and welfare rights) and pro-bono clinics offering legal advice services	<b>£112,000</b>
Springfield Advice and Law Centre	Provide a legal advice service for mental health services users, offering advice and casework representation in debt and welfare benefit matters, including advice outreach sessions.	<b>£118,000</b>

### Voluntary sector infrastructure support

Organisation	Summary of Service	Funding amount 2019-21
Merton Voluntary Service Council (MVSC)	Continue to provide a one stop shop infrastructure, strategic representation and volunteering support service for the voluntary, community, faith and social enterprise sector and volunteers and potential volunteers in Merton.	<b>£350,000</b>
BAME Voice	Continue to provide support and voice for BAME organisations and communities in Merton. Introduction of a new peer mentoring and buddying scheme.	<b>£20,000</b>

### Wellbeing Services

Organisation	Summary of Service	Funding amount 2019-22
Age UK Merton	Living Well service aims to provide support to older adults in Merton to enable them to continue to live independently. The service supports people to improve their independence, connection, health and wellbeing.	<b>£265,350</b>
Merton Mencap	My Life, My Community-provides the resources that people with a learning disability need to live full lives, connected and mainstream community life. Supported by a facilitator and 2 community hub sessions each week.	<b>£145,707</b>
Imagine Independence	Provide range of services and support in Peer Support, Inclusion and Health Living and Vocational support through 3 tiers: specialist, early intervention and universal.	<b>£360,000</b>
Wimbledon Guild	Develop 3 new activities: <ul style="list-style-type: none"> <li>• Ongoing emotional and practical support for people 60+ with complex needs,</li> <li>• provision of a Sunday Lunch Service and</li> </ul>	<b>£291,000</b>



Organisation	Summary of Service	Funding amount 2019-22
	<ul style="list-style-type: none"> <li>• expansion of emotional support groups for bereavement, older adults and continuity of concern for people with complex mental health needs.</li> </ul>	
Merton Vision	Provide support and services to people who are newly visually impaired, to people who have lived with sight loss for some time. Outreach team promote independence to assist reduction in social care dependency.	<b>£164,145</b>

### Carers Service

Organisation	Summary of Service	Funding amount 2019-22
Carers Support Merton and Merton Mencap	To continue to provide a one stop shop for unpaid Carers in Merton via the Carers Hub. The Hub will use a model of comprehensive, holistic carers support developed by the Carers Trust.	<b>£828,657</b>

### Healthwatch Merton Service

Organisation	Summary of Service	Funding amount 2019-22
Merton Voluntary Service Council	To continue to provide a Healthwatch Merton, providing an effective voice for local people in Merton, influencing and shaping Health and Social Care services to meet the needs of children, young people and adults.	<b>£375,000</b>

**Appendix II**

**Strategic Partner Programme 2019 – Panel membership Round 1 and 2**

**Round 1**

The first grants panel was convened on 27 November 2018 to score the applications against the weighted criteria for the ‘information and advice provision’ and ‘voluntary sector infrastructure support’ funding streams. The panel was made up of three council officers and a voluntary sector observer:

John Dimmer	Head of Policy, Strategy and Partnerships, Merton Council
Richard Ellis	Head of Community and Housing Strategy and Partnerships, Merton Council
Amanda Roberts	Policy, Strategy and Partnerships Officer, Merton Council
Khadiru Mahdi (observer)	Chief Executive, Merton Voluntary Service Council (Information and Advice only)

A second grants panel was convened on 28 November 2018 for the ‘wellbeing programme’, ‘carers service’, and ‘Healthwatch Merton’ streams.

The panel was made up of the following officers:

Annette Bunka	Senior Commissioning Manager, Merton CCG
Phil Howell	Head of Older People and Disabilities, Merton Council
Anthony Hopkins	Head of Library, Heritage & Adult Education Service, Merton Council
Daniel Butler	Senior Public Health Principal, Merton Council
Kris Witherington	Consultation and Community Engagement Manager, Merton Council (Healthwatch only)

All panel members signed a Conflict of Interest Disclosure form. No interests were declared by the council officers. The voluntary sector observer left the room during the discussion and scoring for the infrastructure bids.

## Round 2

The grants panel was convened on 22 January 2019 to score the applications against the weighted criteria for Round 2 of the 'information and advice provision' funding stream. The panel was made up of three council officers and a voluntary sector observer:

John Dimmer	Head of Policy, Strategy and Partnerships, Merton Council
Richard Ellis	Head of Community and Housing Strategy and Partnerships, Merton Council
Amanda Roberts	Policy, Strategy and Partnerships Officer, Merton Council
Beau Fadahunsi (observer)	Head of Development and Funding Advice, Merton Voluntary Service Council

All panel members signed a Conflict of Interest Disclosure form. No interests were declared.

### Strategic Partner Programme 2019 – Scoring criteria

The scoring criteria for funding have been identified and weighted below:

Criteria	Demonstrates	Weighting
Track record	<ul style="list-style-type: none"> <li>• Delivery / impact</li> <li>• Fundraising / income generation</li> <li>• Partnership and collaborative working / constructive relationships</li> </ul>	<b>20%</b>
Meets requirements	<ul style="list-style-type: none"> <li>• Alignment with key features set out in the funding prospectus</li> </ul>	<b>40%</b>
Value for money	<ul style="list-style-type: none"> <li>• Evidence based methodology</li> <li>• Outputs and impact</li> <li>• Prevents / delays public sector costs</li> </ul>	<b>20%</b>
Bridging the gap	<ul style="list-style-type: none"> <li>• Meets demonstrable needs</li> <li>• Helps deliver LBM equalities duties</li> <li>• Reaches priority client group</li> <li>• Involves service users in design</li> </ul>	<b>20%</b>

Each criteria is to be given a score between 0 – 5 where:

Score	Meaning	Description
0	Inadequate	There was no response to the question / there is no supporting evidence demonstrated
1	Poor	There is a significant lack of evidence / it fails to meet the required standard / there are serious shortcomings
2	Weak	There is a lack of evidence / there are some shortcomings
3	Acceptable	The response is robust and there is an acceptable level of evidence / any concerns may be of a relatively minor nature
4	Excellent	A very well-evidenced response / very few if any shortcomings / demonstrates a full understanding of the required standard
5	Exceptional	Outstandingly well-evidenced / goes above and beyond what is required / very few if any shortcomings

The minimum score required to be eligible for funding is a 3 in each category, with one score of 2 being acceptable. Any application scoring 0-1 in any criteria will not be eligible for funding.



London Borough of Merton

## **Report and recommendations arising from the scrutiny task group reviews of shared and outsourced services in Merton**

**Overview and Scrutiny Commission**

**July 2016**

### **Task group membership**

Councillor Peter Southgate (Chair)  
Councillor Hamish Badenoch  
Councillor Suzanne Grocott  
Councillor Russell Makin  
Councillor Imran Uddin

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### **Acknowledgements**

The task group would particularly like to thank the council officers and directors who shared their experiences and thoughts with us.

All contributors are listed in Appendices 1 and 2 of this report.

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## Foreword

The pace of change in local government continues to be unrelenting. The reward for proving adept at maintaining the delivery of essential services on sharply reduced budgets appears to be more of the same. But the first round of austerity (2010-15) has exhausted all the easy savings, the current round (2015-20) calls for more radical changes if essential services are not to fail altogether.

This is the background to our review of shared and outsourced services, an open minded approach to their potential benefits and drawbacks for Merton. To date the council has adopted an opportunistic stance, making the best of the circumstances presented to it. We wanted to see what could be learned from these experiences, and whether they could be systematised into a more consistent approach. In particular we were keen to see a more rigorous process of challenge to the *status quo*, to ensure alternatives to current delivery models were properly considered.

In the event, the recommendations we have made are evolutionary rather than revolutionary. So the challenge process is to occur in-house, coming from the Corporate Management Team rather than external consultants. In part this recognises the limitations on financial resources. But it also acknowledges the collective experience of the CMT and its ability to make innovation work within the Merton context. Outsourcing does not mean the abnegation of corporate responsibility.

Yet we remain concerned that service delivery may become less accountable as it moves to third party providers. There is a danger of scrutiny taking place after the event or being missed altogether, if arrangements are not put in place to match the new structures for shared and outsourced services. That is why we are requesting pre-decision scrutiny for large or strategically important services, and inviting the Chief Executive to report annually to the Commission on how the CMT has evaluated and challenged major changes to service delivery.

As Chair, I would like to thank the members of the task group (Cllrs Hamish Badenoch, Suzanne Grocott, Russell Makin and Imran Uddin) for their thoughtful contributions to the review. But above all I would like to thank Julia Regan for her hard work in turning all those thoughtful contributions into a coherent report and succinct set of recommendations – no mean achievement.



## **Executive Summary**

This report presents the findings, conclusions and recommendations of two consecutive task group reviews of shared and outsourced services. The task group has talked to service managers, directors and the chief executive. It has received a number of background policy documents and has reviewed the experiences of other councils. Visits were made to Barnet Council and to Richmond and Kingston's social enterprise company Achieving for Children.

The task group has found that there are considerable benefits to be gained from shared and outsourced service arrangements. What the benefits are will depend on the nature of the services being shared and the model of service delivery that is chosen, but may include financial savings and improvements to service quality. Shared services can provide opportunities to deliver a more specialised service and to offer services that couldn't have been provided by individual authorities.

The council has taken a pragmatic approach towards setting up shared and outsourced services, seizing opportunities as they arose as well as actively seeking partnerships for those services that would benefit from this. Although this approach has served the council well to date, the task group believe that more could be done to provide rigorous challenge to ensure that the most appropriate delivery model is chosen for each service.

Mindful of the financial context, the task group has made a small number of recommendations that can be implemented without a significant investment of time or money. These recommendations are intended to enable the Corporate Management Team to embed a stronger element of challenge to ensure that the council operates in a strategic and innovative way. The task group has recommended the production of a standardised business case that should include financial modelling to set out options and alternatives as well as details of other expected benefits so that vigorous challenge can be provided prior to a formal decision being made.

The task group has recommended that scrutiny continue to take an active role in this work by reviewing the draft business case template, inviting the Chief Executive to report annually to the Overview and Scrutiny Commission on how challenge has been embedded, and receiving reports on the proposed establishment of large or strategically important shared or outsourced services at a various points in time when there is an opportunity to have some influence on its development.

The task group's recommendations run throughout the report and are listed in full overleaf.

## List of task group's recommendations

	Responsible decision making body
<b>Recommendation 1</b> (paragraph 92)	
We recommend that the Corporate Management Team (CMT) should have a more clearly defined mandate and process to embed challenge on models of service delivery at a senior level within the organisation. This will ensure that there is more specific challenge to service managers as well as internal peer review.	Cabinet CMT
<b>Recommendation 2</b> (paragraph 95)	
We recommend that decision making on the establishment of proposed shared and outsourced services is strengthened through the production of a standardised business case that is presented to the Corporate Management Team and to Cabinet (or the relevant individual Cabinet Member for smaller services) for approval. This business case should be clearly evidenced and should include financial modelling to set out options and alternatives as well as details of other expected benefits so that vigorous challenge can be provided prior to a formal decision being made.	Cabinet CMT
<b>Recommendation 3</b> (paragraph 97 )	
We recommend that a draft of the business case template is brought to the Overview and Scrutiny Commission for discussion prior to finalising it.	Cabinet Overview and Scrutiny Commission
<b>Recommendation 4</b> (paragraph 100)	
We recommend that Cabinet should ensure there is support provided to service managers who are exploring the feasibility of establishing a new shared or outsourced service so that these managers can draw on learning and expertise that already exists within the council. This should take the form of an on-line resource such as a checklist of issues to consider and contact details of officers who can provide advice and support. The resource should also include guidance on developing and complying with the standardised business case for the service as set out in recommendation 2 above.	Cabinet

<b>Recommendation 5</b> (paragraph 104)	
We recommend that the Corporate Management Team should ensure that service managers have a mandatory appraisal objective to familiarise themselves with best practice elsewhere and consider how best to incorporate this in their service delivery.	CMT
<b>Recommendation 6</b> (paragraph 108)	
We recommend that the Corporate Management Team should ensure that a training or briefing resource is developed for officers in those corporate teams (such as HR, IT, finance and facilities) so that they understand the delivery model and likely support requirements of the council's shared services.	CMT
<b>Recommendation 7</b> (paragraph 110)	
We recommend that the Overview and Scrutiny Commission should invite the Chief Executive to present a report annually to set out how challenge has been embedded, what choices have been made by service managers on models of service delivery, what changes resulted from the challenge process and what options were rejected and why.	Overview and Scrutiny Commission
<b>Recommendation 8</b> (paragraph 111)	
We recommend that the Overview and Scrutiny Commission (or relevant Panel) should receive a report on the proposed establishment of large or strategically important shared or outsourced services at a point in time when there is an opportunity to have some influence on its development. There should be further reports to review the operation, performance and budget of the service 15 months after the start date and when the agreement is due for review.	Overview and Scrutiny Commission

## Report of the Shared and Outsourced Services Scrutiny Task Group

### Introduction

#### *Purpose*

1. The Overview and Scrutiny Commission has recognised that scrutiny members will increasingly be scrutinising services that have been provided or commissioned through a wide range of different channels or mechanisms, as well as scrutinising proposals to move to alternative delivery arrangements.
2. In order to be able to carry out such scrutiny effectively, the Commission, on 29 January 2015 and at subsequent meetings, resolved to set up a series of task group reviews to increase its knowledge of different models of service provision and the associated implications for scrutiny.
3. Two such reviews have been carried out, one on shared services and one on outsourced services and, due to the cumulative learning experienced, they are presented jointly in this report.
4. The terms of reference for the work on shared services were:
  - to examine a range of examples of shared service provision in Merton and elsewhere;
  - to identify the potential advantages and challenges of shared service provision for the council, its partners and local residents;
  - to identify the best approach to scrutinising shared services to ensure that the council is receiving value for money and effective service provision.
5. The terms of reference for the work on outsourced services were:
  - to examine a range of examples of outsourced service provision in Merton and elsewhere, taking a broad definition of outsourcing to encompass council owned trading companies, staff-led social enterprises or mutuals as well as contracts with private and third sector organisations;
  - to investigate and advise on the advantages and challenges that a whole-council approach to outsourcing would bring to Merton;
  - to make recommendations that would support a more rigorous approach to the evaluation of alternative models to in-house delivery of services.
6. The Commission agreed to take a different approach to the outsourced service review so that it could contribute more substantially to policy development and to budget savings. The task group was therefore asked to investigate the hypothesis that Merton would benefit from a whole-council approach to outsourcing.
7. Members agreed that this should not amount to taking an ideological position such as advocating outsourcing for all services but would provide an expectation that alternatives to in-house delivery would be

actively considered instead of continuing to take a "salami-slicing" approach to savings proposals.

*What the task group did*

8. The task group has had eight formal meetings plus a number of discussions with service managers, directors and the chief executive. It has received a presentation on shared service definitions and models, a list of current shared services in Merton and a number of background policy documents.
9. Task group members spoke to directors and managers of existing shared services in Merton as well as managers who had been involved in discussions with another authority but these discussions had not proceeded to the establishment of a shared service.
10. In relation to outsourcing, task group members have visited Barnet Council to talk to senior council and Capita managers about the "One Barnet" programme. A visit was also made to Richmond and Kingston's social enterprise company Achieving for Children to discuss their delivery model.
11. The task group has also received written information about the outsourcing strategy and experiences of a number of other councils, including Bedfordshire, Northamptonshire and Somerset .
12. Appendix 1 lists the written evidence received by the task group and Appendix 2 contains a list of witnesses at each meeting.
13. This report sets out the task group's findings, conclusions and recommendations. The task group's recommendations run throughout the report and are set out in full in the executive summary at the front of this document.

## FINDINGS - SHARED SERVICES

### What is a shared service?

14. Essentially a shared service involves two or more organisations agreeing to join forces to provide or commission a service, part of a service or combination of services jointly rather than separately. The Chartered Institute of Public Finance and Accountancy (CIPFA) has provided an all encompassing definition:

“working together across organisational boundaries to achieve together what would be more difficult alone” (CIPFA 2010).

15. During this review we have heard that there are various different models for the operation of a shared service. The three models that have been most commonly used in Merton to date are:

- Principal partner led, whereby one lead organisation assumes responsibility for running defined services for other organisations under formal delegated arrangements. The lead organisation delivers the service with its own (or seconded) resources; the other partners “purchase” the service from the lead. An example of this is the South London Legal Partnership (where Merton is the lead).
- Jointly managed services, whereby a formal arrangement is established for a defined purpose, which delivers services back to its partners or directly to the public. An example of this is the shared regulatory service (environmental health, trading standards and licensing) which is governed by the Joint Regulatory Service Committee of councillors from Merton and Richmond.
- Joint working, whereby each partner acts independently and retains responsibility for the service in-house. An example of this approach is the South London Waste Partnership for the joint procurement of services.

16. Appendix 3 contains a list of shared services to which Merton Council belonged in May 2015.

17. The shared service approach could be combined with other models of service delivery, for example:

- Public- private partnership, typically a medium to long term arrangement whereby some of the service obligations of public sector organisations are provided by one or more private sector companies. A possible example of this is the tri borough partnership with BT on back office functions.
- Outsourcing, whereby a third party provider takes full responsibility for managing and operating services on behalf of more than one public sector organisation. It would be possible for the South London Waste Partnership to operate in this way in future.

## **Benefits of shared services**

18. We were struck by the enthusiasm with which managers of existing shared service spoke of the benefits that sharing had brought to their services. These benefits have been wide ranging and we have grouped the impact into three headings in order to capture them below – finance, customers and staff.

### Finance

19. The council has achieved considerable financial savings through sharing services with other boroughs. These have been achieved through economies of scale on service delivery and procurement of services and systems, reduction of staff numbers, service delivery efficiencies and rationalisation of systems.
20. We heard that:
- the South London Legal Partnership has reduced Merton's legal services budget by 16-20% since 2011 by reducing the overall number of staff through sharing with three other councils and reducing the hourly charge to the council from £68 to £55.
  - The shared regulatory service (environmental health, trading standards and licensing teams) has reduced Merton's related budget by c22% since 2014 by reorganising and reducing management (phase 1 and operational posts (phase 2). Phase 2 will involve losing around 8FTE from 43 operational staff.
  - Merton has saved 45% from the HR shared service since 2009. Overall, staff numbers have reduced from 130 to 90, with greater savings at senior levels. Joint procurement and business process re-engineering have also made a significant contribution to savings.
21. The managers we spoke to pointed out that one of the advantages of a shared service is that it can provide some resilience once savings have been made.
22. We were advised that establishing a shared service does not in itself create savings. As with all delivery models, savings are made through analysing costs, breaking the service down into component parts, redesigning the structure and processes to create a more efficient service that is fit for purpose and can be delivered within the available budget.

### Impact on customers

23. We heard that sharing services can lead to a better quality service plus opportunities to provide services that wouldn't have been possible within a single authority. For example, the South London Legal Partnership has been able to provide services to its (internal) customers at a lower cost

than previously as well as providing greater specialist knowledge and experience.

24. The manager of the South London Legal Partnership encourages the lawyers to walk round and talk to staff when they are in each of the client boroughs in order to maintain the service's visibility and foster clients' perception that they have an in-house legal team.
25. As many of the shared services we scrutinised predominantly have internal customers, we have been unable to assess the impact that sharing services might have on Merton residents.

#### Staffing

26. We were interested to hear that there are considerable advantages for staff joining a shared service, particularly in giving them access to work experience that they wouldn't have had in their own borough, a peer group for very specialised areas and more opportunities for career advancement. We were told that in some instances the move to a shared service had provided a catalyst for change and had reinvigorated the workforce.
27. We also heard that an effective and well regarded shared service is in a stronger position to attract better staff than a single borough service that may be too small to provide a range of professional experience for career development purposes. For services where there is a high turnover of staff, a shared service can provide continuity and resilience.
28. The quality of leadership, particularly having a service manager who is positive and committed to the shared service, is of vital importance. Such leadership will help to enthuse staff and guide them through the new ways of working that are required to make shared services successful but initially can be threatening or difficult for staff. We are mindful that senior staff are more likely to be made redundant when shared services are introduced due to restructuring and reduction in senior posts.

#### Being the lead borough

29. We asked officers whether there were advantages in being the lead borough. They said the answer to this will depend on the service concerned. It can be a boost to staff morale or it can be threatening if staff are not comfortable with change. Team dynamics vary and whether the team is predominantly office based or mobile ("out in the field") will also impact on this.
30. We heard that it is important to be able to retain the borough's distinctive image for both internal and external customers.



## Shared services – general principles

31. The willingness of other organisations to share is clearly crucial in being able to establish a shared service, as well as mutual trust and a shared vision for the service(s) in question. Having senior stakeholders (both officers and members) on board is essential. Our discussions indicate that the lack of full commitment from a suitable partner is the main factor when shared service negotiations fail to come to fruition.
32. Merton has partnered with a variety of boroughs over the years, as shown in the list of shared services in Appendix 3. Merton's options sub-regionally are more limited now that Richmond and Wandsworth have a formal agreement to partner with each other. It would be possible for Merton to join individual shared services jointly established by Richmond and Wandsworth. Those councils would make decisions on a case by case basis but there is often a preference to start shared services on a small scale and having three boroughs could be too complex initially for some services.
33. We heard that the culture of the organisations and/or individual services plus political factors have an influence on the likelihood of a proposed shared service going ahead. Officers told us that it can be difficult to read this in advance of starting discussions on a proposed shared service. We understand that these factors are less of an issue for services such as environmental services because the legislative requirements involved have resulted in less scope for local differences in service provision.
34. We asked officers whether there would be a natural size limit for a shared service. They told us that this would depend on the nature of the service and the extent to which geographical considerations would be a factor in the provision of the service. The officers agreed that its best to start with two boroughs and build up once it is working.
35. We also discussed the potential for commissioning services jointly with other authorities. The directors provided a number of existing examples of this:
  - Human Resources operates recruitment and occupational health contracts jointly with other local authorities, some of these contracts have 100 member authorities.
  - The libraries service is already part of a 16 borough consortium for stock ordering.
  - Merton has reserved the option to buy into the Londonwide street lighting contract in future and would be one of potentially 32 boroughs, with Transport for London being the biggest partner – the decision will be dependent on price.
  - There is a regional commissioning consortia on children's' services that has successfully driven down prices on aspects of provision to children's homes and independent special schools.

36. We were informed that the number of authorities taking part in shared commissioning would depend on the nature of the service, size of the authorities concerned and whether geography is a factor in service provision.
37. The establishment of new shared service arrangements is dependent on the willingness of other boroughs to participate and their attitude to partnership versus leading and that this was a limiting factor in the choice of partner. There may be an unwillingness to share with a partner whose service is considerably larger due to the danger of being “swallowed up” and thereby losing the Merton service ethos. Similarly the council would not seek to share with a struggling service as this would not yield benefits to Merton. These factors explain the council’s current patchwork of shared services arrangements.

## **FINDINGS – OUTSOURCED SERVICES**

### **Outsourcing in Merton**

38. Outsourcing is the use of third party specialists to deliver a particular business function or process. When a local authority or other public sector body outsources an operation it usually maintains full control and accountability for that service. Outsourcing has been used extensively by local authorities for some decades.
39. The Council's Procurement Strategy, 2013-2016, states that the council spends approximately £170m each year on goods and services on behalf of Merton's residents. The range of goods and services is varied, but includes services for schools, waste collection, care services for children and adults, maintaining the highways, parks and services, encouraging business growth and major construction works.
40. The Council has a number of significant contracts that have outsourced specific services, some of which are longstanding:

#### Highway maintenance – FM Conway

41. FM Conway has a longstanding relationship with Merton Council and has provided the council with a range of services including highway maintenance, carriageway surfacing, lining, civil engineering, traffic management and drainage works since September 2005.
42. The current highway works and services contract started on 1 September 2012 to run for 5 years with facility to extend for a further 2 years. The contract value 2012/13 is £5m.
43. A report to Cabinet on 18 July 2011 set out the service models considered by officers at that time, including a potential wide ranging pan-London contract with Transport for London, the London boroughs and the City of London. These were described in detail and the advantages and disadvantages of each were provided - considerations included cost, timing and other logistics as well as legal advice.

#### Street lighting – Cartledge (Kier May Gurney)

44. The most recent street lighting maintenance and improvement contract started in September 2009 for 5 years plus facility to extend for 2 years. The 2012/13 contract value was £1.1m. A report to Cabinet on 20 January 2014, seeking to extend the contract, set out performance on key indicators plus details of innovation and improvement made by the contractor.

#### Leisure centres – Greenwich leisure Limited (GLL)

45. Greenwich Leisure Limited (known as GLL) is a staff led leisure trust with a social enterprise structure, founded in 1993 in response to Greenwich Council's need to find a new way to run its leisure centres

due to funding reductions. GLL is a registered charity and re-invests any surpluses into its services.

46. GLL has managed Merton's leisure centres for many years. The most recent leisure centre management contract started on 1 December 2010 for a period of 15 years (see report to Cabinet on 21 June 2010). The contract includes the option to extend for up to 2 years and a break clause exercisable by the Council at year 7.
47. In order to ensure that this contract delivers sports, health and physical activity, recreational pursuits and also contribute to the wider outcomes for local people a number of mechanisms have been put in place that detail the specific requirements as well as allowing flexibility for change during the life of the contract

#### South London Waste Partnership

48. Cabinet, in November 2014, agreed to the commencement of a process of joint procurement of an integrated 25 year contract with Croydon, Kingston and Sutton that will take advantage of economies of scale for waste collection, street cleaning, winter maintenance, commercial waste and vehicle maintenance. The Partnership expects to achieve annual revenue savings on waste management of at least 10% or c£5m across the 4 boroughs – Merton's share would be around £909k per annum.

#### **What are other authorities doing?**

49. We examined written information on the experiences of a number of other local authorities in order to identify the potential scope for outsourcing, for achieving savings through outsourcing and to learn lessons both from successes and from problems that had been encountered.
50. Research by NelsonHall found that IT is the service that is most commonly outsourced and that business processes such as customer services, contact centre services, human resources, pensions and payroll are all now commonly outsourced by the public sector.
51. The examples that we found of large outsourcing contracts confirm those research findings:
  - LB Harrow – plans to save 20% on current ICT spending through a £37m five year outsourcing contract with Sopra Steria.
  - Sefton MBC – entered into a 10 year public-private partnership with Arvato in 2008 for delivery of customer services, revenues and benefits, payrolls, pensions, transactional HR and ICT. The agreed target of 10% savings has been achieved
  - LB Barnet - contract with Capita for back office and customer services. To drive down costs, the contact centre is in Coventry,

revenues and benefits in Lancashire and HR in Belfast. This and a second contract with Capita (see next paragraph below) are guaranteed to save the council £126m over 10 years.

52. We have found examples of outsourcing contracts now moving beyond business processes to frontline delivery:
  - Trafford – announced in March 2015 that it had selected Amey LG to manage its economic growth, environment and infrastructure services. The contract involves the delivery of a minimum of 20% savings against the net budget and the transfer of around 250 staff.
  - Barnet – signed two contracts with Capita in August 2013 – one for the delivery of a range of back office services and one covering frontline services, including highways, planning, regeneration, environmental health and trading standards
53. We noted that Northamptonshire County Council is planning to outsource all services through its “Next Generation Council” model, including a children’s services mutual to deliver safeguarding and other services for young people.
54. We visited Achieving for Children and Barnet Council to discuss their innovative service delivery models. These visits were very helpful and have enabled us to provide an effective element of challenge in our discussions with Merton’s Chief Executive and Directors. Our findings from these visits are set out overleaf.
55. We also found examples of ambitious outsourcing plans that had subsequently been curtailed to some extent:
  - Somerset County Council - contract from 2007 to 2017 with the joint venture company Southwest One (75% owned by IBM) to carry out administrative and back office tasks for the county council, Taunton Deane Borough Council and Avon and Somerset Police. Terminated a year early by Somerset County Council - in 2013 the council paid £5.9m to settle a contract dispute with the partnership.
  - Cambridgeshire and Peterborough Clinical Commissioning Group - ended a five year £800m outsourcing contract after just eight months because “the current arrangement is no longer financially sustainable”. The contract was with UnitingCare (a consortium of Cambridgeshire and Peterborough NHS Foundation Trust and Cambridge University Hospitals NHS Foundation Trust) to provide older people and adult community healthcare, urgent care and mental health services.
  - Middlesbrough Council - Middlesbrough - recently pulled back from plans to outsource all services following local council elections.

### **Report of visit to Barnet – One Barnet programme:**

56. Barnet is the largest London borough in terms of population size (367,000) and is relatively affluent, with some deprived areas. There has been new housing development and this has benefitted the council through an increased council tax base. Barnet has a mixed economy of service providers including a handful of large commissioned contracts, 3 shared services and a local authority trading company.
57. Barnet Council has saved £75m (25% of its budget) from 2010-2015 with limited impact on frontline services. In real terms in 2020 it will be spending half the amount spent in 2010. About  $\frac{3}{4}$  of the council's budget is spent on adult and children's social care services, from which savings have been achieved through demand management and workforce restructuring. Officers estimated that commissioning in relation to the other  $\frac{1}{4}$  of the budget has delivered around  $\frac{1}{4}$  to  $\frac{1}{3}$  of the total £75m saving.
58. Success factors and lessons learned –
- Planning ahead - the One Barnet programme is a long term project dating back to 2008 and planning ahead has been crucial to its success.
  - Member engagement - members have been very engaged in the programme and acknowledged the shrinking resource, growing demand and changing customer expectations early on.
  - Clear objectives - the approach has been to start by identifying what the council wants to achieve with the service and then to identify the best way of providing that.
  - Preparation – management layers have been removed and efficiency savings taken wherever possible prior to contracting out or entering a shared service arrangement
  - Invest to save - used earmarked reserves to invest in order to make savings through commissioning services. In the early years there was heavy reliance on the purchase of external expertise on commissioning, now reduced as council officers have built up their in-house expertise. The council also invested in new systems to produce efficiencies and increase self-serve by customers (both internal and external customers).
  - Partnership – the contractors are co-located in the civic centre alongside council officers
  - Separation of commissioning and delivery in the officer and governance structures
  - Officers are encouraged to be entrepreneurial - middle managers have been proactive in identifying opportunities for growth – e.g. running elements of Enfield's pest control service and undertaking cremations for West London Crematorium.
  - Barnet Lab uses data to identify problems and to bring stakeholders together to collectively identify solutions

## **Report of visit to Achieving for Children**

59. Achieving for Children (AfC) is a social enterprise company, launched on 1 April 2014, by the Royal Borough of Kingston upon Thames and the London Borough of Richmond upon Thames to provide their children's services. It is a community interest company wholly owned by the councils, employing 1200 people (700 FTE).
60. There was a long lead-in to the establishment of AfC. The change of political control of Richmond Council in 2010 resulted in an aspiration to become a commissioning council. The Director of Children's Services had discussions with Kingston Council at the time but the catalyst for taking this forward was a poor report from Ofsted in 2012 for Kingston's safeguarding and looked after children's services, followed by the departure of Kingston's Director.
61. As a social enterprise company, AfC has a trading arm that can sell services to other local authorities and re-invest in core services. AfC is currently providing services to three other local authorities. A careful balance is maintained between core and traded services.
62. Governance is through a joint committee with 3 councillors from each council plus a Board of Directors appointed by the joint committee (4 non-executive directors with relevant professional expertise plus 4 council employees).
63. The performance management framework is extensive, consisting of data, quality framework and compliance mechanisms. These are reported to the joint committee and to a senior officer board at each council. AfC attends scrutiny meetings when required to do so.
64. Funding is provided by each council according to local need rather than on a 50:50 basis. Efficiency savings have been made either through re-commissioning or provision of savings targets. There have been different targets for each council so management of this has been complex, particularly in the context of growth in demand. AfC is on track to deliver the efficiencies set out in its five year plan. It has used its increased buying power to negotiate on placement costs, it has developed innovative projects that have delivered efficiencies and the replication of the Kingston model of SEN transport in Richmond is also expected to deliver some savings.

## **Outsourcing - general principles**

65. Our discussion with Merton's directors illustrated the complexity and diversity of the council's service provision but also pinpointed circumstances in which outsourcing would be beneficial to the council. In particular, that outsourcing can deliver service at lower cost for certain services, particularly those with a mix of high volumes and low complexity and a higher proportion of manual workers (e.g. school meal service). Similarly, the more tightly defined services (such as street cleaning) lend themselves to a clearly specified contract that can deliver savings.
66. Outsourcing is the best option if the service provided is cheaper and better than other delivery models. Where there are economies of scale, such as for waste collection, shared commissioning to outsource jointly with other boroughs is being pursued.
67. We noted that it is good practice to maximise the efficiency of a service prior to externalising so that the council has maximum benefit from the savings. This helps to counteract the tendency for contractors to skim off easy savings and leave more difficult tasks to councils. We also noted that efficient services were in a strong position to take on services in other authorities through a shared service or a social enterprise arrangement (e.g. Achieving for Children).
68. Where there is high complexity, outsourcing is unlikely to be the best option. In particular, statutory services that are heavily regulated (such as child safeguarding) require extensive client-side management to provide adequate reassurance regarding quality and standards – this makes commissioning such services a relatively expensive option for councils.
69. To date much of the cost saving through outsourcing has been driven by staff turnover that enables the contractors to set new reduced terms and conditions for new staff. We noted that the introduction of the new national living wage is likely to reduce the opportunity for such cost savings in future.
70. We heard that the nature of the external market, especially the number of providers, has a key impact on price and may limit the financial advantages of outsourcing. We are mindful of the 2013 National Audit Office report which found that four large contractors accounted for a significant proportion of public sector outsourcing in the UK.
71. We were informed that where there are a limited number of service providers that staff can work for (e.g. children's social workers), there is competition between providers and staff can be poached – staff costs are therefore unlikely to be unaffected by model of delivery.
72. We understand that the potential for a staff mutual is greatest where there is a weak external market, a clear product, defined delivery method



and a group of staff that are prepared to take a risk. Staff are less likely to seek to form mutuals as a cost saving measure for services where costs mainly comprise salaries.

73. We heard that control over service provision is another key consideration. Where delivery is almost entirely outsourced, such as care homes for older people, councils are considering ways of exerting greater control over provision due to cost escalation in the market, including possibility of returning to some elements of in-house provision. Similarly, a number of councils have reverted from ALMOs back to in-house management of council housing
74. Finally, we noted that the 2013 National Audit Office report raised concerns over how well contracts are managed, poor value for money from contracts and dependence upon major providers. Contractors are not covered by the Freedom of Information Act though they may provide information voluntarily and contracts may specify requirements for openness.

## **FINDINGS - DECISION MAKING PROCESSES**

### **Merton's Target Operating Model**

75. The council has used the development of series of strategy documents known as Target Operating Models (TOMs) to set out how it will deliver its services within a certain structure at a future point in time. There are a number of elements (or layers) to a TOM; for Merton these are – customer segments, channels, services, organisation, processes, information, technology, physical location and people. We were informed that the TOMs have been used as a key way of encouraging service managers to consider different ways of providing services.
76. The directors described to us how they assessed the optimum model for each service, commissioning business cases where appropriate and taking into account pertinent factors such as costs, financial and other benefits, availability of partners and whether there is a mature private sector market for the service. The existence of a private sector market makes it possible to estimate potential savings in advance. Without this it is more difficult to predict what savings may be achieved from outsourcing.
77. The directors have sought to identify and discuss potential outsourcing opportunities, shared services and other ways of working in partnership for a number of years. For example, a sub regional network of directors of environment and regeneration was established five years ago and they have identified where the boroughs may have an interest in collaborating.
78. We were pleased to hear that the council is in discussion with other south west London boroughs regarding infrastructure services such as IT and finance in order to identify opportunities to procure the same systems in future. This should achieve cost savings as well as making it easier to support shared service arrangements between those boroughs.
79. We explored the extent to which the decision making on individual services had been opportunistic or part of an overall plan. We heard that a mix of the two was usually involved. In relation to shared services, the balance has shifted over time from opportunistic towards planned as the council has had more direct experience of the benefits that shared services can bring.
80. We were impressed with the detailed knowledge that the directors have regarding their services and the principles to apply to each when considering the most appropriate model of service delivery. Their flexible and pragmatic approach to identifying models on a service by service basis has worked well for Merton to date.
81. We discussed with the directors and with the chief executive the feasibility of having a service model in which all services were outsourced. They stated that having the flexibility to select the most

appropriate option for each service would work best for Merton rather than being constrained to a single model of service delivery. They stressed that service delivery models are kept under constant review and are adapted as circumstances change. They maintained that the TOM process provides well for this constant review and challenge.

82. The directors and the chief executive cautioned against generalising from Barnet's model as this had been underpinned by Barnet's ability to generate income through growth in council tax and business rates in a way that is not possible in Merton.
83. The directors stated that they are not opposed to outsourcing in principle and that they would continue to outsource services where this was the most appropriate model for that service. For example, the Director of Environment and Regeneration estimated that by 2017 more than 50% of the council's environment and regeneration services would be outsourced through a variety of different models.

## CONCLUSIONS AND RECOMMENDATIONS

84. In deliberating on the best way to approach our recommendations, our overarching aim has been to ensure that the decision making process for identifying the most appropriate delivery model for each service is sufficiently rigorous.
85. We have been mindful of the financial challenges facing the council and have therefore chosen to limit ourselves to a small number of recommendations that can be implemented without a significant investment of time or finance. A number of potential recommendations that we discussed have therefore not been included in this report as we do not believe they are achievable in the current climate. These include the adoption of commissioning as the default option for service provision and the establishment of a strategic unit within the council to provide robust independent challenge and data analysis such as that undertaken by the Barnet Lab.
86. We have taken the view that it would not be appropriate for the task group to dictate the permutations of service delivery models and that no single model will fit for every service. A mixed approach will continue to be needed but there must be a stronger element of challenge to ensure that the council operates in a strategic and innovative way. The role of the Corporate Management Team is central to embedding challenge and we hope that our recommendations will support them in doing this.
87. We note that the current approach has enabled Merton to make savings of a similar proportion of budget to those achieved by Barnet since 2010. We do however have concerns about whether this will be sufficient to meet future challenges, in particular those posed by a changed funding environment in which council income is chiefly derived from council tax and business rates.
88. We are convinced that there are considerable benefits to be gained from shared and outsourced service arrangements. What the benefits are will depend on the nature of the services being shared and the model of service delivery that is chosen, but may include:
  - financial savings through economies of scale, service delivery efficiencies, reduction in staff numbers and rationalisation of IT and other systems
  - better quality service provided to customers at lower cost to each authority
89. Furthermore, shared services can provide opportunities to deliver a more specialised service and to offer services that couldn't have been provided by individual authorities as well as opportunities for staff development and resilience for services facing budget cuts.

90. We accept that the appropriate starting place is to review and agree for each service what the service should provide and then identify the best way to provide it. We do, however, have a number of concerns about the way in which the Target Operating Model has been used to date.
91. Our main concern is that the Target Operating Model has a tendency to deliver more of the same rather than a radically new approach. In particular, we would like to ensure that pre-conceptions are challenged and that there is an avoidance of the current service delivery model becoming the default option. We question whether Merton's implementation of the TOM has been sufficiently systematic and rigorous in providing challenge. We also have concerns that that the financial position has been the predominant factor in shaping the strategic approach. We would like to see an equal emphasis on quality as well as on cost reduction.
- 92. We recommend that the Corporate Management Team (CMT) should have a more clearly defined mandate and process to embed challenge on models of service delivery at a senior level within the organisation. This will ensure that there is more specific challenge to service managers as well as internal peer review. (recommendation 1)**
93. Directors and senior managers told us how useful the development of a business case is in identifying whether a shared or outsourced service is the best option, guiding the negotiations of the authority and identifying where savings and other efficiencies could be made. We heard that this is useful even where the proposed shared or outsourced service did not go ahead and that the information would provide a baseline for any future discussion of shared services or other delivery models.
94. We believe that there is scope to increase the consistency and transparency of decision making through a standardised approach to developing a business case.
- 95. We recommend that decision making on the establishment of proposed shared and outsourced services is strengthened through the production of a standardised business case that is presented to the Corporate Management Team and to Cabinet (or the relevant individual Cabinet Member for smaller services) for approval. This business case should be clearly evidenced and should include financial modelling to set out options and alternatives as well as details of other expected benefits so that vigorous challenge can be provided prior to a formal decision being made. (recommendation 2)**
96. We believe that the development of a standardised business case would benefit from input from scrutiny members and to check that the proposed template meets the requirements of this task group's recommendations.

97. **We therefore recommend that a draft of the business case template is brought to the Overview and Scrutiny Commission for discussion prior to finalising it. (recommendation 3)**
98. We wish to ensure that officers who are exploring the feasibility of establishing a new shared or outsourced services are able to draw on expertise and support from within the council.
99. We were impressed by the “close down” report that was produced to document the learning from the establishment of the South London Legal Partnership (our four-borough shared legal service) and believe that this could be used as the starting point in the development of a checklist of issues to be taken into consideration by service managers.
100. **We recommend that Cabinet should ensure there is support provided to service managers who are exploring the feasibility of establishing a new shared or outsourced service so that these managers can draw on learning and expertise that already exists within the council. This should take the form of an on-line resource such as a checklist of issues to consider and contact details of officers who can provide advice and support. The resource should also include guidance on developing and complying with the standardised business case for the service as set out in recommendation 2 above. (recommendation 4)**
101. We have given some thought to whether a separation of strategic thinkers from service delivery would provide the right environment for robust independent challenge within the organisation. We are mindful of financial constraints and would wish this to be cost neutral.
102. We discussed this matter with the chief executive and were advised that the work previously done by Deloitte found that the strategic planning of services is best done by those closest to service delivery. The key to making this work well is to ensure that service managers have the appropriate skills to be able to think strategically and that senior managers have the information and skills to provide support and challenge.
103. We therefore wish to encourage service managers to find out what is happening elsewhere and to draw on best practice in order to improve service delivery.
104. **We recommend that the Corporate Management Team should ensure that service managers have a mandatory appraisal objective to familiarise themselves with best practice elsewhere and consider how best to incorporate this in their service delivery. (recommendation 5)**
105. We heard that the provision of support from the council’s IT, HR, finance and facilities teams has been crucial in ensuring that shared services

work effectively from the outset. This was particularly important for the South London Legal Partnership (Merton lead) as staff are based off-site at Gifford House in Morden with space and Merton wi-fi provision in each of the boroughs.

106. We believe that, in order to provide effective support to shared services during the development phase and subsequently, it would be helpful to provide a briefing to those corporate teams that are most likely to be called upon to provide support. This would increase their understanding of the shared service delivery model and its needs and support requirements.
107. We think that there may be a number of issues that the managers of shared services face that would benefit from being shared with the Corporate Management Team so that they can address these in a corporate way. These may include issues such as HR and IT policies and procedures, systems, communication mechanisms for staff, support for managers during preparation for and subsequent establishment of shared service, model of charging for overheads, modelling a fair approach for future savings
- 108. We recommend that the Corporate Management Team should ensure that a training or briefing resource is developed for officers in those corporate teams (such as HR, IT, finance and facilities) so that they understand the delivery model and likely support requirements of the council's shared services. (recommendation 6)**
109. It is unclear to us the extent to which different models of service delivery are being seriously considered and where these decisions are taking place. This may well be happening but the lack of visibility to councillors on whether this is done and how alternatives are evaluated is of concern.
- 110. We recommend that the Overview and Scrutiny Commission should invite the Chief Executive to present a report annually to set out how challenge has been embedded, what choices have been made by service managers on models of service delivery, what changes resulted from the challenge process and what options were rejected and why. (recommendation 7)**
- 111. We further recommend that that the Overview and Scrutiny Commission (or relevant Panel) should receive a report on the proposed establishment of large or strategically important shared or outsourced services at a point in time when there is an opportunity to have some influence on its development. There should be further reports to review the operation, performance and budget of the service 15 months after the start date and when the agreement is due for review. (recommendation 8)**

112. We note that governance to shared services is provided in a number of different ways including joint committees that meet in public or a governance board. Overview and scrutiny will therefore be proportionate to the governance arrangements that are in place in order to avoid duplicating the function of elected members on any governance committee that has been established. Appendix 3 contains information on the governance arrangements for Merton's current shared services.

### **What happens next?**

113. This task group was established by the Council's Overview and Scrutiny Commission and so this report will be presented to its meeting on 7 July 2016 for the Commission's approval.
114. The Commission will then send the report to the Council's Cabinet on 19 September 2016 for initial discussion.
115. Once Cabinet has received the task group report, it will be asked to provide a formal response to the Commission within two months.
116. The Cabinet will be asked to respond to each of the task group's recommendations, setting out whether the recommendation is accepted and how and when it will be implemented. If the Cabinet is unable to support and implement some of the recommendations, then it is expected that clearly stated reasons will be provided for each.
117. The lead Cabinet Member (or officer to whom this work is delegated) should ensure that other organisations to whom recommendations have been directed are contacted and that their response to those recommendations is included in the report.
118. A further report will be sought by the Commission six months after the Cabinet response has been received, giving an update on progress with implementation of the recommendations.



## **Appendices**

### **Appendix 1: written evidence**

Shared services – definition and models of delivery – powerpoint presentation, Sophie Ellis, Assistant Director of Business Improvement, 27 May 2015

List of Merton Shared Services – snapshot May 2015

Shared services and commissioning, policy briefing 10, Centre for Public Scrutiny, May 2011

Extract from 4 Borough Shared Legal Services: close down report

Email from Yvette Stanley, Director of Children, Schools and Families, June 2015

News report on Northamptonshire County Council plans to outsource all services, February 2015

News report on Middlesbrough Council decision to cease plans to outsource key services, June 2015

News report on LB Harrow's plan for 5 year ICT contract, April 2015

Information on Watford Borough Council outsourced services scrutiny panel

Hertfordshire County Council corporate outsourcing strategy

LB Southwark scrutiny review of outsourcing and procurement

Article from National Outsourcing Association

House of Commons Library Briefing paper – local government, new models of service delivery, May 2015

Northamptonshire – the next generation council. Extract from Business Plan 2015-2020

### **Appendix 2: list of oral evidence**

#### Witnesses at task group meetings:

Sophie Ellis, Assistant Director of Business Improvement, 2 April, 27 May, 6 July, 4 August and 14 October 2015

Dean Shoemith, Joint Head of Human Resources, 27 May 2015

Paul Evans, Assistant Director Corporate Governance, 27 May 2015

John Hill, Head of Public Protection, 27 May 2015

Paul Foster, Head of the Regulatory Services Partnership, 27 May 2015

Caroline Holland, Director of Corporate Services, 14 October 2015

Chris Lee, Director of Environment and Regeneration, 14 October 2015

Yvette Stanley, Director of Children, Schools and Families, 14 October 2015

Simon Williams, Director of Community and Housing, 14 October 2015

Ged Curran, Chief Executive, 9 March and 10 May 2016

Councillor Mark Allison, Cabinet Member for Finance, 10 May 2016

#### Witnesses at discussion meetings

Anthony Hopkins, Head of Library & Heritage Services, 8 June 2015

Chris Lee, Director of Environment and Regeneration, 10 June 2015

Simon Williams, Director of Community and Housing, 10 June 2015

James McGinlay, Head of Sustainable Communities, 15 June 2015

Gareth Young, Business Partner C&H, 15 June 2015

Visit to Achieving for Children, 12 October 2015

Ian Dodds, Director of Standards, Achieving for Children  
Councillors Peter Southgate and Russell Makin

Visit to Barnet Council, 30 November 2015

Barnet officers:

John Hooton, Chief Operating Officer

Stephen Evans, Director of Strategy and Communications

Tom Pike, Strategic Lead for Programmes and Resources

Mark D, Capita Partnership Director

Councillors Peter Southgate, Hamish Badenoch, Suzanne Grocott and  
Russell Makin

## LBM Shared Services –Snapshot May 2015 (revised)

Service Area	Arrangement	Governance
<b>Children &amp; young people</b>		
Adoption recruitment	Pooled resources - LBRuT, RBK, LBS, LBM	Sponsoring Group - Directors of the four agencies . Strategic Board – heads of service. Operational Group – team managers.
School governors	shared management agreement- LBM, LBS LBM is host authority and invoices Sutton for the agreed costs	The authorised officers for the service are: LB Merton: Head of School Improvement LB Sutton: Head of Improvement and Support. There are no elected members involved
School admissions service	Shared - LBM, LBS LBM is host authority	No joint governance board as such. The School Admissions Manager works within the line management of Merton when here (reporting to Service Manager - Contracts & School Organisation), and that of Sutton Executive Head of Education & Early Intervention when there
Travellers education service	Shared - LBM, LBS Sutton is host authority	TBC
Out of hours children's social care duty service	4 boroughs. Hosted by Sutton	Operational board at service manager level with escalations through Assistant Directors
<b>Adult social care</b>		
Shared Social Care Emergency Duty System	Joint working arrangement - LBM, LBR, LBS, RBK Richmond is the Host Authority The contract has not been reviewed since its inception No staff were TUPE'd, staff formally work for London Borough of Richmond Arrangement not open for new member to join	TBC

<b>Service Area</b>	<b>Arrangement</b>	<b>Governance</b>
<b>HR</b>		
Organisational development	Shared - LBM, LBS LBS is host authority In October 2009 Merton HR employees TUPE'd to Sutton.	Joint Governance Board with chief executives under collaboration agreement
HR management	Shared - LBM, LBS LBS is host authority In October 2009 Merton HR employees TUPE'd to Sutton.	Joint Governance Board with chief executives under collaboration agreement
Other HR functions	Shared - LBM, LBS LBS is host authority In October 2009 Merton HR employees TUPE'd to Sutton.	Joint Governance Board with chief executives under collaboration agreement
Payroll IT system	Shared - LBM, LBR, LBS, RBK LBS is host authority In October 2009 Merton HR employees TUPE'd to Sutton.	Joint Governance Board with directors under collaboration agreement
<b>Governance</b>		
Legal	collaboration agreement - LBM, LBR, LBS, RBK LBM is host authority The shared service continues until termination provisions are implemented in accordance with the agreement. Staff are TUPE'd – work for LBM	Governance Board which comprises of the Director of Corporate Services from Merton, the Director of Finance and Corporate Services from Richmond, the Director of Resources from Sutton and the Executive Head of Organisational Development and Strategic Business from Kingston. The Assistant Director of Corporate Governance and Joint Head of Legal Services from Merton and the Monitoring Officer from Kingston are required to attend but do not have a vote. There are no councillors on the Governance Board.
Internal audit	In-house There is a proposal to join LBR & RBK by end 2015	n/a

<b>Service Area</b>	<b>Arrangement</b>	<b>Governance</b>
<b>Finance</b>		
Pensions IT system	LBM purchase them from LB Wandsworth, as part of a contractual delegation under S.101 of the 1972 Local Government Act	Managed by LBM as a commissioned service
Pensions service		
Bailiffs service	<p>Joint working arrangement - LBM, LBS</p> <p>LBM staff only</p> <p>Sutton pays a contribution to cover running costs and share surplus (note this is a self financed service)</p> <p>Rolling contract with minimum notice time to drop out</p> <p>Arrangement is open to new member (but it will require a re-negotiation of the redistribution of the surplus)</p>	The board is comprised of Director of Corporate Services for both Councils and Head of Revenues and Benefits for both
<b>Environment</b>		
Transportation	Shared - LBM hosts service for LBS	The Transport section are in the process of tendering for a shared Taxi framework with Sutton, Richmond and Kingston (Sutton leading). That framework will be in place later this summer for to allow call off of new SEN Home To School contracts by the beginning of the school term.

Service Area	Arrangement	Governance
Regulatory services (ie Environmental Health/Trading Standards and Licensing)	Shared service currently consisting of LBM and LBR and operational since August 1st 2014. Service hosted and led by Merton. LBR staff TUPE'd	<p>The governance for the shared regulatory service consists of (1) a management board and (2) a joint regulatory committee.</p> <p>The management board consists of me, John Hill and Jon Freer (an AD at Richmond).</p> <p>The Joint Regulatory Committee consists of four councillors, two from each Council. The make-up is as follows:</p> <p><u>Richmond</u></p> <ul style="list-style-type: none"> <li>• Cllr Pamela Fleming – Strategic Cabinet Member for Environment, Business and Community</li> <li>• Cllr Rita Palmer – Chairman of the Licensing Committee</li> </ul> <p><u>Merton</u></p> <ul style="list-style-type: none"> <li>• Cllr Judy Saunders – Cabinet Member for Environmental Cleanliness and Parking</li> <li>• Cllr Nick Draper – Cabinet Member for Community &amp; Culture</li> </ul>

Service Area	Arrangement	Governance
Building Design Consultancy Framework	Shared - LBM, LBR, LBS	Not currently in place. Something similar has been set up by an individual authority in London but it is an arms length company due to potential conflict of interest issues

Service Area	Arrangement	Governance
<p>South London Waste Partnership</p>	<p><b>Disposal - jointly procured disposal contracts.</b></p> <p>Phase A, delivering cost effective waste disposal contracts.</p> <p>Phase B the procurement of a longer term more sustainable waste disposal solution diverting residual waste from landfill.</p> <p><b>Environmental services Phase C</b></p> <p>a joint procurement for a number of environmental services, namely:</p> <ul style="list-style-type: none"> <li>➤ Waste Collection and recycling</li> <li>➤ Commercial waste</li> <li>➤ Street Cleaning</li> <li>➤ Winter Maintenance</li> <li>➤ Vehicle Maintenance</li> <li>➤ Green spaces, principally grounds maintenance</li> </ul>	<p>legally binding inter authority agreement between LBM, LBS, RBK, LBC</p> <p>The governance structure for the partnership currently comprises of:</p> <p><u>Management Group (MG)</u>. Lead officers from each authority and chaired on an annual rotational bases. This is supported by both strategic, and project management roles employed by the Partnership.</p> <p><u>Joint Waste Committee (JWC)</u> this is made up of Cabinet and Executive Members from each of the 4 boroughs. This group is responsible for all key decisions made on behalf of the Partnership, relating to Waste Disposal functions delegated by the individual boroughs to the Committee.</p> <p>The Joint Procurement of waste collection and other environmental services is overseen by the <u>SLWP Strategic Steering Group (SSG)</u>, comprised of the four boroughs' Environment Directors, A representative of the four boroughs' Financial Directors and currently chaired by the Chief Executive of Merton (the Chair role rotates on an annual basis every June)</p>



Service Area	Arrangement	Governance
Wandle Valley Regional Park CE	LBM, LBW, LBS, LBC Arm-length body	WVRPT is not a shared service. We have two members who are trustees of the Trust but they do not represent the authority in itself, albeit that they are nominated to serve on the trust by LBM under the current governance arrangements. There are a number of trustees of the Trust who represent the four constituent local authorities (two per Borough) and a number of other relevant organisations, including the National Trust, the Environment Agency, the Wandle Forum and others

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# Overview and Scrutiny Commission

**20 February 2018**

Agenda item: Shared Services and Outsourced Services in Merton Task Group

Wards: All

## **Subject:**

Lead officer: Ged Curran, Chief Executive

Lead member: Cllr Allison, Deputy Leader and Cabinet Member for Finance

Contact officer: Sophie Ellis, Assistant Director of Business Improvement

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## **Recommendations:**

- A. That the Commission comment on progress in the implementation of the agreed recommendations.
  - B. That the Commission comment on the documents in Appendices B and C.
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## **1 PURPOSE OF REPORT**

- 1.1. The purpose of this report is to set out the Executive Response and Action Plan to the Overview and Scrutiny Commission to report on progress against the agreed recommendations of the Shared and Outsourced Services in Merton Task Group.
- 1.2. The draft guiding principles and business case guidance for services considering alternative delivery options are also presented for consideration and comment by the commission as per the Action Plan.

## **2 BACKGROUND**

- 2.1. At their meeting on 14 November 2016 Cabinet considered the final report and accepted the recommendations resulting from the task group review of shared and outsourced services in Merton.
- 2.2. At the Overview and Scrutiny Commission meeting on 7 March 2017 the corresponding executive response and action plan was presented. At the Overview and Scrutiny Commission meeting on 6 July 2017 a progress report was presented, updating the Commission on work undertaken for each of the recommendations

## **3 EXECUTIVE RESPONSE**

- 3.1. The table below provides a further update on each of the actions within the agreed plan.

- 3.2. The Commission are asked to comment on the draft guiding principles as set out in Appendix B (relating to Recommendation 3) and the toolkit as set out in Appendix C (relating to recommendation 4).

Recommendation	Action Agreed	Timeline	Update
<p><b>Recommendation 1</b></p> <p>That the Corporate Management Team (CMT) should have a more clearly defined mandate and process to embed challenge on models of service delivery at a senior level within the organisation. This will ensure that there is more specific challenge to service managers as well as internal peer review.</p>	<p>As part of a planned review the TOM process is to be strengthened so that more direct, dedicated support – with facilitated sessions where required – to be made available to service managers as part of the TOM review/development process.</p> <p>DMTs will continue to routinely review (as part of their TOM action plan review) actions set out against the ‘organisation’ layer to review whether planned changes to delivery models need to be amended/updated.</p> <p>As part of the biannual reports already presented to Merton Improvement Board, DMTs will be asked to expressly report on progress against the ‘organisation’ layer and how it is being kept under review and MIB provide constructive challenge.</p>	<p>Late 2017</p>	<p>The biennial Target Operating Model refresh process was launched in December 2017. With oversight from Merton Improvement Board (MIB) and CMT the process has been strengthened to ensure a consistently robust corporate approach to the review of service delivery under the direction of each DMT.</p> <p>CMT had previously issued a Statement of Direction directing TOM Authors (service leads) of the need to challenge existing service delivery models. The Head of Commercial Services has produced a process and guidance for service leads on ‘make or buy’ reviews, which are to be scheduled as part of the TOM process as a crucial aspect of the ‘organisation’ layer.</p> <p>The TOM guidance has been refreshed to reflect an explicit requirement for service leads to expand on how reviews of delivery models have been and will continue to be undertaken. The Head of Commercial Services (in her role as Organisation Layer Lead), will act as a dedicated point of contact to support departments through this process and work directly with service leads to plan a programme of make-or-buy reviews for departments over the five-year lifespan of the TOM as appropriate.</p>
<p><b>Recommendation 2</b></p> <p>That decision making on the establishment of proposed shared and outsourced services is strengthened through the production of a standardised business case that is presented to the Corporate Management Team and to Cabinet (or the relevant individual Cabinet Member for smaller services) for approval. This business case should be clearly evidenced and should include financial modelling to set out options and alternatives as well as details of other expected benefits so that vigorous challenge can be provided prior to a formal decision being made.</p>	<p>A set of guiding principles will be created to inform and support the development of bespoke business cases, along with clear questions that must be answered within each business case.</p>	<p>June 2017</p>	<p>A set of guiding principles has been drafted based on our own learning as a council – through discussions with officers within the organisation who have established shared or outsourced services – and guidance from CIPFA.</p> <p>These principles have been designed to supplement the existing business case template that forms part of the Merton Approach to Projects (MAP) internal project management methodology. MAP is based on PRINCE2 principles and techniques, and the business case includes two mandatory appendices: a detailed financial appendix as well as benefit profile(s).</p> <p>Use of the template together with the principles will ensure that business cases for proposed shared and outsourced services will be standardised and robust. Managers will have access to tools guiding them through the relevant issues, and decision-makers will be able to see the necessary information to provide challenge to the proposals.</p>
<p><b>Recommendation 3</b></p> <p>That a draft of the business case template is brought to the Overview and Scrutiny Commission for discussion prior to finalising it.</p>	<p>The guiding principles and questions will be presented to OSC for discussion.</p>	<p>TBC with Head of Democratic Services</p>	<p>The business case template (including appendices) and guiding principles are presented with this update. See Appendix A and B for details.</p>
<p><b>Recommendation 4</b></p> <p>That Cabinet should ensure there is support provided to service managers who are</p>	<p>A checklist will be developed drawing on the experience of services that have already transitioned to alternative delivery models.</p>	<p>August 2017</p>	<p>A toolkit for use by services considering a shared service arrangement has been drafted that signposts users to existing resources, suggests early conversations with specific points of contact across the business, and</p>

Recommendation	Action Agreed	Timeline	Update
exploring the feasibility of establishing a new shared or outsourced service so that these managers can draw on learning and expertise that already exists within the council. This should take the form of an on-line resource such as a checklist of issues to consider and contact details of officers who can provide advice and support. The resource should also include guidance on developing and complying with the standardised business case for the service as set out in recommendation 2 above.			provides further reading and tips. See Appendix C for details.  Guidance on developing and complying with the business case template is available on the intranet.
<p><b>Recommendation 5</b></p> <p>That the Corporate Management Team should ensure that service managers have a mandatory appraisal objective to familiarise themselves with best practice elsewhere and consider how best to incorporate this in their service delivery.</p>	<p>CMT will continue to deliver the agreed programme of leadership development over the coming 18 months.</p> <p>The TOM development/refresh process will be refined for its next iteration to include more direct, dedicated support and challenge as per response to Recommendation 1 above.</p>	<p>Ongoing to mid 2018</p> <p>June 2017</p>	<p>The programme of leadership development continues to be delivered to managers across the organisation.</p> <p>The TOM refresh guidance has been refined to include more direct, dedicated support and challenge as per response to Recommendation 1 above.</p>
<p><b>Recommendation 6</b></p> <p>That the Corporate Management Team should ensure that a training or briefing resource is developed for officers in those corporate teams (such as HR, IT, finance and facilities) so that they understand the delivery model and likely support requirements of the council's shared services.</p>	<p>Work will be undertaken with representatives from services currently working in shared arrangements to develop a briefing resource for officers in corporate teams.</p>	<p>July 2017</p>	<p>Interviews were carried out with managers from four service areas (Libraries, Waste Services, Legal and Regulatory Services) who had already been involved in discussions around moving to shared or outsourced services. Although not all had decided to move to new arrangements, their experiences enabled requirements to be captured for a number of support services – HR, Finance, IT and Facilities, as well as suggestions for where this support may need to be enhanced.</p> <p>The findings of these interviews have been combined into a briefing resource for staff in those support services. Together with the toolkit, this will be reviewed by Corporate Services DMT for completeness before publication as part of the TOM process.</p>
<p><b>Recommendation 7</b> That the Overview and Scrutiny Commission should invite the Chief Executive to present a report annually to set out how challenge has been embedded, what choices have been made by service managers on models of service delivery, what changes resulted from the challenge process and what options were rejected and why.</p>	<p>The Chief Executive, working with CMT, will respond to the invitation with a report drawing on the mechanisms set out within this report to provide an overview of how alternative delivery models are being considered and changes resulting from this process.</p>	<p>July</p>	<p>This update, together with the previous update in July 2017, responds to this recommendation. Updates on choices for service delivery will be reported after the TOM process.</p>
<p><b>Recommendation 8</b> That the Overview and Scrutiny Commission (or relevant Panel) should receive a report on the proposed</p>		<p>Ongoing</p>	<p>CMT continues to discharge this recommendation through the forward plan mechanisms which highlights to the Commission any significant decisions on</p>

Recommendation	Action Agreed	Timeline	Update
<p>establishment of large or strategically important shared or outsourced services at a point in time when there is an opportunity to have some influence on its development. There should be further reports to review the operation, performance and budget of the service 15 months after the start date and when the agreement is due for review.</p>			<p>service reconfiguration.</p>

#### **4 CONSULTATION UNDERTAKEN OR PROPOSED**

- 4.1. The work to develop guiding principles and supporting materials has involved officers across the organisation with experience of selecting and implementing alternative delivery models and a number of managers providing key corporate services.
- 4.2. The Commission are asked to comment on draft guiding principles and business case guidance for services considering alternative delivery options (Appendices B and C).

#### **5 TIMETABLE**

- 5.1. The table within this report sets out the timescales for delivery.

#### **6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS**

- 6.1. The council faces considerable financial pressure in current and future years. The delivery of the activities set out in this executive response will ensure the organisation continues to deliver services in the most efficient and effective way.

#### **7 LEGAL AND STATUTORY IMPLICATIONS**

- 7.1. Changes to service delivery models will have legal and statutory implications (e.g. TUPE and delegation of statutory functions). Consideration of this will be incorporated within the proposed guidance/supporting information to be developed to ensure this is adequately accounted for and managed on a case by case basis.

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

- 8.1. None for the purposes of this report.

#### **9 CRIME AND DISORDER IMPLICATIONS**

- 9.1. None for the purposes of this report.

#### **10 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS**

- 10.1. Changes to service delivery models will require careful assessment and management of risk. Consideration of this will be incorporated within the



proposed guidance/supporting information to be developed to ensure this is adequately accounted for and managed on a case by case basis.

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

- 11.1. Appendix A: Business Case (template, financial spreadsheet and benefit profile)
- 11.2. Appendix B: Guiding Principles for a Shared or Outsourced Service
- 11.3. Appendix C: Building a Shared or Outsourced Service Toolkit

**12 BACKGROUND PAPERS**

- 12.1. Report and recommendations arising from the scrutiny task group reviews of shared and outsourced services in Merton.

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## Financial Monitoring Task Group

Date: 14 January 2020

**Subject: Financial Report 2019/20 – September 2019**

Lead officer: Roger Kershaw

Lead member: Mark Allison

### Recommendations:

- A. That Cabinet note the financial reporting data for Quarter 2, month 6, relating to revenue budgetary control, showing a forecast net positive variance at year-end of £1,478k, -0.3% of gross budget.
- B. That Cabinet note the contents of Section 4 and the amendments to the Capital Programme contained in Appendix 5b and approve the amendments in the Table below:

Scheme	2019/20 Budget	2020/21 Budget	2021/22 Budget	2022/23 Budget	Narrative
Civic Centre - Civic Centre Lighting	(300,000)		300,000		Life expectancy greater than estimated slipped to 20-21
Highways & Footways - Highways bridges & structures	(120,000)	120,000			Re-profiled in accordance with projected spend
Capital Contingency				108,900	Transferred from School Equipment Loans to the Capital Contingency
School Equipment Loans	(108,900)				
<b>Total</b>	<b>(528,900)</b>	<b>120,000</b>	<b>300,000</b>	<b>108,900</b>	

## 1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 This is the financial monitoring report for period 6, 30<sup>th</sup> September 2019 presented in line with the financial reporting timetable.  
This financial monitoring report provides -
- The income and expenditure at period 6 and a full year forecast projection.
  - An update on the capital programme and detailed monitoring information;
  - An update on Corporate Items in the budget 2019/20;
  - Progress on the delivery of the 2019/20 revenue savings
- 1.2 In view of the uncertainty with Government funding and the timing of any announcements at this juncture together with the pending General Election it has been decided that there will be no Business Plan report to the November Cabinet. The savings proposals placed before October Cabinet will be reviewed by the Scrutiny Panels together with the EIA's and will be reviewed by Cabinet at their December meeting together with further Directorate growth and savings proposals.

## 2. THE FINANCIAL REPORTING PROCESS

- 2.1 The budget monitoring process in 2019/20 continues to focus on children's social care, which overspent in 2018/19 and continues to have budget pressures. There will also be focus on adult social care placements where there is continued pressure. Additionally, accuracy of forecasting will continue to be reviewed as the 2018/19 underspend demonstrates areas of over cautious forecasting in certain services.

2.2 Chief Officers, together with budget managers and Service Financial Advisers are responsible for keeping budgets under close scrutiny and ensuring that expenditure within budgets which are overspending is being actively and vigorously controlled and where budgets are underspent, these underspends are retained until year end. Any final overall overspend on the General Fund will result in a call on balances; however this action is not sustainable longer term.

### 2.3 2019/20 FORECAST OUTTURN BASED UPON LATEST AVAILABLE DATA

**Executive summary** – At period 6 to 30<sup>th</sup> September 2019, the year-end forecast is a net positive variance of £1,478k compared to the current budget. This excludes any monies due from the last year of the Business Rates London Pilot Pool.

#### Summary Position as at 30<sup>th</sup> September 2019

	Current Budget 2019/20 £000s	Full Year Forecast (Sept) £000s	Forecast Variance at year end (Sept) £000s	Forecast Variance at year end (Aug) £000s	Outturn variance 2018/19 £000s
<b>Department</b>					
3A. Corporate Services	11,495	11,153	(342)	(429)	(2,511)
3B. Children, Schools and Families	61,336	62,917	1,581	1,277	2,271
3C. Community and Housing	63,747	63,137	(610)	197	(197)
3D. Public Health	0	12	12	12	0
3E. Environment & Regeneration	15,932	15,112	(820)	(320)	(1,526)
Overheads	0	0	0	0	(33)
<b>NET SERVICE EXPENDITURE</b>	<b>152,510</b>	<b>152,332</b>	<b>(178)</b>	<b>737</b>	<b>(1,996)</b>
<b>3E. Corporate Items</b>					
Impact of Capital on revenue budget	10,481	10,332	(149)	0	403
Other Central budgets	(20,675)	(21,826)	(1,151)	(987)	(6,064)
Levies	949	949	0	0	0
<b>TOTAL CORPORATE PROVISIONS</b>	<b>(9,245)</b>	<b>(10,545)</b>	<b>(1,300)</b>	<b>(987)</b>	<b>(5,661)</b>
<b>TOTAL GENERAL FUND</b>	<b>143,265</b>	<b>141,787</b>	<b>(1,478)</b>	<b>(250)</b>	<b>(7,657)</b>
<b>FUNDING</b>					
Revenue Support Grant	0	0	0	0	0
Business Rates	(44,026)	(44,026)	0	0	0
Other Grants	(8,169)	(8,169)	0	0	0
Council Tax and Collection Fund	(91,070)	(91,070)	0	0	0
<b>FUNDING</b>	<b>(143,265)</b>	<b>(143,265)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>NET</b>	<b>0</b>	<b>(1,478)</b>	<b>(1,478)</b>	<b>(250)</b>	<b>(7,657)</b>

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

### 3. DEPARTMENTAL SUMMARY OF CURRENT POSITION

#### Corporate Services

Division	2019/20 Current Budget £000	2019/20 Full year Forecast (September) £000	2019/20 Full Year Forecast Variance (September) £000	2019/20 Full Year Forecast Variance (August) £000	2018/19 Outturn Variance £000
Customers, Policy & Improvement	3,710	3,571	(139)	(140)	(246)
Infrastructure & Technology	11,795	12,064	269	100	(64)
Corporate Governance	2,438	2,318	(120)	(51)	(294)
Resources	5,887	5,641	(246)	(235)	(707)
Human Resources	1,919	2,149	230	235	16
Corporate Other	834	498	(336)	(337)	(1,216)
<b>Total (Controllable)</b>	<b>26,583</b>	<b>26,241</b>	<b>(342)</b>	<b>(429)</b>	<b>(2,511)</b>

#### Overview

At the end of period 6 (September) the Corporate Services (CS) department is forecasting an underspend of £342k at year end. The underspend forecast has reduced by £87k since period 5 (August).

#### Customers, Policy and Improvement - £139k under

Customer Contact is forecasting a £59k underspend due to lower than budgeted licence costs. There is a forecast underspend of £49k on Cash Collections, capturing future year savings early in 2019/20. The Translations Service has a forecast underspend of £24k, mainly as a result of additional income from internal translation requests compared to the budgeted amount and a vacancy within the team. Merton Link is forecasting a £12k underspend owing to various running costs. Marketing and Communications have a £44k underspend forecast from less than budgeted spend on the council magazine and graphic design, this is in line with the level of spend in 2018/19. A further £47k underspend is forecast on Community Engagement, this is a result of maternity leave in the team and other underspends on running costs.

A £34k overspend is forecast on the Registrars Service relating to various running cost budgets such as ground maintenance and marketing as well as an underachievement of a staffing saving (2019-20 CS05). This is partly offset by the overachievement of income; however, income for 19/20 is expected to be £76k less than that achieved in 18/19 due to the Home Office no longer providing additional work. Additionally, Press and PR are forecasting a £29k overspend due to underachievement of income.

### **Infrastructure & Technology - £269k over**

I&T are forecasting overspends on Telecoms of £56k due to delays in the PABX telecoms implementation and £83k on the Professional Development Centre (Chaucer Centre) due to the underachievement of rental income. There is also a £200k overspend forecast for Microsoft Licences which is a best estimate of the cost at this stage, pending the outcome of a procurement exercise. Facilities Management are forecasting a £32k overspend reflecting the use of agency staff and only a partial achievement of a saving in year (2018-19 CS04) following a recent restructure of the energy team. Facilities are forecasting a further £55k overspend on the external fees account due to the use of additional agency staff. The Business Systems Team is also forecasting an overspend of £49k due to recruitment costs, hardware purchases, IT licences and the underachievement of income.

Various underspends within the division are partly offsetting the above overspends. The Print and Post Room are forecasting a £38k underspend with a vacancy held in the team. The Corporate Print Strategy is forecasting a £55k underspend due to less than budgeted multi-functional device (MFD) costs. Additionally, Transactional Services are forecasting a £55k underspend resulting from the recovery of expenses in previous years and there is a £71k underspend forecast on Garth Road Archive Storage due to rental income.

The forecast overspend in I&T has increased by £169k since period 5. This is mainly due to the forecast overspend on the Microsoft Licences which is being offset by increased income from the rental of Garth Road Archive Storage and recovery of expenses by the Transactional Services team.

### **Corporate Governance – £120k under**

The underspend within Corporate Governance is formed of £21k from various running cost budgets held by the AD, £32k from Democracy Services largely due to vacancies and £15k running costs. A further £40k underspend is forecast in the Information Governance team due to vacancies and consultants budget not required in year. Additionally, Legal Services outside of SLLp are forecasting a £27k underspend due expenditure budgets not required in year.

The above underspends are partly offset by the South London Legal Partnership (SLLp) which is forecasting a £66k deficit, of which £13k is attributable to Merton. The SLLp deficit has increased from period 5 largely due to increased agency costs.

The forecast underspend on Corporate Governance has increased by £69k from the position at period 5. This is mainly due to additional Legal Services income from schools, a vacancy within the Democracy Services team and a recharge to the London Borough of Richmond as the acting AD for Corporate Governance is acting as their Monitoring Officer.

### **Resources - £245k under**

There are various underspends forecast within Senior Management, made up of the Chief Executive's budget (£41k under), Director of Corporate Services (£72k under) and AD Resources (£43k under) due to subscription and consultancy budgets not expected to be required in year.

Accountancy has a £99k overspend forecast on Corporate Accountancy, largely due to agency spend. This is partly offset by a £26k underspend within the Budget Management Team due to various vacancies.

A £59k overspend is forecast on the Financial Information System (FIS) team mainly due to additional licence and system support costs, with a business case pending to review ongoing budget pressures within the team.

The Insurance and Treasury teams are forecasting an underspend of £12k due to higher than budgeted recharges to the pension fund.

The Merton and Sutton Bailiff Services are forecasting to underspend by £97k due to additional income in excess of the budget. Benefits Administration is forecasting a £250k underspend mainly due to additional income from DWP for various schemes though this is in part offset by agency spend. There is a forecast overspend of £159k on Local Taxation Services due to various running costs and agency spend which is not fully offset by additional income relating to the cost of collection for NDR and council tax.

The forecast underspend in the Resources Division has increased by £11k compared to period 5. This is due to a reduced forecast of banking charges in Corporate Accountancy as previous interest overpayments are being refunded and credited to the account. This is, in part, offset by an increased agency spend forecast in the Budget Management Team following recent resignations and a reduced summons income forecast on local taxation services as the dates we can apply to courts for summonses has changed.

### **Human Resources – £230k over**

Learning and Development is forecasting a £139k overspend due to recruitment costs as well as interim cover for the Head of Organisational Development and HR Strategy post. £55k of the L&D overspend relates to training, a review of the planned training for the rest of the year is being carried out and the forecast will be updated in line with this in the coming months. The overspend forecast in HR also includes an additional temporary resource to assist with implementing the new recruitment system.

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

Payroll has an underspend forecast of £29k as a result of a restructure in year, which captures part of a future year saving early, and a vacancy held in the team.

Overall the HR overspend has reduced by £5k compared to the position at period 5. This is from small variations with the HR forecast which mainly offset one another.

### **Corporate Items - £336k under**

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

An additional surplus of £60k is forecast following the introduction of a scheme to recover old housing benefits debts which had previously been written off, due to new access to information from HMRC.

The Coroners Court is forecasting an overspend of £46k, incorporating a contingency for additional charges from Westminster. This part offsets with £40k additional income from the Magistrates court. A further £33k underspend is forecast on the pensions added years budget.

The forecast underspend on corporate items has decreased by only £1k since period 5.

## Environment & Regeneration

<b>Environment &amp; Regeneration</b>	<b>2019/20 Current Budget</b>	<b>Full year Forecast (Sept)</b>	<b>Forecast Variance at year end (Sept)</b>	<b>Forecast Variance at year end (Aug)</b>	<b>2018/19 Outturn Variance</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Public Protection	(13,066)	(13,036)	30	(142)	(753)
Public Space	14,629	14,114	(515)	175	(1,449)
Senior Management	975	1,078	103	28	(17)
Sustainable Communities	8,230	7,792	(438)	(382)	694
<b>Total (Controllable)</b>	<b>10,768</b>	<b>9,948</b>	<b>(820)</b>	<b>(321)</b>	<b>(1,525)</b>

<b>Description</b>	<b>2019/20 Current Budget</b>	<b>Forecast Variance at year end (Sept)</b>	<b>Forecast Variance at year end (Aug)</b>	<b>2018/19 Variance at year end</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Overspend within Regulatory Services	604	65	66	112
Underspend within Parking Services	(14,541)	(164)	(329)	(964)
Overspend within Safer Merton & CCTV	871	129	121	99
<b>Total for Public Protection</b>	<b>(13,066)</b>	<b>30</b>	<b>(142)</b>	<b>(753)</b>
Underspend within Waste Services	13,672	(239)	382	(1,611)
Underspend within Leisure & Culture	416	(253)	(253)	(222)
Underspend within Greenspaces	1,236	(57)	(50)	145
Overspend within Transport Services	(695)	34	96	239
<b>Total for Public Space</b>	<b>14,629</b>	<b>(515)</b>	<b>175</b>	<b>(1,449)</b>
Overspend within Senior Management & Support	975	103	28	(17)
<b>Total for Senior Management &amp; Support</b>	<b>975</b>	<b>103</b>	<b>28</b>	<b>(17)</b>
Underspend within Property Management	(2,691)	(234)	(269)	368
Underspend within Building & Development Control	4	(119)	(131)	275
Underspend within Future Merton	10,917	(85)	18	51
<b>Total for Sustainable Communities</b>	<b>8,230</b>	<b>(438)</b>	<b>(382)</b>	<b>694</b>
<b>Total Excluding Overheads</b>	<b>10,768</b>	<b>(820)</b>	<b>(321)</b>	<b>(1,525)</b>

### Overview

The department is currently forecasting an underspend of £820k at year end. The main areas of variance are Parking Services, Safer Merton & CCTV, Waste Services, Leisure & Culture, Senior Management & Support, Property Management, and Development & Building Control.

### Public Protection

#### **Parking Services underspend of £164k**

The underspend is mainly as a result of additional penalty charge notices being issued, following the implementation of the ANPR system across the borough (£749k), and P&D income (£425k).



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

Included within this forecast is an employee related overspend of £78k due to a combination of savings not yet implemented and increased demand.

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

### **Safer Merton & CCTV overspend of £129k**

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

Elsewhere within the section, underspends on employees (£40k) and income contributions (£56k) are helping to partially mitigate these pressures.

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

## **Public Space**

### **Waste Services underspend of £239k**

The section is forecast to underspend on disposal costs by £646k. Following the introduction of the new wheelie bin service we have seen a significant reduction in the level of general refuse being collected and disposed of through our energy waste facility at Beddington.

Over this period, we have seen a 12% reduction in refuse, which equates to a monthly average reduction of over 450 tonnes per month. The main contributor to this success is the increase in food waste participation which has seen an increase of over 70% or 191 tonnes per month.

This underspend is being partially offset by an overspend on its waste collection and street cleansing contract of £279k. This is largely due to the internal debt charge of £676k for capital spend, along with recharges for additional services being undertaken by the service provider.

The section is also forecasting to overspend on its employee costs by £63k, which is mainly due to a delay in fully implementing a 2018/19 saving (ENR6), and the temporary employment of a Public Space Inspector for six months to provide greater resilience in the monitoring of our service provider performance.

### **Leisure & Culture underspend of £253k**

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

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

## **Senior Management & Support**

### **Senior Management & Support overspend of £103k**

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

## **Sustainable Communities**

### **Property Management underspend of £234k**

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

This is being partially offset by an overspend of £380k on premises related expenditure, for example, utility and repairs & maintenance costs. In addition, a £115k overspend is being forecast relating to employment of consultants to progress rent reviews due to lack of internal resource, and valuations to support asset valuations.

### **Development & Building Control underspend of £119k**

The section is forecasting to overachieve against their other grants & contributions by £86k, mainly as a result of allowable CIL income to cover the administration and overhead costs associated with managing the levy.

They also expect to overachieve against customer & client receipts income expectations by £68k, mainly within Development Control, as a result of a number of large planning application fees received in the early part of the financial year.

A forecast employee overspend of £98k, as a result of additional resources being provided for the planning enforcement team to enable it to clear the backlog of cases, is partially offsetting these underspends.

## **Children Schools and Families**

<b>Children, Schools and Families</b>	<b>2019/20 Current Budget £000</b>	<b>Full year Forecast Sep £000</b>	<b>Forecast Variance at year end (Sep) £000</b>	<b>Forecast Variance at year end (Aug) £000</b>	<b>2018/19 Variance at year end £000</b>
Education	24,869	25,179	310	209	(37)
Social Care and Youth Inclusion	19,571	21,699	2,128	1,912	3,211
Cross Department budgets	1,029	999	(30)	(15)	(20)
PFI	8,573	8,114	(459)	(459)	(354)
Redundancy costs	2,183	1,815	(368)	(370)	(529)
<b>Total (controllable)</b>	<b>56,225</b>	<b>57,806</b>	<b>1,581</b>	<b>1,277</b>	<b>2,271</b>

### **Overview**

At the end of September, Children Schools and Families forecast to overspend by £1,581m on local authority funded services, an increase in overspend of £304k from August's outturn forecast. The pressure is mainly due to the volatile nature of placement and SEN transport budgets, and the current volume of CSC activity and Education, Health and Care Plan (EHCP) requests. Despite an increasing population, Merton has managed to hold steady our number of children in care through a combination of actions, which are detailed in the management action section below. However, EHCP numbers continue to rise from 1,893 in August to 1,941 in September, an increase of 48.

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

### **Local Authority Funded Services**

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

<b>Description</b>	<b>Budget £000</b>	<b>Sep £000</b>	<b>Aug £000</b>	<b>2018/19 £000</b>
Procurement & School organisation	594	(200)	(200)	(411)
SEN transport	4,705	1,097	1,097	1,223
Early Years services	3,117	(206)	(251)	(349)
CWD team staffing	571	(72)	(72)	(88)
Internal legal hard charge	543	(144)	(143)	(32)
Other small over and underspends	15,339	(165)	(222)	(380)
<b>Subtotal Education</b>	<b>24,869</b>	<b>310</b>	<b>209</b>	<b>(37)</b>
Fostering and residential placements (ART)	7,111	696	696	1,057
Un-accompanied asylum seeking children (UASC)	75	551	517	488
Community Placement	0	385	385	500
No Recourse to Public Funds (NRPF)	21	141	141	301
MASH & First Response staffing	1,618	267	267	354
Legal costs	526	209	209	280
Other small over and underspends	10,220	(121)	(303)	231
<b>Subtotal Children's Social Care and Youth Inclusion</b>	<b>19,571</b>	<b>2,128</b>	<b>1,912</b>	<b>3,211</b>

## Education Division

The procurement and school organisation budget is forecast to underspend by £200k because of lower spend on revenue budgets. This budget relates to the revenue cost of construction projects and is affected by slippage of capital schemes. The majority of this is used for temporary classrooms usually required due to rising pupil demand when it is not viable to provide permanent buildings.

The SEN transport budget is forecast to overspend by £1.097m. The forecast for maintained school taxis is £3.685m, circa £400k more than last year. This is our best estimate based on the information available at the end of September. A more accurate forecast for the current financial year is expected in October once all the changes of the new academic year have been procured and initial payments for the new academic year should have been received to check calculations against. The current estimated cost includes a small forecast for new placements that may be required towards the end of the year. There is a risk that this cost can increase more than currently allowed for as we have seen a major increase in the number of EHCPs, although not all plans will necessarily be eligible for support under Merton's transport policy. To support the cost pressure in this area, the £500k growth allocated to the department in 2019/20 has been allocated against this budget. However, this has been insufficient to cover the full extent of the growth in this area.

As part of management action to reduce the overall in-year departmental overspend, where possible in the Early Years' service, recruitment to vacancies is being delayed. At the end of September this is estimated to deliver a £206k underspend.

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

The internal legal hard charging budget is estimated to underspend by £144k. This forecast is based on spend to date and will fluctuate if usage increases towards year-end.

There are various other small over and underspends forecast across the division netting to a £165k underspend. These combine with the items described above to arrive at the total divisional overspend forecast of £310k.

## Children's Social Care and Youth Inclusion Division

At the end of September Merton had 164 looked after children (LAC). This is a reduction of 3 children from August. The numbers of Looked after Children (LAC) in Merton remain relatively stable and we continue to maintain relatively low levels of children in care as detailed in the table below:

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

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

Service	Budget £000	Sept spend £000	Variance		Placements	
			Sept £000	Aug £000	Sept No	Aug No
Residential Placements	2,305	2,005	(300)	(300)	15	15
Independent Agency Fostering	1,753	1,953	200	200	41	41
In-house Fostering	993	1,697	704	704	68	70
Secure accommodation	138	138	0	0	1	1
Mother and baby	103	103	0	0	1	1
Supported lodgings/housing	1,819	1,911	92	92	58	59
<b>Total</b>	<b>7,111</b>	<b>7,807</b>	<b>696</b>	<b>696</b>	<b>184</b>	<b>187</b>

The ART service seeks to make placements with in-house foster carers wherever possible and in line with presenting needs, however, the capacity within our in-house provision and the needs of some looked after children mean that placements with residential care providers or independent fostering agencies are required. Some specific provision is mandated by the courts.

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

- The Residential placement expenditure is forecast to underspend by £300k at the end of the financial year. We currently have 15 residential (including 10 respite), the same as last month.
- The Independent Agency Fostering expenditure is forecast to overspend by £200k. We currently have 41 placements, the same as last month.
- The In-house Foster carer expenditure is forecast to overspend by £704k. We currently have 68 placements. There has been 3 new placements while 4 placements ended during September. The cost difference of this change in placements is contained within the expected movement built into the full year estimated cost.
- The Youth Justice secure accommodation expenditure is projected to spend to budget in September. We currently have 1 placement but are forecasting for additional placements expected by the end of financial year.
- The mother and baby assessment unit expenditure is forecast budget for the current year.
- We are forecasting that the budget for the semi-independent accommodation and supported lodgings/housing placements will overspend by £92k in September. There has been 3 new placements while 2 placements ended. The cost difference of this change in placements is contained within the expected movement built into the full year estimated cost.
- At the end of September, UASC placements and previous UASC that are now Care Leavers were forecasting to overspend by £551k, up from £517k in August.

Service	Budget £000	Sept spend £000	Variance		Placements	
			Sept £000	Aug £000	Sept No	Aug No
Independent Agency Fostering	380	491	111	89	13	11
In-house Fostering	0	660	660	648	32	30
Supported lodgings/housing	170	675	505	505	24	23
UASC grant	(475)	(1,200)	(725)	(725)		
<b>Total</b>	<b>75</b>	<b>627</b>	<b>551</b>	<b>517</b>	<b>69</b>	<b>64</b>

At the end of September, we had 37 placements for UASC young people under 18. Of these, 34 were placed in foster care and 3 in semi-independent accommodation. The administration's commitment (in line with other London Labour Councils) for Merton is 37 (0.08% of the child population). We receive UASC grant towards these placements although it is not sufficient to cover the full cost.

Merton had 38 young people aged 18+ who were formerly UASC in our care at the end of September, 11 in foster care, 21 in semi-independent accommodation and 6 who received non-accommodation related support. Once UASC young people reach age 18, we retain financial responsibility for them as Care Leavers until their immigration status is agreed or they reach age 25.

We are currently forecasting to 'over-achieve' our projected UASC grant income by £725k. We are currently reviewing this forecast based on Merton's latest caseloads and taking account of the grant increases confirmed by the Home Office earlier this year and will update this figure next month. The grant income is offset against the additional costs incurred through having higher numbers of UASC in our care.

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

The NRPF budget is forecast to overspend by £141k in the current financial year. This is £160k less than last year's overspend. The NRPF worker is working closely with housing colleagues to manage cases as they arise and also reviews historic cases to identify ones where claimant circumstances have changed and they can therefore be stepped down from services. We continue to use the Connect system to progress cases and continue to review open cases with the aim to limit the cost pressure on the council. Strong gate-keeping has resulted in a reduction of overall numbers from a peak of 30 in 2016/17 to a current caseload of 6 families where we support 9 children with accommodation and 6 with subsistence.

We are forecasting to overspend by £267k on the MASH and First Response teams' staffing costs. This is because the team is covering 14 vacancies out of an establishment of 30 with agency staff due to difficulty in recruiting permanent members of staff in this area.

Legal costs are forecast to overspend by £209k, the same as last month. This cost relates to third party legal fees including Counsel, court and medical fees as well as independent expert witness and Family Drug and Alcohol Court (FDAC) costs. The investment in the FDAC is intended to reduce placement costs due to fewer children coming into care. The evidence is that this is effective in those cases that go through the FDAC process, but that this is more than offset by increases in other placement costs.

There are various other small over and underspends forecast across the division netting to a £121k underspend. These combine with the items described above to arrive at the total divisional forecast overspend of £2.128m.

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

DSG funded services are forecast to overspend by £9.990m, an increase of £87k over last month. The DSG had a cumulative overspend of £2.909m at the end of 2018/19. The overspend in the current financial year will be adding to this balance, currently estimated at £12.899m.

The main reason for the variance relates to a £6.522m overspend on Independent Day School provision. This is a £473k increase from August 2019. The reason for the increase is the increase in placements from 243 in August to 257 in September. Based on past years' experience, we would expect this number to increase further towards the end of the year. We are seeking to increase the number of local maintained special school places in the borough, in order to reduce these costs, but it will take time to bring these additional places on stream. At present the annual increase in the number of EHCPs significantly exceeds the number of additional special school places we are able to create in the borough. Based on the number of new EHCPs still being awarded following assessment, we would expect this cost to still increase towards year-end and the £12.899m cumulative deficit to increase further.

Other overspends include £851k on EHCP allocations to Merton primary and secondary schools, £1.718m on EHCP allocations to out of borough maintained primary, secondary and special schools, and £1.164m on one-to-one support, OT/SLT and other therapies as well as alternative education.

The table below shows the increase in number of EHCPs over the past 4 years since the entitlement changed following the implementation of the Children and Families Act. At the end of September 2019 there were 1,941 EHCPs, a 13% increase year to date.

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

There are various other smaller over and underspends forecast across the DSG netting to a £265k underspend which, combined with the items above, equates to the net overspend of £9.990m. This will be added to Merton's negative reserve and conversations continue with government over the funding of this.

We continue to keep abreast of proposed changes to the National Funding Formula, especially in relation to risks associated with services currently funded by de-delegated elements of the DSG. We are also working with other authorities on the deficit DSG issue and will respond to the national consultation relating to the treatment of DSG deficits.

The Early Years block of the DSG is normally adjusted in the July following the end of the financial year as it is based on January census information. We are therefore not in a position to estimate this adjustment until year-end.

Although the pressures on the high needs block are clear from the budget monitoring figures highlighted above and continue into 2019/20 and beyond, some schools are also having trouble in setting balanced budgets with the funding provided to them through the funding formula. The Finance Service monitors this closely, and before any deficit budget is agreed, work is undertaken with the school to ensure they are maximising every opportunity to reduce costs and spend wisely. The number of schools setting deficit budgets has reduced from 14 in 2018/19 to 13 in 2019/20.

There are various reasons for schools requiring to set deficit budgets including unfunded non-teacher pay increases, increased costs relating to children that require additional support but do not meet statutory thresholds for additional funding, reduction in pupil numbers and reduced levels of reserves that schools would previously have used to balance their budgets. Total school balances, including capital balances, did however increase last year.

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

## **Management action**

### Staffing report

We continue to reduce the use of agency by imposing a three month recruitment drag, where appropriate, for non-social work posts. We continue to prioritise meeting our statutory duties when determining whether recruitment drag may be applied to any vacant post.

### Placements

We continue to use the Panel processes to ensure that spending on IFAs instead of in-house placements can be justified, as well as continuing our scrutiny on residential children's home placements.

Our ART Fostering Recruitment and Assessment team is continuing to recruit new foster carers who will offer locally based placements with a campaign targeted at attracting foster carers for teenagers and UASC young people. We have recruited 5 new foster carers this year so far. However, the target for this financial year is to recruit 20 new foster carers and we are therefore behind target.

Our aim is to slow down the increase in more expensive agency foster placements. In addition, we are implementing actions to retain our experienced existing foster carers such as increasing the support offer to them through the trauma based training and support to enable them to take and retain children with more challenging behaviours in placement and implementing the Mockingbird Model. We are also targeting our recruitment to increase our number of in-house mother and child foster placements.

Our ART Placement service is working with providers to establish more local provision and offer better value placements to the Council. We continue to convene the Semi-Independent Accommodation (SIA) Panel which will record costs incurred. We are working to identify our Housing Benefit payments and what we should be getting and what are the actuals received. This work is continuing with the aim to further reduce under-achievement of housing benefits during this year.

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

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



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

Weekly cost 2019-20

Description	March	May	June	July	Aug	Sep	Movement from last month	Sept
	£	£	£	£	£	£	£	No
ART Independent Agency Fostering	900	879	854	889	898	896	● -2	41
ART In-house Fostering	440	438	443	430	428	438	● 11	68
UASC Independent Agency (Grant)	803	822	822	821	821	818	● -2	12
UASC In house Fostering (Grant)	490	410	388	452	419	422	● 3	22
UASC Independent Agency (Non-Grant)	237	802	802	802	802	618	● -183	1
UASC In house Fostering (Non-Grant)	589	409	417	405	426	422	● -4	10
ART Residential Placements	3,978	3,919	3,887	3,886	3,916	3,925	● 9	15
ART Secure Accommodation	3,374	1,323	1,890	1,890	2,457	1,816	● -641	1
ART Mother & Baby Unit	3,589	4,204	4,204	3,401	3,401	3,401	● 0	1
Supported Housing & Lodgings (Art 16+ Accommodation)	585	611	619	627	652	671	● 20	58
Supported Housing & Lodgings - UASC (Grant)	782	788	736	687	687	685	● -2	3
Supported Housing & Lodgings - UASC (Non Grant)	642	451	410	400	427	434	● 7	21

### Children with additional needs

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

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

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

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

We are also part of a South West London consortium, which uses a dynamic purchasing system for the commissioning of specialist independent places, this enables LAs together to challenge any increases in cost and ensure best value for money in the costs of these placements, although there is evidence that other LAs are not making best use of this and it is likely to be decommissioned.

## New burdens

There are a number of duties placed on the Local Authority that have not been fully funded or not funded at all through additional burdens funding from Central Government. Excluding the cost of these duties would leave a net departmental overspend of £72k, however that figure masks substantial one off windfalls and non-recurrent and recurrent management action. The table below highlights the continued estimated overspends relating to these unfunded duties:

Description	Budget £000	Sep overspend forecast £000	Aug overspend forecast £000	2018/19 over £000
Supported lodgings/housing- care leavers	1,819	92	92	52
Supported lodgings/housing- UASC	170	505	505	774
UASC	380	771	737	211
No Recourse to Public Funds (NRPF)	21	141	141	301
<b>Total</b>	<b>2,390</b>	<b>1,509</b>	<b>1,475</b>	<b>1,338</b>

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

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

Other unfunded burdens include:

- The increase in the age range of EHCPs, particularly for those young people aged 18-25, due to legislation changes, which is causing cost pressures in both the general fund (in education psychology and SEN transport) and the DSG (High Needs Block costs relating to most EHCP services);
- New statutory duties in relation to children missing from education have increased the cases dealt with by the Education Welfare Service by 79% (from 290 in the 6 months from September to March 2016 to 519 in the same 6 months the following year and the level of referrals has remained at this level).
- SEND tribunals will cover all elements of children care packages, not just education.
- New requirement of social work visits to children in residential schools and other provision.

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

## Community and Housing

### Overview

Community and Housing is currently forecasting an underspend of £598k as at September 2019.

There are forecast underspends in Adult Social Care and Housing. Public Health and Libraries continues to forecast an overspend. Merton Adult Learning expects to achieve a breakeven position.

### Community and Housing Summary Outturn Position

Community and Housing	2019/20 Current Budget £000	2019/20 Forecast Spend £'000	2019/20 Forecast Variance (Sept'19) £000	2019/20 Forecast Variance (Aug'19) £000	2018/19 Outturn Variance £000
<b>Access and Assessment</b>	45,199	44,292	(907)	(52)	(258)
<b>Commissioning</b>	4,438	4,347	(91)	(93)	(5)
<b>Direct Provision</b>	4,706	4,783	77	112	6
<b>Directorate</b>	1,142	1,397	255	283	90
<b>Adult Social Care</b>	<b>55,485</b>	<b>54,819</b>	<b>(666)</b>	<b>250</b>	<b>(167)</b>
<b>Libraries and Heritage</b>	2,186	2,258	72	47	45
<b>Merton Adult Learning</b>	(8)	(8)	0	0	0
<b>Housing General Fund</b>	1,905	1,889	(16)	(101)	(73)
<b>Other Services Sub-total</b>	<b>4,083</b>	<b>4,139</b>	<b>56</b>	<b>(54)</b>	<b>(28)</b>
<b>Public Health</b>	<b>(148)</b>	<b>(136)</b>	<b>12</b>	<b>12</b>	<b>0</b>
<b>Grand Total Controllable</b>	<b>59,420</b>	<b>58,822</b>	<b>(598)</b>	<b>208</b>	<b>(195)</b>

### Adult Social Care

#### Access & Assessment - £907k underspend

This service is currently forecasting an underspend of £907k as of September 2019. This is due to the reduction in forecasted expenditure on placements; increase in forecasted income from assessed client contributions, a decrease in overspend on equipment and other minor movements. There is however an increase in the amount of debts outstanding in the service which may need to be written off.

It is however important to note that the approaching winter is likely to be a harsh one which may lead to an increase in the demand for services and therefore a budget pressure. Thus at this stage it is not expected that the current underspend will be an ongoing position.

The winter planning with health has concluded. The service has allocated winter grants to additionally expand short-term capacity and investment in the voluntary sector. Since hospitals are already operating at near capacity, it is expected to be a challenging winter period.

Social care-caused delayed transfers of care remain good and below the nationally set target. However, health-caused delays have risen which will put the Merton system under scrutiny. The service will need to work hard to maintain our current good performance thus will need to allocate sufficient resources to facilitate a seamless service.

The recent spending round announcement by the government continued the short-term allocations via the Improved Better Care Fund (IBCF), the precept and a new grant to support Adults and Children's services. This announcement, though welcomed, prevents the department and Merton to plan effectively for the long term due to the uncertainty surrounding the source and level of social care funding post 2020. The department is awaiting details on the spending round announced recently.

The current year budget is supported by the short term IBCF funding as per the grant requirements.

It is important to note that included in Adult Social Care income is £300k Independent Living Fund (ILF) grant, which ceases next year; thus from 2020-21 this will be an additional pressure as it currently supports the cost of previous ILF customers costing the service £800k per annum.

The department transformation project is currently in progress with an expected completion date of March 2023. This project is looking at Merton's prevention offer, Learning Disabilities offer, Adult social care customer journey and Housing.

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

<b>Access &amp; Assessment</b>	<b>Forecast Variance Sept'19 £000</b>	<b>Forecast Variance Aug'19 £000</b>	<b>Outturn Variances March 19 £000</b>
Underspend on Concessionary Fares-(taxi-cards scheme)	(92)	(92)	(42)
Equipment	70	103	95
Other- Incl. Employee Related & Premises	(48)	(138)	(104)
Placements & Placements Other	1,513	1,807	1,111
Income (IBCF & ILF, Client Contribution)	(2,350)	(1,732)	(1,318)
<b>Total Controllable</b>	<b>(907)</b>	<b>(53)</b>	<b>(258)</b>

### **Direct Provision-£77k overspend**

The Direct Provision service is currently forecasting an overspend of £77k which is a reduction of £35k since August 2019.

This service has undertaken intensive work in the day services to ensure that its forecasts are correct. It has introduced plans which will reduce bank staff usage across all day services. However there has been a temporary increase in sickness at the Riverside residential home.

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

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

### **Libraries-£72k overspend**

The library service is currently forecasting an overspend of £72k which is an increase of £25k between August and September. This is largely due to an increase in forecasted spend on IT licences, telephone costs and a reduction of expected income from printing and advertising. The service will investigate these increases and the outcome will be reported on in the October's budget monitoring report.

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

### **Housing - £16k underspend**

This service is currently forecasting an underspend of £16k as at September 2019 which is a reduction of £85k since August 2019. This is due a reduction in the forecasted income from housing benefit and client contributions in temporary accommodation.

It remains the case that this budget will be subjected to fluctuations to reflect numbers of households being admitted into temporary accommodation, numbers of households leaving temporary accommodation and the income received from households living in temporary accommodation via Housing Benefit and the corresponding budget implications flowing from temporary accommodation subsidy

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

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

The housing service continues to maintain its position of having the lowest number of households in temporary accommodation than any other London borough.

The service continues to utilise secured grant funding to undertake various projects such as a rough sleeping initiative in Merton, outreach, rough sleepers hub, control migration, accommodation assistance and rapid rehousing pathways.

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

Activities undertaken to prevent homelessness:-

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

The table below shows the number of homelessness prevented to September 2019

Period	Homelessness Prevention Targets 2019-20
Full Year Target	450
<b>Target YTD</b>	<b>225</b>
Achieved-Apr'19	57
Achieved-May'19	86
Achieved-June'19	118
Achieved-July'19	152
Achieved-Aug'19	193
Achieved-Sept'19	233

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

### Analysis of Housing and Temporary Accommodation Expenditure

The table below shows the analysis of housing expenditure to September 2019

Housing	Budget 2019/20 £000	Forecast (Sept'19) £'000	Forecast Variances (Sept'19) £'000	Forecast Variances (Aug'19) £000	Outturn Variances (March'19) £000
Temporary Accommodation-Expenditure	2,368	2,961	593	588	562
Temporary Accommodation-Client Contribution	(140)	(502)	(362)	(412)	(518)
Temporary Accommodation-Housing Benefit Income	(2,005)	(2508)	(503)	(530)	(26)
Temporary Accommodation-Subsidy Shortfall	322	1,088	766	771	455
Temporary Accommodation-Grant	0	(450)	(450)	(450)	(531)
Subtotal Temporary Accommodation	<b>544</b>	<b>589</b>	<b>45</b>	<b>(33)</b>	<b>(58)</b>
Housing Other Budgets-Over/(under)spend	1,361	1,300	(61)	(68)	(15)
<b>Total Controllable</b>	<b>1,905</b>	<b>1,889</b>	<b>(16)</b>	<b>(101)</b>	<b>(73)</b>

## Temporary Accommodation (TA) movement to September 2019

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

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

The average number of households in temporary accommodation in 2018-19 as at period 6 was 173 compared to 171 in 2019-20.

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

This service is continues to forecast an overspend of £12k.

The overspend in public health is due to the additional costs of maternity cover for the Children's Senior Public Health Principal and interim Children's Commissioning Officer pending recruitment and child care voucher costs.

## Corporate Items

The details comparing actual expenditure up to 30 September 2019 against budget are contained in Appendix 2. Based on expenditure and income as at 30 September 2019 there is an underspend of £1.300m forecast on corporate items as summarised in the following table:-

Corporate Items	Current Budget 2019/20 £000s	Full Year Forecast (Sep.) £000s	Forecast Variance at year end (Sep.) £000s	Forecast Variance at year end (Aug.) £000s	Outturn Variance 2018/19 £000s
<b>Impact of Capital on revenue budget</b>	<b>10,481</b>	<b>10,332</b>	<b>(149)</b>	<b>0</b>	<b>403</b>
Investment Income	(664)	(1,143)	(479)	(313)	(364)
Pension Fund	3,279	3,179	(100)	(100)	(254)
Pay and Price Inflation	450	450	0	0	(1,122)
Contingencies and provisions	4,585	4,257	(327)	(327)	(3,366)
Income Items	(1,503)	(1,749)	(245)	(246)	(956)
Appropriations/Transfers	(3,918)	(3,918)	0	0	(6)
<b>Central Items</b>	<b>2,229</b>	<b>1,078</b>	<b>(1,151)</b>	<b>(987)</b>	<b>(6,068)</b>
Levies	949	949	0	0	0
Depreciation and Impairment	(22,903)	(22,903)	0	0	4
<b>TOTAL CORPORATE PROVISIONS</b>	<b>(9,245)</b>	<b>(10,545)</b>	<b>(1,300)</b>	<b>(987)</b>	<b>(5,661)</b>

There has been an increase of £0.313m in the underspend forecast on corporate items since August. The reasons for this are:-

- Following a review of the capital programme and reprofiling based on the outturn position, it is anticipated that there will be an underspend of £0.149m on capital financing costs in 2019/20.
- A review of investment income has been undertaken based on the half yearly position and it is expected that there will be £0.479m more income than budgeted. This is due to an improvement in the investment interest rates achieved and a larger sum being available for short term investment.

The figures in the table above have also been adjusted to reflect the transfer of the following amounts to the Spending Review Reserve:-

	£000
Pensions - Autoenrolment	150
Loss of income arising from P3/P4	100
<b>Total</b>	<b>250</b>

The addition of these amounts will increase the balance on the Spending Review Reserve to £4.495m.



## 4 Capital Programme 2019-23

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

Depts	Current Budget 19/20	Variance	Revised Budget 19/20	Current Budget 20/21	Variance	Revised Budget 20/21	Revised Budget 21/22	Variance	Revised Budget 21/22	Revised Budget 22/23	Variance	Revised Budget 22/23
CS	9,969	(300)	9,669	26,328	0	26,328	3,945	300	4,245	15,967	109	16,076
C&H	1,196	0	1,196	1,118	0	1,118	913	0	913	882	0	882
CSF	9,523	(319)	9,204	5,606	210	5,816	3,150	0	3,150	1,900	0	1,900
E&R	14,713	(120)	14,593	8,259	120	8,379	7,504	0	7,504	4,401	0	4,401
<b>TOTAL</b>	<b>35,401</b>	<b>(739)</b>	<b>34,662</b>	<b>41,311</b>	<b>330</b>	<b>41,641</b>	<b>15,512</b>	<b>300</b>	<b>15,812</b>	<b>23,149</b>	<b>109</b>	<b>23,258</b>

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

	Actuals	Budgeted Spend to Date	Variance to Date	Final Budget	Final Forecast 2019/20	Full Year Variance
Corporate Services	1,130,771	1,818,445	(687,674)	9,668,690	9,667,986	(704)
Community and Housing	413,861	355,000	58,861	1,196,240	996,240	(200,000)
Children Schools & Families	4,751,978	4,146,420	605,558	9,203,830	8,893,500	(310,330)
Environment and Regeneration	2,851,171	4,632,772	(1,781,601)	14,593,440	14,579,060	(14,380)
<b>Total</b>	<b>9,147,781</b>	<b>10,952,637</b>	<b>(1,804,856)</b>	<b>34,662,200</b>	<b>34,136,786</b>	<b>(525,414)</b>

- a) Corporate Services – All budget managers are projecting a full spend against budget. One budget has been re-profiled from 2019-20 to 2021-22, this for Civic Centre – Lighting £300,000, this is due to greater life expectancy of existing lighting. Re-profiling of Housing Company spending profile in accordance with the latest development plan will be progressed as part of the coming months monitoring.
- b) Community and Housing – All budget managers are projecting a full year spend apart from West Barnes Library Re-Fit which is showing a £200k slippage. Officers are currently considering how best to progress this scheme and will profile the budget spend once this is decided as part of October monitoring. There are no proposed amendments to departmental budgets this month.
- c) Children, Schools and Families – Officers are currently projecting in year slippage of £254k in Primary, £52 in Secondary, £4k on Healthy Schools and £109k on School Equipment Loans. Officers are currently reviewing which schemes can be progressed during term time and this will be reported as part of October 2019 monitoring. The following re-profiling and virements have been progressed:
- Three budgets have been slipped into 2020-21 these are Perseid- capital maintenance £38k, Unallocated SEN – Further SEN Provision £100k and Secondary Schools Autism Unit £72k.
  - The School Equipment Loans Budget has been re-profiled to 2022-23 and added to the Capital Contingency. This will then be slipped to 2023/24 as part of the Business Planning Process for 2020-24
  - Three virements have been progressed, these are Sherwood – Capital Maintenance £12k, Gorrington – Capital Maintenance £35k and Gorrington – Healthy Schools £1k.

d) Environment and Regeneration – Officers are projecting two in year underspend Alleygating £10k and within Highways and Footways two schemes are showing small underspends. One scheme – Highways Bridges and Structures within Highways and Footways is requesting to re-profiles £120k from 2019-20 to 2020-21. There is the possibility that additional funding may be required for the Bishopsford Road Bridge, sources of funding to be determined by the outcome of a review currently being undertaken. Regular updates will be provided as part of the monitoring report. Any liability falling on the Authority could be funded from the Corporate Capital Contingency, which totals £4.8 million and is currently held in the financial year 2022-23, subject to review as part of the Medium Term Financial Strategy.

4.3 The table below summarises the movement in the Capital Programme for 2019/20 since its approval in March 2019:

Depts.	Original Budget 19/20	Net Slippage 2018/19	Adjustments	New External Funding	New Internal Funding	Re-profiling	Revised Budget 19/20
Corporate Services	28,857	1,686			60	(20,934)	9,669
Community & Housing	971	225					1,196
Children Schools & Families	10,203	566		555	50	(2,170)	9,204
Environment and Regeneration	13,498	404		398	359	(66)	14,593
<b>Total</b>	<b>53,529</b>	<b>2,881</b>	<b>0</b>	<b>953</b>	<b>469</b>	<b>(23,170)</b>	<b>34,662</b>

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

Depts.	Spend To September 2016	Spend To September 2017	Spend to September 2018	Spend to September 2019	Variance 2016 to 2019	Variance 2017 to 2019	Variance 2018 to 2019
CS	215	1,182	2,401	1,131	916	(51)	(1,271)
C&H	916	340	411	414	(502)	74	3
CSF	2,811	2,673	2,850	4,752	1,941	2,079	1,902
E&R	5,930	4,598	6,380	2,851	(3,079)	(1,747)	(3,529)
<b>Total Capital</b>	<b>9,873</b>	<b>8,793</b>	<b>12,043</b>	<b>9,148</b>	<b>(725)</b>	<b>355</b>	<b>(2,895)</b>

Outturn £000s	30,626	32,230	31,424	
Budget £000s				34,662
Projected Spend September 2019 £000s				34,137
Percentage Spend to Budget				26.39%
% Spend to Outturn/Projection	32.24%	27.28%	38.32%	26.80%
Monthly Spend to Achieve Projected Outturn £000s				4,165

4.5 September is half way through the financial year and departments have spent just over 26% of the budget. Spend to date is lower than two of the three previous financial years shown.

Department	Spend To August 2019 £000s	Spend To September 2019 £000s	Increase £000s
CS	900	1,131	230
C&H	354	414	60
CSF	3,482	4,752	1,270
E&R	1,554	2,851	1,297
<b>Total Capital</b>	<b>6,290</b>	<b>9,148</b>	<b>2,858</b>

- 4.6 During September 2019 officers spent £2.858 million, which highlights that it is highly unlikely that a projected Authority wide spend of just over £34 million will be achieved, but funding has been based on 88.5% being achieved. Time will continue to be spent with budget managers to re-profile budgets into subsequent financial years.

## 5. DELIVERY OF SAVINGS FOR 2019/20

Department	Target Savings 2019/20	Projected Savings 2019/20	Period 6 Forecast Shortfall	Period Forecast Shortfall (P6)	Period 5 Forecast Shortfall	2020/21 Expected Shortfall
	£000	£000	£000	%	£000	£000
Corporate Services	1,484	1,401	83	5.6%	93	35
Children Schools and Families	572	572	0	0.0%	0	0
Community and Housing	1,534	1,413	121	7.9%	121	0
Environment and Regeneration	3,370	2,097	1,273	37.8%	1,273	130
<b>Total</b>	<b>6,960</b>	<b>5,483</b>	<b>1,477</b>	<b>21.2%</b>	<b>1,430</b>	<b>165</b>

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

### Progress on savings 2018/19

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

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

### Progress on savings 2017/18

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

Appendix 8 details the progress on unachieved savings from 2017/18 by department and the impact on the current year and next year.

## **6. CONSULTATION UNDERTAKEN OR PROPOSED**

6.1 All relevant bodies have been consulted.

## **7. TIMETABLE**

7.1 In accordance with current financial reporting timetables.

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

8.1 All relevant implications have been addressed in the report.

## **9. LEGAL AND STATUTORY IMPLICATIONS**

9.1 All relevant implications have been addressed in the report.

## **10. HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS**

10.1 Not applicable

## **11. CRIME AND DISORDER IMPLICATIONS**

11.1 Not applicable

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

12.1 The emphasis placed on the delivery of revenue savings within the financial monitoring report will be enhanced during 2016/17; the risk of part non-delivery of savings is already contained on the key strategic risk register and will be kept under review.

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

Appendix 1-	Detailed position table
Appendix 2 –	Detailed Corporate Items table
Appendix 3 –	Pay and Price Inflation
Appendix 4 –	Treasury Management: Outlook
Appendix 5a -	Current Capital Programme 2019/20
Appendix 5b -	Detail of Virements
Appendix 5c -	Summary of Capital Programme Funding
Appendix 6 –	Progress on savings 2019/20
Appendix 7 –	Progress on savings 2018/19
Appendix 8 -	Progress on savings 2017/18
Appendix 9 -	Debt Report
Appendix 10 -	Establishment

## **14. BACKGROUND PAPERS**

14.1 Budgetary Control files held in the Corporate Services department.

## 15. REPORT AUTHOR

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Summary Position as at 30<sup>th</sup> September 2019

	Original Budget 2019/20 £000s	Current Budget 2019/20 £000s	Year to Date Budget (Sept) £000s	Year to Date Actual (Sept) £000s	Full Year Forecast (Sept) £000s	Forecast Variance at year end (Sept) £000s	Forecast Variance at year end (Aug) £000s	Outturn variance 2018/19 £000
<b>Department</b>	-	-	-	-	-	-	-	-
3A. Corporate Services	10,930	11,495	12,611	14,194	11,153	(342)	(429)	(2,511)
3B. Children, Schools and Families	60,819	61,336	22,883	22,926	62,917	1,581	1,277	2,271
<b>3C. Community and Housing</b>	-	-	-	-	-	-	-	-
Adult Social Care	58,657	58,650	27,817	29,260	57,983	(667)	250	(169)
Libraries & Adult Education	2,878	2,878	1,635	2,113	2,950	72	47	45
Housing General Fund	2,219	2,219	667	(103)	2,204	(15)	(101)	(73)
3D. Public Health	0	0	74	(6,102)	12	12	12	0
3E. Environment & Regeneration	15,832	15,932	2,764	(11,875)	15,112	(820)	(320)	(1,526)
Overheads	0	0	0	0	0	0	0	(33)
<b>NET SERVICE EXPENDITURE</b>	<b>151,335</b>	<b>152,510</b>	<b>68,452</b>	<b>50,413</b>	<b>152,332</b>	<b>-178</b>	<b>737</b>	<b>(1,996)</b>
<b>3E. Corporate Items</b>	-	-	-	-	-	-	-	-
Impact of Capital on revenue budget	10,481	10,481	3,158	2,618	10,332	(149)	0	403
Other Central items	(19,500)	(20,675)	(4,025)	2,694	(21,826)	(1,151)	(987)	(6,064)
Levies	949	949	433	433	949	0	0	0
<b>TOTAL CORPORATE PROVISIONS</b>	<b>(8,070)</b>	<b>(9,245)</b>	<b>(434)</b>	<b>5,745</b>	<b>(10,545)</b>	<b>(1,300)</b>	<b>(987)</b>	<b>(5,661)</b>
<b>TOTAL GENERAL FUND</b>	<b>143,264</b>	<b>143,265</b>	<b>68,017</b>	<b>56,158</b>	<b>141,787</b>	<b>(1,478)</b>	<b>(250)</b>	<b>(7,657)</b>
<b>Funding</b>	-	-	-	-	-	-	-	-
- Business Rates	(44,026)	(44,026)	0	0	(44,026)	0	0	0
- RSG	0	0	0	0	0	0	0	0
- Section 31 Grant	0	0	(2,056)	(2,056)	0	0	0	0
- New Homes Bonus	(2,108)	(2,108)	(1,054)	(1,054)	(2,108)	0	0	0
- PFI Grant	(4,797)	(4,797)	(2,398)	(2,398)	(4,797)	0	0	0
- Brexit Grant	(210)	(210)	(210)	(210)	(210)	0	0	0
- Adult Social Care Grant	(1,054)	(1,054)	(3,070)	(3,070)	(1,054)	0	0	0
<b>Grants</b>	<b>(52,195)</b>	<b>(52,195)</b>	<b>(8,789)</b>	<b>(8,789)</b>	<b>(52,195)</b>	<b>0</b>	<b>0</b>	<b>-</b>
Collection Fund - Council Tax Surplus(-)/Deficit	(1,949)	(1,949)	0	0	(1,949)	0	0	0
Collection Fund - Business Rates Surplus(-)/Deficit	3,250	3,250	0	0	3,250	0	0	0
<b>Council Tax</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
- General	(92,028)	(92,028)	0	0	(92,028)	0	0	0
- WPCC	(343)	(343)	0	0	(343)	0	0	0
<b>Council Tax and Collection Fund</b>	<b>(91,070)</b>	<b>(91,070)</b>	<b>0</b>	<b>0</b>	<b>(91,070)</b>	<b>0</b>	<b>0</b>	<b>-</b>
<b>FUNDING</b>	<b>(143,265)</b>	<b>(143,265)</b>	<b>(8,789)</b>	<b>(8,789)</b>	<b>(143,265)</b>	<b>0</b>	<b>0</b>	<b>-</b>
<b>NET</b>	<b>(0)</b>	<b>0</b>	<b>59,229</b>	<b>47,369</b>	<b>(1,478)</b>	<b>(1,478)</b>	<b>(250)</b>	<b>(7,657)</b>

## Appendix 2

3E. Corporate Items	Council 2019/20 £000s	Original Budget 2019/20 £000s	Current Budget 2019/20 £000s	Year to Date Budget (Sep.) £000s	Year to Date Actual (Sep.) £000s	Full Year Forecast (Sep.) £000s	Forecast Variance at year end (Sep.) £000s	Forecast Variance at year end (Aug.) £000s	Outturn Variance 2018/19 £000s
Cost of Borrowing	10,481	10,481	10,481	3,158	2,618	10,332	(149)	0	403
<b>Impact of Capital on revenue budget</b>	<b>10,481</b>	<b>10,481</b>	<b>10,481</b>	<b>3,158</b>	<b>2,618</b>	<b>10,332</b>	<b>(149)</b>	<b>0</b>	<b>403</b>
<b>Investment Income</b>	<b>(664)</b>	<b>(664)</b>	<b>(664)</b>	<b>(332)</b>	<b>(513)</b>	<b>(1,143)</b>	<b>(479)</b>	<b>(313)</b>	<b>(364)</b>
<b>Pension Fund</b>	<b>3,429</b>	<b>3,429</b>	<b>3,279</b>	<b>0</b>	<b>3,552</b>	<b>3,179</b>	<b>(100)</b>	<b>(100)</b>	<b>(254)</b>
Corporate Provision for Pay Award	877	877	(0)		0	(0)	0	0	(744)
Provision for excess inflation	450	450	450		0	450	0	0	(378)
<b>Pay and Price Inflation</b>	<b>1,327</b>	<b>1,327</b>	<b>450</b>	<b>0</b>	<b>0</b>	<b>450</b>	<b>0</b>	<b>0</b>	<b>(1,122)</b>
Contingency	1,500	1,500	1,250		0	1,250	0	0	(1,398)
Single Status/Equal Pay	100	100	50		0	50	0	0	(84)
Bad Debt Provision	500	500	500		0	500	0	0	(33)
Loss of income arising from P3/P4	200	200	100		0	0	(100)	(100)	(200)
Loss of HB Admin grant	83	83	34		0	0	(34)	(34)	(83)
Apprenticeship Levy	450	450	450	225	152	450	0	0	(217)
Revenuisation and miscellaneous	2,070	2,070	2,200		219	2,007	(193)	(193)	(1,351)
<b>Contingencies and provisions</b>	<b>4,904</b>	<b>4,904</b>	<b>4,585</b>	<b>225</b>	<b>371</b>	<b>4,257</b>	<b>(327)</b>	<b>(327)</b>	<b>(3,366)</b>
Other income	0	0	0	0	(245)	(245)	(245)	(246)	(953)
CHAS IP/Dividend	(1,407)	(1,407)	(1,503)		(250)	(1,503)	0	0	(3)
<b>Income items</b>	<b>(1,407)</b>	<b>(1,407)</b>	<b>(1,503)</b>	<b>0</b>	<b>(495)</b>	<b>(1,749)</b>	<b>(245)</b>	<b>(246)</b>	<b>(956)</b>
Appropriations: CS Reserves	(711)	(711)	(1,077)	(1,077)	(421)	(1,077)	0	0	0
Appropriations: E&R Reserves	(146)	(146)	(311)	(311)	0	(311)	0	0	0
Appropriations: CSF Reserves	9	9	(586)	(586)	(976)	(586)	0	0	0
Appropriations: C&H Reserves	(104)	(104)	(104)	(104)	0	(104)	0	0	0
Appropriations: Public Health Reserves	(1,200)	(1,200)	(1,200)	(1,200)	0	(1,200)	0	0	0
Appropriations: Corporate Reserves	(2,034)	(2,034)	(639)	(639)	1,177	(639)	0	0	(6)
<b>Appropriations/Transfers</b>	<b>(4,186)</b>	<b>(4,186)</b>	<b>(3,918)</b>	<b>(3,918)</b>	<b>(220)</b>	<b>(3,918)</b>	<b>0</b>	<b>0</b>	<b>(6)</b>
<b>Depreciation and Impairment</b>	<b>(22,903)</b>	<b>(22,903)</b>	<b>(22,903)</b>	<b>0</b>	<b>0</b>	<b>(22,903)</b>	<b>0</b>	<b>0</b>	<b>4</b>
<b>Central Items</b>	<b>(9,019)</b>	<b>(9,019)</b>	<b>(10,194)</b>	<b>(867)</b>	<b>5,312</b>	<b>(11,494)</b>	<b>(1,300)</b>	<b>(987)</b>	<b>(5,661)</b>
<b>Levies</b>	<b>949</b>	<b>949</b>	<b>949</b>	<b>433</b>	<b>433</b>	<b>949</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL CORPORATE PROVISIONS</b>	<b>(8,070)</b>	<b>(8,070)</b>	<b>(9,245)</b>	<b>(434)</b>	<b>5,745</b>	<b>(10,545)</b>	<b>(1,300)</b>	<b>(987)</b>	<b>(5,661)</b>

### Pay and Price Inflation as at September 2019

In 2019/20, the budget includes 2.8% for increases in pay and 1.5% for increases in general prices, with an additional amount, currently £0.450m, which is held to assist services that may experience price increases greatly in excess of the inflation allowance provided when setting the budget. With CPI inflation currently at 1.7% and RPI at 2.6% this budget will only be released when it is certain that it will not be required.

### Pay:

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

### Prices:

The Consumer Prices Index (CPI) 12-month rate was 1.7% in September 2019, unchanged from August 2019. The Consumer Prices Index including owner occupiers' housing costs (CPIH) 12-month inflation rate was 1.7% in September 2019, also unchanged from August 2019. The largest downward contributions to change in the inflation rate, between August and September 2019, came from motor fuels, second-hand cars, and electricity, gas and other fuels. These were offset by upward movements in furniture, household appliances, hotel overnight stays, and from recreation and culture items. The RPI rate for September 2019 was 2.4%, which is down from the figure of 2.6% in August 2019.

### Outlook for inflation:

The Bank of England's Monetary Policy Committee (MPC) sets monetary policy to meet the 2% inflation target and in a way that helps to sustain growth and employment. At its meeting ending on 18 September 2019, the MPC voted unanimously to maintain Bank Rate at 0.75%. The Committee voted unanimously to maintain the stock of sterling non-financial investment-grade corporate bond purchases, financed by the issuance of central bank reserves, at £10 billion. The Committee also voted unanimously to maintain the stock of UK government bond purchases, financed by the issuance of central bank reserves, at £435 billion.

The next Bank Rate minutes will be published on 7 November 2019.

In the minutes to its September meeting, the MPC note that "Since the MPC's previous meeting, the trade war between the United States and China has intensified, and the outlook for global growth has weakened. Monetary policy has been loosened in many major economies. Shifting expectations about the potential timing and nature of Brexit have continued to generate heightened volatility in UK asset prices, in particular the sterling exchange rate has risen by over 3½%. Brexit-related developments are making UK economic data more volatile, with GDP falling by 0.2% in 2019 Q2 and now expected to rise by 0.2% in Q3. The Committee judges that underlying growth has slowed, but remains slightly positive, and that a degree of excess supply appears to have opened up within companies."

Employment and pay growth may be a key factor as the MPC recognise that "CPI inflation fell to 1.7% in August, from 2.1% in July, and is expected to remain slightly below the 2% target in the near term. The labour market appears to remain tight, with the unemployment rate having been just under 4% since the beginning of this year. Annual pay growth has strengthened further to the highest rate in over a decade. Unit wage cost growth has also risen, to a level above that consistent with meeting the inflation target in the medium term. The labour market does not appear to be tightening further, however, with official and survey measures of employment growth softening."



However, short term policy may be heavily influenced by the outcome of Brexit negotiations and the MPC note that “In the event of a no-deal Brexit, the exchange rate would probably fall, CPI inflation rise and GDP growth slow. The Committee’s interest rate decisions would need to balance the upward pressure on inflation, from the likely fall in sterling and any reduction in supply capacity, with the downward pressure from any reduction in demand. In this eventuality, the monetary policy response would not be automatic and could be in either direction.”

The latest Inflation Report was published on the 1 August 2019 and the next report will be published in early November 2019.

In the August 2019 Inflation Report, the MPC noted that “CPI inflation was at the 2.0% target in June and is projected to fall below the target over the next six months as energy prices decline. From next year inflation is expected to pick up as the impact of lower energy prices fades, sterling’s recent depreciation pushes up import prices, and domestic inflationary pressures rise.” In terms of the prospects for inflation, the MPC minutes are heavily caveated to take account of Brexit. The MPC sum up their view as follows:-

“Underlying UK GDP growth has softened to below-potential rates, reflecting weaker global growth as well as the impact of Brexit-related uncertainties. Growth is expected to remain subdued in coming quarters, as those uncertainties have intensified over the past few months and are assumed to remain elevated in the near term. CPI inflation is projected to fall temporarily below the MPC’s 2% target over the second half of 2019 as energy prices decline. Conditioned on a smooth withdrawal of the UK from the EU, Brexit-related uncertainties are assumed to subside over the forecast period. Together with a boost from looser monetary conditions, the decline in uncertainties leads to a recovery in demand growth to robust rates. As a result, excess demand and domestic inflationary pressures build. CPI inflation picks up to materially above the MPC’s 2% target by the end of the forecast period. The MPC’s projections are affected by an inconsistency between the asset prices on which they are conditioned — which reflect a higher perceived probability of a no-deal Brexit among financial market participants — and the smooth Brexit assumption underlying the central forecasts. In the event of a Brexit deal, sterling would be likely to appreciate and market interest rates and UK-focused equity prices to rise.”

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

**Table 11: Forecasts for the UK Economy**

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

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

Independent medium-term projections for the calendar years 2019 to 2023 are summarised in the following table:-

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

## Treasury Management: Outlook

At its meeting ending on 18 September 2019, the MPC voted unanimously to maintain Bank Rate at 0.75%. The Committee voted unanimously to maintain the stock of sterling non-financial investment-grade corporate bond purchases, financed by the issuance of central bank reserves, at £10 billion. The Committee also voted unanimously to maintain the stock of UK government bond purchases, financed by the issuance of central bank reserves, at £435 billion.

The next Bank Rate minutes will be published on 7 November 2019.

In the minutes to its September meeting the MPC state that “Shifting expectations about the potential timing and nature of Brexit had continued to generate heightened volatility in UK asset prices. The sterling exchange rate and market forward pricing of Bank Rate had both risen as the perceived probability of a no-deal Brexit had fallen. The implied probability of the United Kingdom leaving the European Union with a deal this year had also increased more recently. Sterling implied volatilities had remained at elevated levels. Brexit-related developments, such as stockbuilding and shutdowns in car production around previous Brexit deadlines, were making UK economic data more volatile. GDP had fallen by 0.2% in 2019 Q2 and was now expected to rise by 0.2% in Q3, compared with 0.3% at the time of the August Report....Brexit uncertainties, and more recently the slowing global economy, had weighed on business investment, which had now declined in five of the past six quarters. There had been a rise in the proportion of respondents to the Decision Maker Panel (DMP) reporting that Brexit was one of their top three sources of uncertainty. The weaker global backdrop was weighing on exports. Consumption growth had remained resilient, however, supported by continued growth in real household income.”

The outlook for interest rates looking forward will be heavily dependent on the Brexit outcome. However, the MPC note that “In the event of greater clarity that the economy was on a path to a smooth Brexit, and assuming some recovery in global growth, a significant margin of excess demand was likely to build in the medium term. Were that to occur, the Committee judged that increases in interest rates, at a gradual pace and to a limited extent, would be appropriate to return inflation sustainably to the 2% target. In all circumstances, the Committee would set monetary policy appropriately to achieve the 2% inflation target.”

The Bank of England will publish its November 2019 Inflation Report in early November.

The August Inflation report states that “As in previous Reports, and consistent with the general approach to condition forecasts on Government policy, the MPC’s projections assume a smooth transition to the average of a range of possible outcomes for the United Kingdom’s eventual trading relationship with the European Union. Consistent with that conditioning assumption, Brexit uncertainties are assumed to wane over the second half of the forecast period. All else equal, this boosts GDP growth and inflation. The projections are also conditioned on a range of UK asset prices. Over the past few months, monetary conditions have loosened. The market yield curve currently implies that Bank Rate is expected to fall in the near term, and ends the forecast period at 0.6% (to Quarter 3, 2022), around 40 basis points lower than in the May 2019 Report. The sterling exchange rate is 4% lower than in May. The lower path for market interest rates partly reflects the influence of global factors; interest rate expectations have fallen in the US and euro area as well as the UK. UK asset price developments have also been driven by the growing weight that market participants have placed on the possibility of a no-deal Brexit. In contrast to the MPC’s forecast, which assumes a smooth Brexit, asset prices encompass the full range of potential Brexit outcomes, and the rising perceived likelihood of no deal has contributed to the lower market path for interest rates and the depreciation of the exchange rate, as well as weighing on some risky

asset prices. Taken together, financial and monetary conditions have become more supportive of GDP growth and CPI inflation.”

The MPC’s forecasts of Bank Base Rate in recent Quarterly Inflation Reports are summarised in the following table:-

	End Q.3 2019	End Q.4 2019	End Q.1 2020	End Q.2 2020	End Q.3 2020	End Q.4 2020	End Q.1 2021	End Q.2 2021	End Q.3 2021	End Q.4 2021	End Q.1 2022	End Q.2 2022	End Q.3 2022
Aug. '19	0.7	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.6
May '19	0.7	0.7	0.8	0.8	0.8	0.9	0.9	0.9	0.9	1.0	1.0	1.0	
Feb.'19	0.8	0.9	0.9	0.9	1.0	1.0	1.0	1.1	1.1	1.1	1.1		
Nov.'18	0.9	1.0	1.1	1.1	1.2	1.2	1.3	1.3	1.4	1.4			
Aug.'18	0.9	0.9	1.0	1.0	1.0	1.1	1.1	1.1	1.1				
May '18	1.0	1.0	1.1	1.1	1.2	1.2	1.2	1.2					
Feb.'18	0.9	1.0	1.0	1.1	1.1	1.1	1.2						
Nov.'17	0.8	0.9	0.9	0.9	1.0	1.0							
Aug.'17	0.6	0.7	0.7	0.7	0.8								
May '17	0.4	0.5	0.5	0.5									
Feb'17	0.6	0.6	0.7										
Nov.'16	0.4	0.4											
Aug.'16	0.2												

Source: Bank of England Inflation Reports

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

The MPC’s projections are underpinned by three key judgements :-

1. while global activity has weakened and sentiment has deteriorated, looser financial conditions support the return of world growth to its potential rate in the medium term
2. on the conditioning assumption that there is a smooth Brexit, UK demand growth recovers after softening in the near term
3. as GDP growth recovers to above the subdued rate of potential supply growth, excess demand and domestic inflationary pressures build

**Capital Budget Monitoring - September 2019**

	Actuals	Budgeted Spend to Date	Variance to Date	Final Budget	Final Forecast 2019/20	Full Year Variance
<b>Capital</b>	<b>9,147,781</b>	<b>10,952,637</b>	<b>(1,804,856)</b>	<b>34,662,200</b>	<b>34,136,786</b>	<b>(525,414)</b>
<b>Corporate Services</b>	<b>1,130,771</b>	<b>1,818,445</b>	<b>(687,674)</b>	<b>9,668,690</b>	<b>9,667,986</b>	<b>(704)</b>
<b>Customer, Policy and Improvement</b>	<b>0</b>	<b>12,275</b>	<b>(12,275)</b>	<b>622,660</b>	<b>621,956</b>	<b>(704)</b>
Customer Contact Programme	0	12,275	(12,275)	622,660	621,956	(704)
<b>Facilities Management</b>	<b>362,155</b>	<b>603,870</b>	<b>(241,715)</b>	<b>1,480,420</b>	<b>1,480,420</b>	<b>0</b>
Works to other buildings	168,147	295,040	(126,893)	941,320	769,210	(172,110)
Civic Centre	177,020	233,830	(56,810)	272,660	444,770	172,110
Invest to Save schemes	16,988	75,000	(58,012)	266,440	266,440	0
<b>Infrastructure &amp; Technology</b>	<b>752,359</b>	<b>1,192,300</b>	<b>(439,941)</b>	<b>3,616,180</b>	<b>3,616,180</b>	<b>0</b>
Business Systems	30,018	93,800	(63,782)	636,860	636,860	0
Social Care IT System	65,960	185,000	(119,040)	425,240	425,240	0
Planned Replacement Programme	656,381	913,500	(257,119)	2,554,080	2,554,080	0
<b>Resources</b>	<b>16,257</b>	<b>10,000</b>	<b>6,257</b>	<b>24,970</b>	<b>24,970</b>	<b>0</b>
Financial System	16,257	10,000	6,257	24,970	24,970	0
<b>Corporate Items</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,924,460</b>	<b>3,924,460</b>	<b>0</b>
Westminster Ccl Coroners Court	0	0	0	460,000	460,000	0
Housing Company	0	0	0	3,464,460	3,464,460	0
<b>Community and Housing</b>	<b>413,861</b>	<b>355,000</b>	<b>58,861</b>	<b>1,196,240</b>	<b>996,240</b>	<b>(200,000)</b>
<b>Adult Social Care</b>	<b>3,349</b>	<b>0</b>	<b>3,349</b>	<b>43,750</b>	<b>43,750</b>	<b>0</b>
Telehealth	3,349	0	3,349	43,750	43,750	0
<b>Housing</b>	<b>370,364</b>	<b>290,000</b>	<b>80,364</b>	<b>827,160</b>	<b>827,160</b>	<b>0</b>
Disabled Facilities Grant	370,364	290,000	80,364	827,160	827,160	0
<b>Libraries</b>	<b>40,149</b>	<b>65,000</b>	<b>(24,852)</b>	<b>325,330</b>	<b>125,330</b>	<b>(200,000)</b>
Library Enhancement Works	490	45,000	(44,510)	248,700	48,700	(200,000)
Libraries IT	39,659	20,000	19,659	76,630	76,630	0

**Capital Budget Monitoring - September 2019**

	Actuals	Budgeted Spend to Date	Variance to Date	Final Budget	Final Forecast 2019/20	Full Year Variance
<b>Children Schools &amp; Families</b>	<b>4,751,978</b>	<b>4,146,420</b>	<b>605,558</b>	<b>9,203,830</b>	<b>8,893,500</b>	<b>(310,330)</b>
<b>Primary Schools</b>	<b>579,871</b>	<b>1,226,610</b>	<b>(646,739)</b>	<b>1,730,260</b>	<b>1,476,483</b>	<b>(253,777)</b>
Hollymount	0	12,180	(12,180)	16,240	16,240	0
West Wimbledon	36,917	52,778	(15,861)	70,370	40,780	(29,590)
Hatfeild	35,356	65,363	(30,006)	87,150	40,169	(46,981)
Hillcross	46,086	174,555	(128,469)	232,740	232,740	0
Joseph Hood	20,000	31,350	(11,350)	41,800	47,305	5,505
Dundonald	(3,871)	31,150	(35,021)	31,150	31,150	0
Garfield	82,546	73,835	8,711	92,780	92,780	0
Merton Abbey	828	17,843	(17,015)	23,790	23,790	0
Pelham	26,417	76,418	(50,001)	85,890	79,329	(6,561)
Poplar	(4,560)	20,303	(24,862)	27,070	28,362	1,292
Wimbledon Chase	54,251	114,835	(60,584)	133,780	133,780	0
Wimbledon Park	0	1,800	(1,800)	1,800	1,800	0
Abbotsbury	32,067	53,655	(21,588)	71,540	34,433	(37,107)
Morden	(2,219)	3,970	(6,189)	3,970	3,970	0
Bond	52,246	91,450	(39,204)	120,600	120,600	0
Cranmer	528	32,073	(31,545)	56,430	44,603	(11,827)
Gorrington Park	0	7,500	(7,500)	45,970	45,970	0
Haslemere	28,352	45,130	(16,778)	70,840	33,591	(37,249)
Liberty	34,003	61,370	(27,367)	77,300	77,300	0
Links	64,651	60,110	4,541	74,480	68,987	(5,493)
Singlegate	0	11,000	(11,000)	11,000	11,000	0
St Marks	278	(13,533)	13,811	0	0	0
Lonesome	20,000	16,300	3,700	21,300	21,300	0
Sherwood	42,367	40,598	1,769	66,130	65,586	(544)
Stanford	(1,768)	0	(1,768)	0	0	0
William Morris	15,396	76,200	(60,804)	101,600	17,348	(84,252)
Unallocated Primary School Proj	0	68,380	(68,380)	164,540	163,570	(970)

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

**Capital Budget Monitoring - September 2019**

	Actuals	Budgeted Spend to Date	Variance to Date	Final Budget	Final Forecast 2019/20	Full Year Variance
<b>Secondary School</b>	<b>1,294,471</b>	<b>419,918</b>	<b>874,554</b>	<b>1,831,180</b>	<b>1,778,731</b>	<b>(52,449)</b>
Harris Academy Morden	0	38,560	(38,560)	38,560	0	(38,560)
Harris Academy Merton	1,550	4,570	(3,020)	4,570	4,570	0
Raynes Park	20,862	51,983	(31,121)	67,680	43,050	(24,630)
Ricards Lodge	20,648	31,440	(10,792)	36,690	36,000	(690)
Rutlish	93,924	196,165	(102,241)	232,970	244,401	11,431
Harris Academy Wimbledon	1,157,487	97,200	1,060,287	1,450,710	1,450,710	0
<b>SEN</b>	<b>2,705,019</b>	<b>2,383,453</b>	<b>321,566</b>	<b>5,290,400</b>	<b>5,290,396</b>	<b>(4)</b>
Perseid	(32,203)	36,960	(69,163)	53,490	53,486	(4)
Cricket Green	2,343,764	2,117,743	226,022	4,138,910	4,138,910	0
Melrose	7,000	5,250	1,750	107,000	107,000	0
Unallocated SEN	348,974	100,000	248,974	820,000	820,000	0
Melbury College - Smart Centre	37,484	123,500	(86,016)	171,000	171,000	0
<b>CSF Schemes</b>	<b>172,617</b>	<b>116,440</b>	<b>56,177</b>	<b>351,990</b>	<b>347,890</b>	<b>(4,100)</b>
CSF IT Schemes	(1,353)	440	(1,793)	440	0	(440)
Devolved Formula Capital	173,970	116,000	57,970	351,550	347,890	(3,660)

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

**Capital Budget Monitoring - September 2019**

	Actuals	Budgeted Spend to Date	Variance to Date	Final Budget	Final Forecast 2019/20	Full Year Variance
<b>Environment and Regeneration</b>	<b>2,851,171</b>	<b>4,632,772</b>	<b>(1,781,601)</b>	<b>14,593,440</b>	<b>14,579,060</b>	<b>(14,380)</b>
<b>Public Protection and Develop.</b>	<b>44,214</b>	<b>50,340</b>	<b>(6,126)</b>	<b>66,800</b>	<b>66,800</b>	<b>0</b>
CCTV Investment	0	10,340	(10,340)	10,340	10,340	0
Public Protection and Development	44,214	40,000	4,214	56,460	56,460	0
<b>Street Scene &amp; Waste</b>	<b>40,931</b>	<b>49,660</b>	<b>(8,729)</b>	<b>1,146,340</b>	<b>1,136,340</b>	<b>(10,000)</b>
Fleet Vehicles	37,685	37,660	25	337,660	337,660	0
Alley Gating Scheme	3,246	12,000	(8,754)	30,000	20,000	(10,000)
Waste SLWP	0	0	0	778,680	778,680	0
<b>Sustainable Communities</b>	<b>2,766,026</b>	<b>4,532,772</b>	<b>(1,766,746)</b>	<b>13,380,300</b>	<b>13,375,920</b>	<b>(4,380)</b>
Street Trees	0	0	0	60,000	60,000	0
Raynes Park Area Roads	0	0	0	26,110	26,110	0
Highways & Footways	1,574,348	1,961,270	(386,922)	4,860,030	4,855,650	(4,380)
Cycle Route Improvements	577,865	630,110	(52,245)	994,600	994,600	0
Mitcham Transport Improvements	152,204	212,210	(60,006)	986,590	986,590	0
Mitcham Area Regeneration	14,466	543,666	(529,200)	1,369,290	1,369,290	0
Wimbledon Area Regeneration	120,258	120,000	258	417,500	417,500	0
Morden Area Regeneration	0	0	0	500,000	500,000	0
Borough Regeneration	88,006	0	88,006	593,150	593,150	0
Morden Leisure Centre	(47,814)	466,400	(514,214)	596,820	596,820	0
Sports Facilities	235,283	295,000	(59,717)	1,888,160	1,888,160	(0)
Parks	51,409	304,116	(252,707)	1,088,050	1,088,050	0

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



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

Appendix 5b

		2019/20 Budget	Virements	Funding Adjustments	Re- profiling	Revised 2019/20 Budget	2020/21 Budget	Movement	Revised 2020/21 Budget	Narrative
-	-	£	£		£	£	£		£	
<b>Corporate Service</b>	-									
Civic Centre - Civic Centre Lighting	(1)	300,000			(300,000)	0	0		0	Life expectancy greater than estimated slipped to 20-21
<b>Children, Schools and Families</b>	-									
Perseid - Capital Maintenance		40,000			(37,720)	2,280	0	37,720	37,720	Re-profiled in accordance with projected spend
Unallocated SEN - Further SEN Provision		100,000			(100,000)	0	188,020	100,000	288,020	Re-profiled in accordance with projected spend
Secondary School Autism Unit		72,000			(72,000)	0	1,288,000	72,000	1,360,000	Re-profiled in accordance with projected spend
Sherwood - Capital Maintenance		54,130	12,000			66,130			0	To cover the estimated final costs of the scheme
Gorringe - Capital Maintenance		0	35,000			35,000			0	Scheme to provide essential fencing
Unallocated Primary School Proj - Capital Maintenance		211,540	(47,000)			164,540			0	Unallocated balance of the Capital Maintenance Budget
Devolved Formula Capital - Healthy Schools		4,630	(970)			3,660			0	Unallocated balance of the Healthy Schools Budget
Gorringe - Healthy Schools		10,000	970			10,970			0	To cover the estimated final costs of the scheme
School Equipment Loans	(1)	108,900			(108,900)	0			0	Transferred to the Capital Contingency
<b>Environment and Regeneration</b>										
Highways & Footways - Highways bridges & structures	(1)	370,000			(120,000)	250,000	260,000	120,000	380,000	Re-profiled in accordance with projected spend
<b>Total</b>		1,271,200	0	0	(738,620)	532,580	1,736,020	329,720	2,065,740	

1) Requires Cabinet Approval

2) Requires Council Approval

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

Appendix 5b

		2021/22 Budget	Re- profiling	Revised 2021/22 Budget	2022/23 Budget	Re- profiling	Revised 2022/23 Budget	Narrative
-	-	£	£	£	£	£	£	
<b>Corporate Services</b>	-							
Civic Centre - Civic Centre Lighting	(1)	0	300,000	300,000	0		0	Life expectancy greater than estimated slipped to 20-21
Capital Contingency	(1)			0	0	108,900	108,900	Transferred to the Capital Contingency
<b>Total</b>		0	300,000	300,000	0	108,900	108,900	

## Capital Programme Funding Summary 2019/20

	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
<b>Approved Programme - August Monitoring</b>	25,167	10,234	35,401
<b><u>Corporate Services</u></b>			
Civic Centre - Civic Centre Lighting	(300)	0	(300)
<b><u>Children, Schools and Families</u></b>			
Perseid - Capital Maintenance	0	(38)	(38)
Unallocated SEN - Further SEN Provision	(100)	0	(100)
Secondary School Autism Unit	(72)	0	(72)
School Equipment Loan	(109)	0	(109)
<b><u>Environment and Regeneration</u></b>			
Highways & Footways - Highways bridges & structures	(120)	0	(120)
<b>Proposed Capital Programme - Sept Monitoring</b>	24,466	10,197	34,662

## Capital Programme Funding Summary 2020/21

	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
<b>Approved Programme - August Monitoring</b>	37,140	4,171	41,311
<b><u>Children, Schools and Families</u></b>			
Perseid - Capital Maintenance	0	38	38
Unallocated SEN - Further SEN Provision	100	0	100
Secondary School Autism Unit	72	0	72
<b><u>Environment and Regeneration</u></b>			
Highways & Footways - Highways bridges & structures	120	0	120
<b>Proposed Sept. Monitoring</b>	37,432	4,209	41,641

## Capital Programme Funding Summary 2021/22

	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
<b>Approve Capital Programme</b>	12,620	2,892	15,512
<u>Corporate Services</u>			
Civic Centre - Civic Centre Lighting	300	0	300
<b>Approve Capital Programme</b>	<b>12,920</b>	<b>2,892</b>	<b>15,812</b>

## Capital Programme Funding Summary 2022/23

	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
<b>Approved Capital Programme</b>	20,969	2,180	23,149
<u>Corporate Services</u>			
Civic Centre - Civic Centre Lighting	109	0	109
<b>Approve Capital Programme</b>	<b>21,078</b>	<b>2,180</b>	<b>23,258</b>

APPENDIX 6

Department	Target Savings 2019/20	Projected Savings 2019/20	Period 6 Forecast Shortfall	Period Forecast Shortfall (P6)	Period 5 Forecast Shortfall	2020/21 Expected Shortfall
	£000	£000	£000	%	£000	£000
Corporate Services	1,484	1,401	83	5.6%	93	35
Children Schools and Families	572	572	0	0.0%	0	0
Community and Housing	1,534	1,413	121	7.9%	121	0
Environment and Regeneration	3,370	2,097	1,273	37.8%	1,273	130
<b>Total</b>	<b>6,960</b>	<b>5,483</b>	<b>1,477</b>	<b>21.2%</b>	<b>1,430</b>	<b>165</b>

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

Ref	Description of Saving	2019/20 Savings Required £000	2019/20 Savings Expected £000	Shortfall	19/20 RAG	2020/21 Savings Expected £000	2020/21 Expected Shortfall £000	20/21 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/underspend? Y/N
<b>Customers, Policy &amp; Improvement</b>											
CS2016 -05	Increase income through translations	15	15	0	G	15	0	G	Sean Cunniffe		
CS2016 -07	Cash Collection Reduction	30	30	0	G	30	0	G	Sean Cunniffe		
2018-19 CS09	Reduction/rationalisation in running costs budgets across multiple budgets	35	35	0	G	35	0	G	Sean Cunniffe		
CS2016 -06	Merton Link - efficiency savings								Sean Cunniffe	Saving has been re-profiled to 20/21 as the efficiencies expected from the customer contact programme have not yet been realised. To offset this, a £30k saving on the Registrars service (2019-20 CS05) planned for 20/21 has been brought forward to 2019/20 (see below).	
2019-20 CS05	Registrars Reduction in staff	30	15	15	A	30	0	G	Sean Cunniffe	Saving brought forward from 20/21 to 19/20 to offset CS2016-06 reprofiled from 19/20 to 20/21. Staff reduction expected mid-year, with the shortfall being met from elsewhere in the division.	Y
<b>Infrastructure &amp; Technology</b>											
CS2016-08	Potential income derived from letting two floors of vacant office space within the Civic Centre to external/partner organisations.	190	190	0	G	190	0	G	Edwin O'Donnell		
2018-19 CS01	Revenue saving associated with current MFD contract	150	150	0	G	150	0	G	Richard Warren		
2018-19 CS02	Reduction in the level of building repairs and maintenance undertaken on the corporate buildings	100	100	0	G	100	0	G	Edwin O'Donnell		
2018-19 CS04	Delete or full cost recovery of one post within FM	36	18	18	A	31	5	A	Edwin O'Donnell	Energy team restructure mid-year is in the process of being implemented. Only a part-year impact in 19/20.	Y
2018-19 CS14	M3 support to Richmond/Wandsworth	20	0	20	R	20	0	A	Clive Cooke	This is dependent on agreement with RSSP, may be at risk if they don't migrate to M3 system.	Y
<b>Corporate Governance</b>											
CSREP 2019-20 (1)	Increase in income from Legal Services relating to S106, property and court fees	50	50	0	G	50	0	G	Fiona Thomsen		
CSREP 2019-20 (6)	Legal services - reduce employment and HR support by 50%	30	30	0	G	30	0	G	Fiona Thomsen		
<b>Resources</b>											
CS2016-02	Restructure of HB section to roll out universal credit	66	66	0	G	66	0	G	David Keppler		
2018-19 CS05	Reduction in permanent staffing	30	0	30	R	0	30	R	Roger Kershaw	Saving will require replacement. For 19/20 the saving will be met by underspends elsewhere within the division.	Y
2018-19 CS10	Reduction in staffing	60	60	0	G	60	0	G	David Keppler		
2018-19 CS08	Increase in income from Enforcement Service	100	100	0	G	100	0	G	David Keppler		
2019-20 CS01	Amend discretionary rate relief policy	75	75	0	G	75	0	G	David Keppler		
CSREP 2019-20 (2)	Reduction in internal insurance fund contribution	250	250	0	G	250	0	G	Nemashe Sivayogan		
CSREP 2019-20 (3)	Increase in income from Enforcement service	50	50	0	G	50	0	G	David Keppler		
<b>Corporate</b>											
2019-20 CS12	Increase in Empty Homes Premium for long term empty properties	97	97	0	G	97	0	G	David Keppler		
CSREP 2019-20 (4)	Increase in investment income	30	30	0	G	30	0	G	Nemashe Sivayogan		

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

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

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

Ref	Description of Saving	2019/20 Savings Required £000	2019/20 Savings Expected £000	Shortfall	2019/20 RAG	2020/21 Savings Expected £000	2020/21 Expected Shortfall £000	2020/21 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underpend? Y/N
<b>SUSTAINABLE COMMUNITIES</b>											
E4	Income from Merantun Development Limited for services provided to the company by LBM	100	95	5	A	100	0	G	James McGinlay		Y
ENV1819-05	Highways advertising income through re-procurement of the advertising contract for the public highway. New contract due to be in place by last quarter of 2019/20.	55	28	27	R	55	0	A	James McGinlay	New contract expected to commence in the final quarter of 2019/20, and we should have a better idea of outcomes when the tenders are reviewed (Sept).	Y
<b>PUBLIC PROTECTION</b>											
ENR1	Further expansion of the shared service.	100	100	0	A	100	0	A	Cathryn James		N
E1	Investigate potential commercial opportunities to generate income from provision of business advice. This follows on from the expansion of the RSP to include Wandsworth from November 2017, and increased resilience.	60	0	60	R	60	0	A	Cathryn James	This saving is conditional on income being generated from chargeable business advice/consultancy. A new income generating Business Development team has been established as part of the Regulatory Services Partnership restructure, which will now look to deliver these savings. However, it is unlikely to be delivered this financial year.	Y
ENR4	Charge local business' for monitoring of their CCTV	100	0	100	R	0	100	R	Cathryn James	Alternative Saving Required.	Y
ENV1819-03	The objective of the proposal is to support the delivery of key strategic council priorities including public health, air quality and sustainable transportation, in addition to managing parking, kerbside demand and congestion. Whilst implementation of the proposals will have the 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. The above will be subject to the outcome of the consultation process in 2019.	1,900	950	950	R	1900	0	A	Cathryn James	The implementation date for the revised charges is still subject to committee approval. The original savings target was based on an October go live date. It is felt that a more prudent approach to the likely implementation date should be reflected in the savings targets.	Y
ALT2	Reduction of 2fte from the Parking establishment in administrative/processing roles as a result of the impending new permit system	57	57	0	G	57	0	G	Cathryn James		Y
ALT3	Reduction in the number of pay & display machines required.	14	3	11	R	14	0	G	Cathryn James		Y
<b>PUBLIC SPACE</b>											
ENR9	Increase level of Enforcement activities of internal team ensuring the operational service is cost neutral	200	200	0	A	200	0	A	John Bosley		Y
E2	Thermal Treatment of wood waste from HRRC	30	0	30	R	0	30	R	John Bosley	Alternative saving required	Y
EV08	Increased recycling rate by 3% following education and communications activity funded by WCSS. This will be driven by the incentivisation and education programme due to commence in March 2014.	250	250	0	G	250	0	G	John Bosley		N
ALT4	Environmental Enforcement - Maintain a payment rate of 70% for all FPN issued.	54	54	0	G	54	0	G	John Bosley		Y
E5	Letting of remaining vacant facilities in Greenspaces	50	0	50	R	50	0	A	John Bosley		Y
E6	Increased tenancy income in Greenspaces	40	0	40	R	40	0	R	John Bosley	Alternative saving required	Y
ENR10	Two year extension of the GLL contract	300	300	0	G	300	0	G	John Bosley		N
ENV1819-01	Five year extension of the GLL contract	60	60	0	G	60	0	G	John Bosley		N
<b>Total Environment and Regeneration Savings 2018/19</b>		<b>3,370</b>	<b>2,097</b>	<b>1,273</b>		<b>3,240</b>	<b>130</b>				

DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2019/20										21/10/2019	APPENDIX 6
Ref	Description of Saving	2019/20 Savings Required £000	2019/20 Expected Savings £000	Shortfall £000	RAG	2020/21 Savings Expected £000	2020/21 Expected Shortfall £000	20/21 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Unders pend? Y/N
<b>Adult Social Care</b>											
CH35/36/52	<b>Housing Related Support</b> :-The purpose of the project is to review existing service provision linked to original SP funding, identify gaps and utilise the data to inform a new set of contract specifications to support the re-procurement of services aligned with the Council's Community and Housing strategic priorities. The objective of the project is to deliver successful procurement of contracted services that demonstrate effective outcomes for service users, effective performance management framework and value for money services.	309	306	3	G	309	0	G	Steve Langley	Work to manage the budget has brought delivery close to the target and work is continuing to make up the small shortfall in year	Y
CH39	<b>Extra Care Contracts</b> :-This reduced savings of £57k is targeted on contract efficiencies and non-statutory support hours; eligible social care needs will not be affected. Providers will seek alternative resources to provide this support. Service will ensure that new specification requires providers to seek other support for residents. Impact will be reviewed as part of each service users annual review.	57	57	0	G	57	0	G	John Morgan	Achieved	Y
CH55	<b>Promoting Independence</b> :-The aim of this proposal has been to support people to remain independent and well. To support them to achieve their desired outcomes by enabling them to remain in their own homes, close to their friends, families, support networks and local communities.	553	553	0	G	553	0	G	John Morgan	Achieved	Y
CH70	<b>Home Care</b> :-The aim of this proposal is to maximise the benefit of the new home care contract arrangements. The new arrangements were implemented from February 2018. With a year to get established, it is planned to start to transfer cases with legacy providers who are not on the new contract as either prime or back-up providers. Some of these contracts are at higher hourly rates, so the transfer will generate a saving with no reduction in care. New care providers will be required to use a care visit monitoring system, which should increase the reliability of care.	301	301	0	G	301	0	G	John Morgan	Achieved	Y
CH88	<b>Home Care Monitoring System</b> :-The aim of this proposal is to roll out a home care monitoring system for all home care providers to ensure that we can monitor the delivery of home care visits.	40	40	0	G	40	0	G	John Morgan	Achieved through Forum. The plan is to enrol all major home providers on to the home monitoring system and only seek variations for when there is a need to utilise specialist providers as required.	Y
CH89	<b>Older People Day Care Activities</b> :-As less people are choosing to attend these formal day centre we currently having increasingly vacancies within these provisions which are not been utilised. The proposal seeks to assess and analyse the demand and supply of activity aimed at supporting older people to access community activity. This will objectively look at the supply of building based and non-building based activity, its utilisation and the limitations on providing what people expect and need within the current model. It is envisaged that this will include a rationalisation and reduction of the current level of building based 'day centre' activity. This is based on current demand statistics and will include consideration of the effect of 2018/19 reductions in contracted day centre services; which is covered in a separate EIA for that specific proposal.	236	118	118	R	236	0	G	Richard Ellis	Engagement with the new owner has established an agreed timeline that means that the majority of savings will not be achieved until the new year. The work is underway to ensure that delivery	Y
<b>Subtotal Adult Social Care</b>		1,496	1,375	121		1,496	0				
<b>Library &amp; Heritage Service</b>											
CH67	<b>Merton Arts Space income</b>	38	38	0	G	38	0	G	Anthony Hopkins	On track	Y
<b>Total C &amp; H Savings for 2019/20</b>		1,534	1,413	121		1,534	0				



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

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

APPENDIX 7

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

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

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

## DEPARTMENT: ENVIRONMENT &amp; REGENERATION SAVINGS PROGRESS: 2018-19

APPENDIX 7

Ref	Description of Saving	2018/19 Savings Required £000	2018/19 Savings Expected £000	Shortfall	18/19 RAG	2019/20 Savings Expected £000	2019/20 Expected Shortfall £000	19/20 RAG	2020/21 Expected Shortfall £000	20/21 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
<b>SUSTAINABLE COMMUNITIES</b>													
ENV20	D&BC: Increased income from building control services.	35	0	35	R	35	0	G	0	G	James McGinlay	Based on the P5 forecast, the income targets are now being achieved.	N
<b>PUBLIC PROTECTION</b>													
ENV07	Parking: Reduction in supplies & services/third party payment budgets.	60	13	47	R	13	47	R	47	R	Cathryn James	Saving has been reviewed and a part-alternative saving is required.	Y
ENV08	Regulatory Services: Funding of EH FTE by public health subsidy. As agreed between DPH and Head of PP .	40	0	40	R						Cathryn James	Alternative saving has been agreed for 2019/20.	Y
ENV09	Regulatory Services: Investigate potential commercial opportunities to generate income	50	0	50	R	50	0	A	0	A	Cathryn James	This saving is conditional on income being generated from chargeable business advice/consultancy. A new income generating Business Development team has been established as part of the Regulatory Services Partnership restructure, which will now look to deliver these savings.	Y
ENR2	Parking & CCTV: Pay & Display Bays (On and off street)	44	0	44	R	44	0	G	0	G	Cathryn James		Y
ENR3	Parking & CCTV: Increase the cost of existing Town Centre Season Tickets in Morden, Mitcham and Wimbledon.	17	0	17	R	17	0	G	0	G	Cathryn James	Saving is being delayed as it will now form part of the wider discussion on parking charges.	Y
ALT1	Parking: The further development of the emissions based charging policy by way of increased charges applicable to resident/business permits as a means of continuing to tackle the significant and ongoing issue of poor air quality in the borough.	440	390	50	R	440	0	G	0	G	Cathryn James		N
<b>PUBLIC SPACE</b>													
ENV32	Transport: Review of Business Support requirements	30	0	30	R						John Bosley	Alternative saving has been agreed for 2019/20.	Y
ENR6	Waste: Wider Department restructure in Waste Services	200	0	200	R	100	100	R	0	A	John Bosley	This was not delivered in 2018. Review and restructure still outstanding. Scheduled for quarter 3 2019	Y
ENR7	Transport Services: Shared Fleet services function with LB Sutton	10	0	10	R						John Bosley	Alternative saving has been agreed for 2019/20.	Y
<b>Total Environment and Regeneration Savings 2018/19</b>		<b>926</b>	<b>403</b>	<b>523</b>		<b>699</b>	<b>147</b>		<b>47</b>				

Updated 21/10/2019											APPENDIX 7
DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2018/19											
Ref	Description of Saving	2018/19 Savings Required £000	Shortfall £000	RAG	2019/20 Savings Expected £000	2019/20 Expected Shortfall £000	19/20 RAG	2020/21 Expected Shortfall £000	19/20 RAG	Responsible Officer	Comments
	<b>Adult Social Care</b>										
CH73	A review of management and staffing levels of the AMH team in line with the reductions carried out in the rest of ASC.	100	23	R	100	0	G	0	G	Richard Ellis	Balance deferred to 2019/20
CH36	Single homeless contracts (YMCA, Spear, Grenfell) - Reduce funding for contracts within the Supporting People area which support single homeless people -Reduced support available for single homeless people - both in terms of the numbers we could support and the range of support we could provide. In turn this would reduce their housing options. (CH36)	38	38	R	38	0	G	0	G	Steve Langley	£38k deferred to 2019/20
CH71	Transport: moving commissioned taxis to direct payments. Service users can purchase taxi journeys more cheaply than the council.	50	50	R	50	0	R	0	G	Phil Howell	Deferred to 2020/21.
CH72	Reviewing transport arrangements for in-house units, linking transport more directly to the provision and removing from the transport pool.	100	100	R	100	0	R	0	G	Richard Ellis	£100k deferred to 2020/21. Part of the Transport review
CH74	The implementation of the MOSAIC social care system has identified the scope to improve the identification of service users who should contribute to the costs of their care and assess them sooner, thus increasing client income. Assessed as a 3% improvement less cost of additional staffing	231	231	R	231	0	G	0	G	Richard Ellis	Team resources have increased and this has enabled to team to catch up on reviews and nil payers, which has netted more then £200k in additional income
	<b>Total C &amp; H Savings for 2018/19</b>	<b>519</b>	<b>442</b>		<b>519</b>	<b>0</b>		<b>0</b>			

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

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

There were no red savings for CSF

APPENDIX 8

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

## DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES - PROGRESS ON SAVINGS 17-18

Ref	Description of Saving	2017/18 Savings Required £000	2017/18 Expected Shortfall £000	17/18 RAG	2018/19 Shortfall £000	18/19 RAG	2019/20 Expected Shortfall £000	19/20 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Undersp end? Y/N
<b>CSF2012-07</b>	<b>Children Social Care</b> Family and Adolescent Services Stream - Transforming Families (TF), Youth Offending Team (YOT) and in Education, Training and Employment (ETE). 2016/17 savings will be achieved by the closure of Insight and deletion of YJ management post.	100	7	R	0	G	0	G	Paul Angeli	The ETE saving was delivered from July 2017 and the short for the first quarter covered through reduced grant-funding for targeted intervention services.	N
	<b>Total Children, Schools and Families Department Savings for 2017/18</b>		7		0		0				



## DEPARTMENT: CORPORATE SERVICES - PROGRESS ON SAVINGS 17-18

Ref	Description of Saving	2017/18 Savings Required £000	2017/18 Shortfall	17/18 RAG	2018/19 Shortfall £000	18/19 RAG	2019/20 Expected Shortfall £000	19/20 RAG	Responsible Officer	Comments
	<b>Business improvement</b>									
CSD42	Restructure functions, delete 1 AD and other elements of management	170	70	R					Sophie Ellis	Replacement saving identified and approved for 18/19 - CSREP 2018-19 (1-16)
CS2015	Staffing support savings	13	13	R					Sophie Ellis	Replacement saving identified and approved for 18/19 - CSREP 2018-19 (1-16)
	<b>Infrastructure &amp; transactions</b>									
CS70	Apply a £3 administration charge to customers requesting a hard copy paper invoice for services administered by Transactional Services team	35	35	R					Pam Lamb	Replacement saving identified and approved for 18/19 - CSREP 2018-19 (1-16)
	<b>Resources</b>									
CSD26	Delete 1 Business Partner	78	78	R	0	G		G	Caroline Holland	Due to delays in projects this saving was not achieved until 18/19
	<b>Total Corporate Services Department Savings for 2017/18</b>		196		0		0			

Updated 21/10/19											
DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2017/18											
Ref	Description of Saving	2017/18 Savings Required £000	2017/18 Shortfall £000	17/18 RAG	2018/19 Shortfall £000	18/19 RAG	2019/20 Expected Shortfall £000	19/20 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend ? Y/N
	<u>Adult Social Care</u>										
	<b>Total C &amp; H Savings for 2017/18</b>									<b>No Reds</b>	

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

Ref	Description of Saving	2017/18 Savings Required £000	2017/18 Savings Achieved £000	Shortfall	17/18 RAG	2018/19 Savings Expected £000	2018/19 Shortfall £000	18/19 RAG	2019/20 Savings Expected £000	2019/20 Expected Shortfall £000	19/20 RAG	Comments	R /A Included in Forecast Over/Underpend? Y/N
<b>SUSTAINABLE COMMUNITIES</b>													
ER23b	Restructure of team to provide more focus on property management and resilience within the team.	18	0	18	R	0	18	R	18	0	A	Business Case for restructure in progress, but due to the delay it's unlikely to be fully achieved this financial year. Saving being achieved through rents (reported through monthly budget return).	Y
D&BC1	Fast track of householder planning applications	55	0	55	R							A replacement saving (ALT1) implemented in 2018/19, was agreed by Cabinet in November 2017.	N
D&BC2	Growth in PPA and Pre-app income	50	0	50	R							A replacement saving (ALT1) implemented in 2018/19, was agreed by Cabinet in November 2017.	N
D&BC3	Commercialisation of building control	50	0	50	R							A replacement saving (ALT1) implemented in 2018/19, was agreed by Cabinet in November 2017.	N
D&BC4	Deletion of 1 FTE (manager or deputy) within D&BC	45	0	45	R	45	0	G	45	0	G		N
D&BC5	Eliminate the Planning Duty service (both face to face and dedicated phone line) within D&BC	35	0	35	R							A replacement saving (ALT1) implemented in 2018/19, was agreed by Cabinet in November 2017.	N
D&BC6	Stop sending consultation letters on applications and erect site notices only	10	0	10	R							A replacement saving (ALT1) implemented in 2018/19, was agreed by Cabinet in November 2017.	N
ENV15	Reduction in street lighting energy and maintenance costs. Would require Capital investment of c£400k, which forms part of the current capital programme - Investment in LED lights in lamp Colum stock most capable of delivering savings	148	100	48	R	148	0	G	148	0	G		N
ENV20	Increased income from building control services.	35	0	35	R							A replacement saving (ALT1) implemented in 2018/19, was agreed by Cabinet in November 2017.	N
<b>PUBLIC PROTECTION</b>													
E&R14	Further expansion of the Regulatory shared service.	100	0	100	R	100	0	G	100	0	G		Y
ENV02	Review the current CEO structure, shift patterns and hours of operation with the intention of moving toward a two shift arrangement based on 5 days on/2 days off.	190	0	190	R	0	190	R	0	190	R	Alternative saving required	Y
ENV03	Reduction number of CEO team leader posts from 4 to 3	45	0	45	R	0	45	R	0	45	R	Alternative saving required	Y
ENV06	Reduction in transport related budgets	46	0	46	R							A replacement saving (ALT1) implemented in 2018/19, was agreed by Cabinet in November 2017.	N
ENV09	Investigate potential commercial opportunities to generate income	50	7	43	R	0	50	R	50	0	A		Y
<b>PUBLIC SPACE</b>													
E&R16	Joint procurement of waste, street cleansing, winter maintenance and fleet maintenance services (Phase C)	1,500	795	705	R	1,257	243	R	1500	0	A	Actual savings delivered are being monitored closely	N
E&R25	Joint procurement of greenspace services as part 2 of the Phase C SLWP procurement contract with LB Sutton	160	44	116	R	160	0	G	160	0	G		N
ENV12	Loss of head of section/amalgamated with head of Greenspaces	70	0	70	R	0	70	R	0	70	R	Saving has been delayed but in the process of being reviewed but not expected to be achieved until 2020/21.	N
ENV13	Staff savings through the reorganisation of the back office through channel shift from phone and face to face contact.	70	0	70	R	70	0	G	70	0	G		N
ENV18	Increased income from events in parks	100	0	100	R							A replacement saving (ALT1) implemented in 2018/19, was agreed by Cabinet in November 2017.	N
ENV21	Reduction in the grant to Wandle Valley Parks Trust	6	0	6	R	6	0	G	6	0	G		N
ENV23	Further savings from the phase C procurement of Lot 2.	160	0	160	R	82	78	R	160	0	G		N
ENV25	Department restructure of the waste section	191	0	191	R	191	0	G	191	0	G		Y
<b>Total Environment and Regeneration Savings</b>		<b>3,134</b>	<b>946</b>	<b>2,188</b>		<b>2,059</b>	<b>694</b>		<b>2,448</b>	<b>305</b>			

## Appendix 9

### Subject: Miscellaneous Debt Update September 2019

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

1.1 A breakdown of departmental net miscellaneous debt arrears, as at 30 September 2019, is shown in column F of the table below.

1.2 Please note that on the 6 February 2017 the new financial computer system E5 went live and this included the raising and collection of invoices and the debt recovery system.

Sundry Debtors aged balance – 30 September 2019 – 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	Sept 19 arrears f	June 19 arrears f	Direction of travel
	£	£	£	£	£	£	
Env & Regeneration	1,497,949	274,170	700,886	334,724	2,807,729	2,254,705	
Corporate Services	619,994	41,270	25,156	125,688	812,108	489,012	
Housing Benefits	336,025	627,179	1,128,627	2,855,057	4,946,888	4,507,083	
Children, Schools & Families	198,984	424,801	223,389	518,697	1,365,871	1,302,351	
Community & Housing	933,532	901,846	1,212,209	1,961,700	5,009,288	5,317,259	
Chief Executive's					-	-	-
CHAS 2013	14,524	8,195	1,120	9,998	33,837	37,902	
<b>Total</b>	<b>3,601,008</b>	<b>2,277,461</b>	<b>3,291,386</b>	<b>5,805,865</b>	<b>14,975,720</b>	<b>13,908,312</b>	

1.3 Since the position was last reported on 30 June 2019, the net level of arrears, i.e. invoices over 30 days old, has increased by £1,067,408.

1.4 Since last reported at the end of June 2019 Environment and Regeneration department debt has increased by £553,000, due to over £674,000 recharge for the Regulatory service remaining unpaid.. Corporate Services debt has increased by £320,000 mainly due the recharges for the legal service remaining unpaid. Housing benefit debt has increased by £440,000 (detailed below in this report) and Community and Housing debt has reduced by £300,000..

- 1.5 Actions being taken to collect housing benefit overpayments and Adult Social Care debt are detailed below in the report.

## 2 THE PROCESS FOR COLLECTION OF MISCELLANEOUS DEBT

- 2.1 In considering the current levels of debt, it is important to outline the general process Merton currently has in place to collect its arrears. In general terms the process has 5 stages, as detailed below, although processes employed vary by debt type. It is important to note that most debtors can not pay their outstanding liabilities other than by payment arrangements. Once a payment arrangement has been made it can not be changed without the debtors consent.

### The process for collecting debt

Stage 1	Stage 2	Stage 3	Stage 4	Stage 5
Invoice issued to debtor with 30 days allowed for payment.	After 30 days and following two requests for payment, a final warning notice is issued and the case passed to the Debt Recovery team.	The debt and debtor is evaluated to ensure the most effective recovery action is taken. This will include contacting debtors' direct and collecting payment or agreeing repayment plans and passing the debt to SLLP, external solicitors, collection agents to collect on our behalf, bankruptcy proceedings, attachment to benefit etc.	If the debt remains unpaid then County Court action is taken by the Debt Recovery team's solicitor who administers this process.	The final stage is consideration of the debt for write-off if all other attempts to collect the debt have failed.

## 3. ACTION BEING TAKEN TO COLLECT OUTSTANDING DEBT

### 3.1 Adult Social Care Debt

- 3.2 One of the two largest debts owed to the council is for Adult Social Care debt and the current level of this debt is £4.368 million, a reduction of £79,000 since last reported in June 2019.
- 3.3 Over the past few year's council staff have been working closely and following new processes to manage this debt. This work involves regular joint meetings between the financial assessments, social services, client financial affairs and debt recovery teams to review the debts of individual clients and establish action plans for each one.
- 3.4 These actions include, but are not limited to: early intervention from social workers to prevent debts from getting out of control and to

ensure that clients are supported earlier to get their finances in order; as part of their induction all new Social Workers spend time with the Financial Assessment Team, to understand how financial assessments are carried out; social workers also check to see if there are any safeguarding issues around non-payment of bills and work very closely with the Welfare Benefits Officer; there is more use of credit checks and land registry checks when assessing/investigating debt issues; increased involvement from the client financial affairs team to take appointments for those without capacity or appropriate deputyship; Increased identification of cases where we will consider legal action to secure the debt and generally to share information and support each other in the collection and prevention of this debt. New deferred payment arrangements are excluded from the debt position as the cases are managed separately within Community and Housing. Although the debt has grown the actions being taken are mitigating the impact.

- 3.5 A new working group chaired by the Director of Community and Housing has been set up to monitor Community Care debt and to work across departments to improve processes and ensure best practice is in place to maximise collection of debts at all stages.
- 3.6 The Financial Assessments team have been reviewing their clients to ensure that the assessments are accurate and correct. They have reviewed over 600 clients who had previously been assessed as not contributing but now, due to change of their circumstances they have started to charge 137 of these with contributions. The team have also helped these clients claim additional benefits which has resulted in these reassessments
- 3.7 The team have also reviewed clients that have been previously fully costed and in particular where the assessment was made due to the client or their representative not engaging with the process. This will include contacting family members and ensuring all benefits are being claimed by clients.
- 3.8 These projects are time consuming and have required additional resource but will ensure, where possible, clients are making the correct contribution at an earlier stage towards their care, which should reduce large bills coming through at a later stage. It will also ensure that clients are claiming correct benefits and will reduce the council's funding.
- 3.9 In September 2019 the council raised invoices for £597,000 for Adult Social care clients. As at 17 October 2018 there is still £189,000, or 32% unpaid. For the month of August 2019 £465,000 in invoices were raised and as at the 17 October £113,000, or 24% is unpaid
- 3.10 For the financial year 2018/19 approximately £5.8 million in invoices for Adult Social Care charges were issued and of that amount £1.33 million (23%) was outstanding at 31 March 2019.

- 3.11 An initiative was commenced in April 2019 to issue communication with all non direct debit payer invoices encourage the take up of direct debit payment method. In April we issued 471 non direct debit emails and managed to increase take up by 62 accounts signing up for direct debit. This exercise is being repeated in October.
- 3.12 In February 2018 agreement was reached with a specialist Adult Social Care debt collection company to collect some of our larger debts and debts for deceased debtors for a one year trial. As at the 30 September 2019 we had passed 34 cases totalling £1.8 million. Of these cases 8 totalling £238,000 were returned as uncollectable after investigations. Another 6 cases totalling £291,000 were paid in full.
- 3.13 Of the remaining 20 cases they have identified 10 (£528,000) as 70% to 100% prospect of payment, 8 (£510,000) as 50% to 69% prospect of collection, 1 (£150,000) less than 50% prospect of collection and 1 case (£73,000) as less than 1% prospect of payment.
- 3.14 Agreement has recently been reached with the Shared Legal Service to undertake this legal work for an initial trial period of six months. So far 11 cases with a value of £140,000 have been passed to them over the past three months. There will be a progress update in the next quarterly report.
- 3.15 Housing Benefit Overpayments
- 3.16 The largest area of debt owed to the council is for housing benefit overpayments with the total level of debt being £7.823 million, which is a small reduction of £70,000 since last reported at the end of June 2019.
- 3.17 The Department of Work and Pensions commenced a "Real Time" Information initiative at the end of September 2014 which was aimed at ensuring that earnings and pensions data within the housing benefit system matched that held by HMRC. At the same time they also commenced another initiative to identify fraud and error.
- 3.18 The DWP have provided additional funding to the council to undertake this work and up until March 2017 granted additional income based on targets met.
- 3.19 The Real Time information initiative continued throughout 2018/19 and will again run in 2019/20 under Verification of Earnings and Pension (VEP) initiative. The council receives notifications every week for cases where the DWP suggests we check earnings details using the real time information.
- 3.20 Since the start of the Real Time information initiative over £5.4 million of overpayments have been identified. Where possible these

overpayments are being recovered from on-going benefit payments. We are entitled to deduct between £10.95 and £23.35 per week from on-going housing benefit dependant on circumstances. Where the change has resulted in housing benefit being cancelled or nil entitlement we can contact the claimants employer and are paid a percentage deduction of their salary each month.

3.21 Although the overall housing benefit debt has increased over the years there has also been an increase in the amount of debt either being recovered from on-going benefit or on arrangements, with £2.6 million being recovered from on going benefit by reducing current housing benefit payments. Just over £5.6 million is on a payment arrangement or recovery from on going benefit

3.22 The table below shows breakdown of all housing benefit overpayments by recovery action.

Total Housing Benefit Debt by recovery action from Sept 2017 to Sept 2019 by quarter

<b>Recovery Stage</b>	<b>Sep-17</b>	<b>Mar-18</b>	<b>Jun-18</b>	<b>Sep-18</b>	<b>Dec-18</b>	<b>Mar-19</b>	<b>Jun-19</b>	<b>Sep-19</b>
Invoice and Reminder stage	379,477	340,008	312,186	347,861	407,687	151,889	152,121	257,883
On-going recovery	3,354,237	3,032,656	2,775,552	2,618,115	2,477,390	2,550,198	2,622,894	2,349,142
Payment Arrangements	2,511,028	2,647,525	2,826,435	3,012,437	3,249,997	3,256,461	3,044,975	3,036,016
No Arrangements secured	2,387,794	2,427,693	2,384,329	2,216,787	1,912,306	1,967,960	2,073,063	2,180,600
<b>Total HB Debt</b>	<b>8,632,536</b>	<b>8,447,882</b>	<b>8,298,502</b>	<b>8,195,200</b>	<b>8,047,380</b>	<b>7,926,508</b>	<b>7,893,053</b>	<b>7,823,641</b>

3.23 We have continued to review and target all housing benefit debt. We have tried to improve the procedures at the beginning of the process when a debt is first identified by ensuring that invoices are raised as soon as possible to give the best chance of recovery, we are targeting debtors who are now in work and we will be applying to recover the overpayments from their employers and we are looking at the oldest debts to consider if they are still collectable. However, it should be noted that a lot of the housing benefit debt is very difficult to recover as the Council's powers of recovery are very limited unless the debtor works or owns their own property.

3.24 We commenced another DWP initiative to assist with the collection of unpaid overpayments. On a monthly basis we provide a list of debts to the DWP who will compare it to HMRC data and highlight where customers are now working so that we can apply for an attachment to



their earnings. This commenced in May 2018 and since then we have applied for in excess of 275 new attachment to earnings. We currently have £645,000 set to recover by this method. We have also been provided with up to date contact details of debtors which has enabled us to make contact and secure further payment arrangements and payments.

3.25 The table below shows the value of housing benefit overpayments created and collected by year in millions.

Year	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
<b>Overpayments raised</b>	<b>4.67</b>	<b>4.56</b>	<b>3.66</b>	<b>3.74</b>	<b>3.10</b>	<b>1.70</b>
<b>Overpayments collected</b>	<b>2.22</b>	<b>2.88</b>	<b>2.75</b>	<b>2.92</b>	<b>3.00</b>	<b>1.37</b>
<b>Recovered from ongoing benefit</b>	<b>1.33</b>	<b>1.69</b>	<b>1.64</b>	<b>1.74</b>	<b>1.40</b>	<b>0.69</b>

3.26 It should be noted that in 2018/19 collection was higher than in previous years. The amount recovered from ongoing benefit is included in the overpayments collected and does not necessarily tie back to the year the overpayment was raised.

3.27 It has previously been reported that a new initiative with an external company to review and try to collect housing benefit overpayments that have been written off by the council over the past five years had been explored. This commenced in May 2019 with the company reviewing approximately £1.9 million (1,469 cases) of previously written off debt.

3.28 By the end of June the company reported that they had issued letters to 473 accounts, had applied for 307 attachment to earnings, set up 90 payment arrangements and received just over £60,000 in payments.

3.29 They had assigned three full time officers to the initiative and have obtained information on accounts from the DWP as detailed in 3.23 above.

3.30 A further update of this initiative will be provided in the December 2019 report.

3.31 Debt Written Off

3.32 The table below shows the amount of debt written off in accordance with financial regulations and scheme of management for the period 2014/15 to 2018/19 plus for this year.

Debt written off since 2014/15 to date by debt type

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20		2019/20
	Total	Total	Total	Total	Total	Quarter 1	Quarter 2	Total
<b>Debt type</b>								
<b>Sundry Debt</b>	£347,726	£581,419	£129,338	£443,317	£572,301	£0	£99,584	£99,584
<b>Housing benefit overpayments</b>	£1,050,105	£510,352	£517,467	£512,379	£364,549	£28,901	£94,136	£123,037
<b>Council Tax</b>	£526,881	£951,280	£623,486	£804,987	£424,936	£101,495	£73,290	£174,785
<b>Business Rates</b>	£790,373	£659,514	£567,908	£378,155	£367,299	£0	£0	£0
<b>Total</b>	<b>£2,715,085</b>	<b>£2,702,565</b>	<b>£1,838,199</b>	<b>£2,138,838</b>	<b>£1,729,085</b>	<b>£130,396</b>	<b>£267,010</b>	<b>£397,406</b>

3.33 Of the business rates debt written off a large proportion relates to debts owed by businesses that went into liquidation. From 2014/15 to 2018/19 £2.761 million of business rates debt was written off and £1.5 million (54%) related to businesses that went into liquidation.

3.34 Although the debt written off within any of the years does not relate to one specific year it should be noted that in 2018/19 the council was collecting a net debt of £111.5 million in council tax (this includes the GLA portion), a net debt of £94.3 million in business rates (this includes Business Rates Supplement) and approximately over £83 million raised through sundry debts.

3.35 Every effort is made to collect all outstanding debts and debts are only written off as a last resort. The council is still collecting some council tax debts that are greater than 6 years old or will have secured the debts against properties where possible.

#### **4. SUNDRY DEBT COLLECTED**

4.1 Based on previous years performance (2013/14 to 2015/16) an average of £56 million invoices were raised each year and 97.9% collected. This data is based at 31 December 2016 prior to the implementation of E5.

4.2 In 2019/20 just over £42.6 million invoices have been raised in the first six months and we have collected £33.2 million (77% collected)

4.3 Active recovery action continues to be undertaken on all outstanding debts. Some of the debt owed for previous years would be secured against a charge on the property or deferred payment arrangement.

#### **5. PROVISION FOR BAD AND DOUBTFUL DEBTS**

5.1 Provision has been made in the draft 2018/19 accounts for writing off bad and doubtful debts held within the ASH, E5 and Housing benefits systems. These provisions are £3.442m for Accounts Receivable

(including former ASH) miscellaneous debt and £5,890m for debt held in the Housing Benefits system, making a total General Fund provision for bad and doubtful debts of £9,332m. Clearly, every attempt is made to collect debts before write-off is considered. The current level of General Fund provision is analysed in the table below.

- 5.2 The Council adheres to the principles of the SORP when calculating its provisions. Merton's methodology is to provide on the basis of expected non collection using estimated collection rates for individual departmental debt which take account of the age of the debt.

### **Provision for Bad and Doubtful Debts**

Department	Total Provision	
	At 31/03/2018	At 31/03/2019
	£000's	£000's
Env & Regeneration	608	701
Corporate Services	171	119
Housing Benefits	6504	5890
Children, Schools & Families	413	426
Community & Housing	2249	2196
<b>Total</b>	<b>9945</b>	<b>9332</b>

## **6. TOTAL DEBT DUE TO MERTON**

The total amount due to Merton as at 30 June 2019 is detailed in the table below.

Total debt outstanding as at 30 September 2019 and compared with previous periods over the past 15 months

	<b>Jun-18</b>	<b>Sep-18</b>	<b>Dec-18</b>	<b>Mar-19</b>	<b>Jun-19</b>	<b>Sep-19</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Miscellaneous sundry debt Note 1	14,758,378	13,492,395	14,496,116	17,532,710	16,803,235	16,459,168
Housing Benefit debt	8,298,503	8,195,200	8,047,380	7,926,508	7,893,055	7,823,641
Parking Services	4,398,706	4,352,661	4,658,685	4,508,378	4,535,378	3,848,876
Council Tax Note 2	7,340,722	6,587,840	6,127,652	8,157,533	7,215,847	6,825,605
Business Rates Note 3	2,806,594	2,099,948	1,822,228	2,979,843	2,586,876	2,474,270
<b>Total</b>	<b>37,602,903</b>	<b>34,728,044</b>	<b>35,152,061</b>	<b>41,104,972</b>	<b>39,034,391</b>	<b>37,431,560</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 2018/19 in March 19 figures hence the increase.

Note 3 Business rates debt now includes unpaid business rates for 2018/19 in March 19 figure hence the increase.

- 6.1 The overall debt outstanding has reduced by £1,602,831 since last reported at the end of June 2019.
- 6.2 All debts have reduced since last reported at the end of June 2019.
- 6.3 A more relevant comparison is between September 2018 and September 2019. The changes in outstanding debt are as follows

Overall £2,703,516 increase  
Sundry debt £2,967,000 increase (debt under 30 days increased by £2,043,000)  
Housing Benefit £372,000 decrease  
Council Tax £237,000 increase  
Parking £504,000 decrease  
Business Rates £375,000 increase

- 6.4 Detailed breakdowns of the Council Car Parking figures are shown in the table below:

**Car Parking Aged Debtors – 30 September 2019**

Age of Debt	Outstanding £	Number of PCNs	Average Value £
0-3 months	£1,017,861	10,329	£99
3-6 months	£639,652	3,872	£165
6-9 months	£514,321	2,986	£172
9-12 months	£522,442	2,936	£178
12-15 months	£415,285	2,309	£180
Older than 15 months	£739,354	4,136	£179
<b>Total</b>	<b>£3,848,915</b>	<b>26,568</b>	<b>£144</b>

Total June 2019                    £4,535,876                    29, 038

Increase/-decrease                    £686,961-                    2,470-

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

<b>Date of meeting: 14 January 2020</b>		<b>Appendix 10</b>
<b>Title of report:</b>	<b>Establishment Control and Vacancy reporting – 2nd Quarter 2019/20</b>	
<b>Lead Director:</b>	<b>Caroline Holland</b>	
<b>Lead Officer:</b>	<b>Liz Hammond</b>	
<b>To which strategic theme(s) does this item relate?</b>	Sustainable communities	
	Safer & Stronger communities	
	Healthier Communities	
	Older People	
	Children & Young People	
	Corporate Capacity	Yes
<b>Is this item for:</b>	Information only?	
	Discussion?	Yes
	Decision?	
<b>If this report is for decision, please list the recommendations that you are making to CMT</b>	1.	
	2.	
	3.	
	4.	
	5.	
<b>Is this report intended to...</b>	Come back to CMT?	No
	Go to Leader's Policy Group?	No

# **Committee: Financial monitoring scrutiny task group**

**Date: 14 January 2020**

Agenda item:

Wards:

**Subject: Establishment Control and Vacancy reporting – 2nd Quarter 2019/20**

Lead officer: Liz Hammond – interim HR lead

Lead member: Councillor Mark Allison

Contact officer: Liz Hammond ext 3152

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## **Recommendations:**

A. To note the contents of this report

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

- 1.1. The last report to this committee reported data as at Q1 2019/20 – data as at 30 June 2019.
- 1.2. This report provides data as at 2nd quarter 2019/20 (data as at 30 September 2019). Subject to timing of committee dates updates are provided quarterly, tied to the financial quarters of 30 June, 30 September, 31 December and 31 March.
- 1.3. The data reflects further work to align iTrent agency workers and interims with the established posts they are covering.
- 1.4. A mechanism is in place to convert agency workers to Employees, subject to safeguards to ensure there is no conflict of interest and that named individuals are not hired via agency on an interim basis and then offered direct employment with no competitive selection.

### **2 DETAILS**

- 2.1. Appendix 10B shows the position as at 30 September 2019. The appendices show vacancies not filled by direct employees, and vacancies not filled by either a direct employee or an agency worker/consultant. The size of establishment is measured in terms of authorised Full Time Equivalents, rather than numbers of posts, and therefore the appendix totals FTEs for budgeted posts, employees, agency workers and vacancies.
- 2.2. The budgeted FTEs at time of revenue budget setting are shown alongside the actual FTE establishment, based on iTrent data and managed through the Establishment Control process. The two figures will vary due, for example, to in-year changes and reorganisations, and due to external funding of posts (as in the case of Regulatory Services, where some

posts are funded by Wandsworth) and posts funded from capital or grants.

- 2.3. Further work has been undertaken to ensure the accuracy of the data including close liaison with Heads of Service to review the detailed establishment for their areas.
- 2.4. The establishment can vary for a number of reasons, including planned budget changes, TUPE transfers in and out of groups of employees, and in-year adjustments due to reorganisations.
- 2.5. Apprentice data has been excluded as in many cases they are at present centrally funded on a case by case basis and do not form part of the formal establishment.
- 2.6. The base data behind these statistics is circulated to DMT officers on a monthly basis so that they are up to date on the current establishment and vacancy position, and have the opportunity to address any errors or corrections. Subject to the timing of committee dates it is intended to provide a quarterly update, tied to the financial quarters of 30 June, 30 September, 31 December and 31 March.
- 2.7. HR provides information to Standards and General Purposes Committee on agency and interim usage.
- 2.8. HR has strategies in place to address recruitment to hard to fill roles, in order to reduce dependency on agency staff. There will be situations where certain specialist roles can only be covered by agency, and shorter term usage of agency to cover vacancies during periods of planned organisational change.
- 2.9. A Temp to Perm mechanism is in place whereby agency workers or interims can be converted to direct employment, subject to safeguards to ensure there is no conflict of interest and that named individuals are not hired via agency or an interim basis and then offered direct employment with no competitive selection. Appointment to senior roles which require member-level involvement will continue to be dealt with in the normal way. The aim is to encourage agency workers, particularly those in hard to fill roles, to become Employees. Any such conversions will only be to posts that have been subject to full establishment control processes.

### **3 ALTERNATIVE OPTIONS**

Without accurate establishment data, the Authority cannot appropriately plan for the future service or workforce needs. There is also a need to be able to report on unfilled substantive posts, and to monitor and control the use of agency workers to cover unfilled vacancies.



#### **4 CONSULTATION UNDERTAKEN OR PROPOSED**

- 4.1. Merton Improvement Board and the Workforce Strategy Board are kept up to date on work to refine the technical establishment and ensure robust establishment controls remain in place.

#### **5 TIMETABLE**

- 5.1. Subject to the timing of committee dates updates are provided to this committee quarterly, based on data as at 31<sup>st</sup> March, 30<sup>th</sup> June, 30<sup>th</sup> September and 31<sup>st</sup> December each year. Heads of Service receive a monthly update of establishment details in their area so that they can address any corrections required.

#### **6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS**

- 6.1. Employees account for 25% of the gross General Fund spend in the authority. Having an accurate establishment helps managers plan their service and financial implications.
- 6.2. As a result of the earlier technical establishment exercise and ongoing establishment controls, each post will be linked to appropriate budgetary provision.

#### **7 LEGAL AND STATUTORY IMPLICATIONS**

- 7.1. There are no specific legal implications arising from this report.

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

- 8.1. There are no specific human rights, equalities or community cohesion implications arising from this report.

#### **9 CRIME AND DISORDER IMPLICATIONS**

- 9.1. There are no crime disorder implications arising from this report.

#### **10 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS**

- 10.1. There are no specific risk or health and safety issues arising from this report.

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

- Appendix 10A-10F: establishment analysis including FTE agency workers and vacancies as at 30 September 2019

## **12 BACKGROUND PAPERS**

12.1 Previous quarterly reports to Financial Management Task Group

Column	Explanatory Notes
	The tables have been simplified to focus on FTE establishment, FTE employees and agency workers and FTE vacancies - with the aim of making them easier to read and understand. The data excludes Schools and Apprentices
<b>Budgeted FTE Establishment</b>	The total budget FTE
<b>FTE Employees</b>	Total FTE employees
<b>Vacancies: Budgeted FTE less FTE Employees</b>	Budgeted FTE less FTE employees, i.e. the vacancies before accounting for agency workers
<b>FTE vacancies covered by agency workers</b>	Total FTE agency workers
<b>Unfilled vacancies</b>	Total FTE vacancies not filled by an employee or covered by an agency worker

## OVERALL SUMMARY

## APPENDIX 10B VACANCY DATA FOR MERTON - as at 30/9/2019

As at 30 September 2019

Department	Original Budget FTE	Budget FTE Variance	iTrent FTE Establishment	FTE Employees	Vacancies: iTrent Estab FTE less FTE Employees	FTE vacancies covered by agency workers	Unfilled vacancies
Corporate Services	489.82	30.21	520.03	428.58	91.45	57.99	33.46
Children Schools and Families	514.78	44.09	562.87	437.57	125.30	48.30	77.00
Community and Housing	436.67	3.14	439.81	356.48	83.33	41.00	42.33
Environment and Regeneration	373.21	80.30	453.51	334.19	119.32	60.89	58.43
<b>Total</b>	<b>1814.48</b>	<b>157.74</b>	<b>1976.22</b>	<b>1556.82</b>	<b>419.40</b>	<b>208.18</b>	<b>211.22</b>

As at 30 June 2019

Department	Original Budget FTE	Budget FTE Variance	iTrent FTE Establishment	FTE Employees	Vacancies: iTrent Estab FTE less FTE Employees	FTE vacancies covered by agency workers	Unfilled vacancies
Corporate Services	489.82	25.22	515.04	422.65	92.39	50.99	41.40
Children Schools and Families	514.78	49.78	565.56	445.19	120.37	51.93	68.44
Community and Housing	436.67	-4.26	432.41	351.34	81.07	32.00	49.07
Environment and Regeneration	373.21	77.36	450.57	328.72	121.85	59.00	62.85
<b>Total</b>	<b>1814.48</b>	<b>148.10</b>	<b>1963.58</b>	<b>1547.90</b>	<b>415.68</b>	<b>193.92</b>	<b>221.76</b>

As at 31st March 2019

Department	Original Budget FTE	Budget FTE Variance	iTrent FTE Establishment	FTE Employees	Vacancies: iTrent Estab FTE less FTE Employees	FTE vacancies covered by agency workers	Unfilled vacancies
Corporate Services	503.41	19.53	522.94	437.49	85.45	58.59	26.86
Children Schools and Families	526.03	42.91	568.94	451.57	117.37	64.93	52.44
Community and Housing	421.38	8.53	429.91	348.34	81.57	36.60	44.97
Environment and Regeneration	306.31	134.76	441.07	329.71	111.36	56.19	55.17
<b>Total</b>	<b>1757.13</b>	<b>205.73</b>	<b>1962.86</b>	<b>1567.11</b>	<b>395.75</b>	<b>216.31</b>	<b>179.44</b>

As at 31st December 2018

Department	Original Budget FTE	Budget FTE Variance	iTrent FTE Establishment	FTE Employees	Vacancies: iTrent Estab FTE less FTE Employees	FTE vacancies covered by agency workers	Unfilled vacancies
Corporate Services	503.41	16.53	519.94	437.23	82.71	54.29	28.42
Children Schools and Families	526.03	41.42	567.45	461.28	106.17	60.60	45.57
Community and Housing	421.38	8.57	429.95	342.38	87.57	36.60	50.97
Environment and Regeneration	306.31	134.34	440.65	330.95	109.70	53.79	55.91
<b>Total</b>	<b>1757.13</b>	<b>200.86</b>	<b>1957.99</b>	<b>1571.84</b>	<b>386.15</b>	<b>205.28</b>	<b>180.87</b>

As at 30th September 2018

Department	Original Budget FTE	Budget FTE Variance	iTrent FTE Establishment	FTE Employees	Vacancies: iTrent Estab FTE less FTE Employees	FTE vacancies covered by agency workers	Unfilled vacancies
Corporate Services	503.41	19.35	522.76	433.98	88.78	56.69	32.09
Children Schools and Families	526.03	41.62	567.65	459.43	108.22	65.20	43.02
Community and Housing	421.38	4.71	426.09	340.64	85.45	28.60	56.85
Environment and Regeneration	306.31	139.24	445.55	329.88	115.67	54.60	61.07
<b>Total</b>	<b>1757.13</b>	<b>204.92</b>	<b>1962.05</b>	<b>1563.93</b>	<b>398.12</b>	<b>205.09</b>	<b>193.03</b>

As at 30th June 2018

Department	Original Budget FTE	Budget FTE Variance	iTrent FTE Establishment	FTE Employees	Vacancies: iTrent Estab FTE less FTE Employees	FTE vacancies covered by agency workers	Unfilled vacancies
Corporate Services	503.41	18.63	522.04	427.73	94.31	59.29	35.02
Children Schools and Families	526.03	37.06	563.09	457.95	105.14	67.40	37.74
Community and Housing	421.38	-1.39	419.99	343.01	76.98	23.60	53.38
Environment and Regeneration	306.31	131.74	438.05	330.73	107.32	56.17	51.15
<b>Total</b>	<b>1757.13</b>	<b>186.04</b>	<b>1943.17</b>	<b>1559.42</b>	<b>383.75</b>	<b>206.46</b>	<b>177.29</b>

Department / Team	Sub Team (if any)	Original Budget FTE	Budget FTE Variance	iTrent FTE Establishment	FTE Employees	Vacancies: iTrent Estab less FTE Employees	FTE vacancies covered by agency workers	Unfilled vacancies
Chief Exec - Management		2	0.00	2.00	2.00	0.00	0.00	0.00
<b>Chief Exec - Management Total</b>		<b>2.00</b>	<b>0.00</b>	<b>2.00</b>	<b>2.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Corporate Governance</b>								
Democracy Services		13.70	0.00	13.70	12.44	1.26	0.00	1.26
Electoral Services		4.50	0.08	4.58	4.00	0.58	1.00	-0.42
Information		10.73	0.00	10.73	9.87	0.86	0.00	0.86
South London Legal Partnership		110.50	3.14	113.64	83.15	30.49	29.99	0.50
Management		1.00	0.00	1.00	1.00	0.00	0.00	0.00
<b>Corporate Governance Total</b>		<b>140.43</b>	<b>3.22</b>	<b>143.65</b>	<b>110.46</b>	<b>33.19</b>	<b>30.99</b>	<b>2.20</b>
<b>Customers, Policy and Improvement</b>								
Communications		5.00	1.00	6.00	2.80	3.20	1.00	2.20
	Community Engagement	1.50	0.00	1.50	1.50	0.00	0.00	0.00
Continuous Improvement		4.00	1.00	5.00	4.00	1.00	0.00	1.00
Customer Contact	Reception - Contact Centre & Cash Office	17.08	1.95	19.03	17.89	1.14	2.00	-0.86
	Registrars	7.40	2.90	10.30	4.50	5.80	0.00	5.80
	Translation	2.00	0.00	2.00	1.60	0.40	0.00	0.40
	Web Team	2.00	0.00	2.00	2.00	0.00	0.00	0.00
	Management	1.00	0.00	1.00	1.00	0.00	0.00	0.00
Customer Contact Programme		0.00	3.00	3.00	1.00	2.00	2.00	0.00
Policy Strategy & Partnerships		5.60	0.00	5.60	5.60	0.00	1.00	-1.00
Management		3.00	0.00	3.00	2.00	1.00	0.00	1.00
<b>Customers, Policy and Improvement Total</b>		<b>48.58</b>	<b>9.85</b>	<b>58.43</b>	<b>43.89</b>	<b>14.54</b>	<b>6.00</b>	<b>8.54</b>
<b>Executive</b>								
Executive Assistant		1	0.00	1.00	1.00	0.00	0.00	0.00
<b>Executive Total</b>		<b>1.00</b>	<b>0.00</b>	<b>1.00</b>	<b>1.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Human Resources</b>								
Human Resources	Advice and Consultancy	7.00	1.50	8.50	7.11	1.39	0.00	1.39
	HR Processing and Report	7.00	0.00	7.00	5.80	1.20	0.00	1.20
	Organisational Development & HR Strategy	15.00	-2.22	12.78	11.78	1.00	3.00	-2.00
	Staff Side - Merton	2.54	1.00	3.54	3.54	0.00	0.00	0.00
	Management	1.00	0.00	1.00	0.00	1.00	0.00	1.00
<b>HR Total</b>		<b>32.54</b>	<b>0.28</b>	<b>32.82</b>	<b>28.23</b>	<b>4.59</b>	<b>3.00</b>	<b>1.59</b>
<b>Infrastructure &amp; Technology</b>								
Business Systems Team		25.20	3.00	28.20	22.20	6.00	4.00	2.00
Client Financial Affairs Team		6.00	-0.29	5.71	4.80	0.91	0.00	0.91
Commercial Services		9.00	0.00	9.00	7.00	2.00	0.00	2.00
Facilities Management	Compliance and Maintenance	9.20	-0.10	9.10	8.56	0.54	0.00	0.54
	Energy and Sustainability	3.00	-1.00	2.00	2.00	0.00	0.00	0.00
	Facilities	5.60	0.00	5.60	5.60	0.00	0.00	0.00
	Major Projects	3.00	0.00	3.00	1.00	2.00	3.00	-1.00
	Post & Print	12.43	0.00	12.43	10.57	1.86	1.00	0.86
	Management	1.00	0.00	1.00	1.00	0.00	0.00	0.00
IT Service Delivery	Business Development and Projects	3.00	0.00	3.00	3.00	0.00	0.00	0.00
	IT Customer Support & Services	12.00	0.00	12.00	11.00	1.00	1.00	0.00
	IT Operations	11.00	3.00	14.00	10.00	4.00	1.00	3.00
	Management	2.00	3.00	5.00	2.00	3.00	2.00	1.00
Safety Services		4.00	1.00	5.00	4.00	1.00	0.00	1.00
Transactional Services	Trans Services (Accounts)	8.00	0.00	8.00	8.00	0.00	0.00	0.00
	Trans Services (Care First)	2.60	0.00	2.60	2.60	0.00	0.00	0.00
	Vendor Maintenance Officer	1.71	0.00	1.71	1.00	0.71	0.00	0.71
	Management	1.00	0.00	1.00	1.00	0.00	0.00	0.00
Management		2.00	0.00	2.00	2.00	0.00	0.00	0.00
<b>Infrastructure &amp; Technology Total</b>		<b>121.74</b>	<b>8.61</b>	<b>130.35</b>	<b>107.33</b>	<b>23.02</b>	<b>12.00</b>	<b>11.02</b>
<b>Resources</b>								
Accountancy	Budget Team	14.60	1.60	16.20	11.00	5.20	4.00	1.20
	Corporate Accountancy	5.60	3.40	9.00	7.00	2.00	1.00	1.00
	Service Financial Adviser CSF	4.53	1.00	5.53	5.33	0.20	0.00	0.20
	Management	1.00	0.00	1.00	1.00	0.00	0.00	0.00
Financial Strategy and Capital		9.00	0.80	9.80	8.00	1.80	0.00	1.80
Revenues and Benefits	Bailiffs	18.60	0.00	18.60	18.39	0.21	0.00	0.21
	Council Tax Incl R&B	1.00	0.00	1.00	1.00	0.00	0.00	0.00
	Council Tax Incl R&B Team 2	22.39	0.03	22.42	20.79	1.63	0.00	1.63
	HB Support	10.00	0.00	10.00	9.80	0.20	0.00	0.20
	Housing Benefits Incl Appeals	35.36	1.00	36.36	32.56	3.80	0.00	3.80
	Income Collection C Tax Recovery	11.80	0.17	11.97	11.80	0.17	0.00	0.17
	Management & Support	2.00	0.00	2.00	2.00	0.00	0.00	0.00
Treasury & Insurance		4.65	0.25	4.90	4.00	0.90	1.00	-0.10
Management	Management	2.00	0.00	2.00	2.00	0.00	0.00	0.00
<b>Resources Total</b>		<b>142.53</b>	<b>8.25</b>	<b>150.78</b>	<b>134.67</b>	<b>16.11</b>	<b>6.00</b>	<b>10.11</b>
<b>Management</b>								
Management		1.00	0.00	1.00	1.00	0.00	0.00	0.00
<b>Management Total</b>		<b>1.00</b>	<b>0.00</b>	<b>1.00</b>	<b>1.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total</b>		<b>489.82</b>	<b>30.21</b>	<b>520.03</b>	<b>428.58</b>	<b>91.45</b>	<b>57.99</b>	<b>33.46</b>

Department / Team	Sub Team (if any)	Original Budget FTE	Budget FTE Variance	iTrent FTE Establishment	FTE Employees	Vacancies: iTrent Estab FTE less FTE Employees	FTE vacancies covered by agency workers	Unfilled vacancies
<b>Children's Social Care &amp; Youth Inclusion</b>								
Adolescent and Family Services	Restorative Justice and Partnerships			1.20	1.20	0.00	0.00	0.00
	Risk and Desistence			1.00	1.00	0.00	0.00	0.00
	Tackling Exploitation Team	3.00	0.00	3.00	3.00	0.00	0.00	0.00
	Transforming Families Team	12.00	1.00	13.00	9.77	3.23	0.00	3.23
	Youth Justice Team (Risk and Court)	5.46	-0.60	4.86	4.80	0.06	0.00	0.06
	Youth Justice Team (Safeguarding and Partnerships Management)	5.20	-0.60	4.60	2.00	2.60	0.00	2.60
Children's Social Care Business	Business Support (AFS)	2.00	0.50	2.50	2.00	0.50	0.00	0.50
	Business Support (MASH/FR/Bond Road)	4.80	0.20	5.00	3.60	1.40	0.00	1.40
	Business Support (PLACCL)	6.40	0.60	7.00	5.00	2.00	1.00	1.00
	Business Support (QAPD)	7.40	0.60	8.00	5.00	3.00	1.00	2.00
	Business Support (Safeguarding/VCT/CWD)	6.60	0.60	7.20	5.20	2.00	1.00	1.00
	Finance Team - Children's Social Care	6.00	0.50	6.50	5.26	1.24	1.80	-0.56
MASH & Child Protection Services	First Response Team 1	4.50	1.00	5.50	4.50	1.00	0.00	1.00
	First Response Team 2	1.00	0.00	1.00	0.00	1.00	0.00	1.00
	First Response Team 3	5.00	0.00	5.00	4.00	1.00	1.00	0.00
	First Response Team 4	5.00	0.00	5.00	4.00	1.00	1.00	0.00
	MASH	4.00	-2.00	2.00	3.00	-1.00	0.00	-1.00
	Management	7.60	0.00	7.60	6.00	1.60	3.00	-1.40
Permanency, Looked after Children	14+ Looked After & Leaving Care	1.00	0.00	1.00	1.00	0.00	0.00	0.00
	Adoption Team	16.69	1.60	18.29	16.26	2.03	0.00	2.03
	Fostering Team	8.90	-0.40	8.50	3.60	4.90	2.00	2.90
	Permanency	5.60	0.00	5.60	5.00	0.60	0.00	0.60
	Quality Assurance & Panel	7.10	-0.10	7.00	7.10	-0.10	1.00	-1.10
	Management	1.00	-1.00	0.00	0.00	0.00	0.00	0.00
Quality Assurance and Practice Development	9.60	3.00	12.60	8.60	4.00	1.00	3.00	
<b>Quality Assurance and Practice Development</b>								
		13.60	1.50	15.10	12.50	2.60	1.00	1.60
Safeguarding and Planning	Safeguarding and Care Planning Team 1	5.00	1.00	6.00	4.00	2.00	2.00	0.00
	Safeguarding and Care Planning Team 2	5.00	1.00	6.00	5.00	1.00	1.00	0.00
	Safeguarding and Care Planning Team 3	5.00	0.00	5.00	5.00	0.00	0.00	0.00
	Safeguarding and Care Planning Team 4	6.00	0.00	6.00	6.00	0.00	1.00	-1.00
	Safeguarding and Care Planning Team 5	5.00	1.00	6.00	4.00	2.00	1.00	1.00
	Safeguarding and Care Planning Team 6	7.60	-1.60	6.00	4.00	2.00	1.00	1.00
	Management	2.00	3.00	5.00	3.00	2.00	0.00	2.00
Management	1.00	0.00	1.00	1.00	0.00	0.00	0.00	
<b>Children's Social Care &amp; Youth Inclusion Total</b>								
		191.05	11.80	205.05	154.39	50.66	25.80	24.86
<b>Education Division</b>								
Contracts and School Organisation	Contracts Management	6.00	0.00	6.00	6.00	0.00	1.00	-1.00
	Schools Admissions	5.00	0.00	5.00	4.91	0.09	0.00	0.09
Early Years Childcare and Child Development		3.00	0.00	3.00	2.00	1.00	0.00	1.00
	Brightwell Team	12.50	2.26	14.76	12.17	2.59	0.50	2.09
	Children's Centres	32.40	-1.40	31.00	24.40	6.60	4.00	2.60
	Continuous Improvement, Inclusion, Portage and Early Years 0-5s Supporting Families	46.03	11.89	57.92	42.04	15.88	0.00	15.88
	Family Support Centre Bond Road	15.20	-0.20	15.00	13.60	1.40	2.00	-0.60
	Funded Places, Sufficiency and Information	16.60	2.80	19.40	14.30	5.10	1.00	4.10
	Resources, Systems and Service Development	4.92	0.58	5.50	3.50	2.00	0.00	2.00
	Management	8.11	-1.00	7.11	5.71	1.40	2.00	-0.60
Education Inclusion	Education Welfare Service	1.69	0.00	1.69	2.00	-0.31	0.00	-0.31
	Learning Behaviour & Language Team	9.84	2.11	11.95	9.67	2.28	1.00	1.28
	Merton Advice and Support	16.65	2.08	18.73	15.13	3.60	6.00	-2.40
	MIASS	0.00	1.00	1.00	2.00	-1.00	0.00	-1.00
	My Futures Team	1.00	0.00	1.00	1.00	0.00	0.00	0.00
	Participation	8.60	2.40	11.00	7.51	3.49	0.00	3.49
	Virtual Behaviour Service (Youth Inclusion)	2.00	4.09	6.09	3.54	2.55	0.00	2.55
	Youth Service	11.07	0.63	11.70	9.80	1.90	0.00	1.90
Merton School Improvement	Management	12.46	0.65	13.11	9.83	3.28	0.00	3.28
	Education Support Team	3.00	-1.00	2.00	1.00	1.00	0.00	1.00
	Equality & Diversity	1.50	-1.50	0.00	0.00	0.00	0.00	0.00
	Governance Team	3.83	-0.33	3.50	3.00	0.50	0.00	0.50
	MSI Business Support Team	2.83	0.17	3.00	3.00	0.00	0.00	0.00
	Schools ICT Support			1.80	1.80	0.00	0.00	0.00
	Strategic School Improvement	6.86	-0.26	6.60	5.60	1.00	0.00	1.00
Policy, Planning & Performance	Virtual Team	6.80	-0.60	6.20	6.20	0.00	0.00	0.00
	Management	5.83	0.04	5.87	4.83	1.04	0.00	1.04
	Business Support Team (CSPD)	1.00	0.00	1.00	1.00	0.00	0.00	0.00
	MCSB	3.00	-1.00	2.00	1.66	0.34	0.00	0.34
SEN & Inclusion Service	Research & Information	3.40	-0.80	2.60	2.60	0.00	0.00	0.00
		4.66	2.00	6.66	1.00	5.66	3.00	2.66
	0-25 SEND Intervention Team	3.36	0.00	3.36	2.36	1.00	0.00	1.00
	Assesment, Planning and Resource Team	3.33	0.67	4.00	1.00	3.00	0.00	3.00
	Children with Disability Social Work Team	11.51	1.02	12.53	9.60	2.93	2.00	0.93
	Educational Psychology Service	8.00	1.00	9.00	8.60	0.40	0.00	0.40
	SEN Team	14.85	1.13	15.98	15.66	0.32	0.00	0.32
	Sensory Impairment Service	11.46	3.40	14.86	11.06	3.80	0.00	3.80
Education Division Total	Short Breaks Team	5.00	0.06	5.06	4.30	0.76	0.00	0.76
	Management	3.00	0.00	3.00	2.00	1.00	0.00	1.00
	Management	1.00	0.00	1.00	1.00	0.00	0.00	0.00
<b>Education Division Total</b>								
		318.29	31.89	351.98	277.38	74.60	22.50	52.10
<b>Joint Commissioning &amp; Partnerships</b>								
Joint Commissioning & Partnerships		3.44	0.40	3.84	3.80	0.04	0.00	0.04
<b>Commissioning, Strategy And Performance Division Total</b>								
		3.44	0.40	3.84	3.80	0.04	0.00	0.04
<b>Management &amp; Exec Assistant</b>								
Management & Exec Assistant		2.00	0.00	2.00	2.00	0.00	0.00	0.00
<b>Management &amp; Exec Assistant total</b>								
		2.00	0.00	2.00	2.00	0.00	0.00	0.00
<b>Grand Total</b>								
		514.78	44.09	562.87	437.57	125.30	48.30	77.00

Department / Team	Sub Team (if any)	Original Budget FTE	Budget FTE Variance	iTrent FTE Establishment	FTE Employees	Vacancies: iTrent Estab FTE less FTE Employees	FTE vacancies covered by agency workers	Unfilled vacancies
<b>Adult Social Care</b>								
Adult Social Care	Commissioning & Market Development		9.00	9.00	7.00	2.00	0.00	2.00
	Long Term Services	47.82	-5.97	41.85	37.61	4.24	11.00	-6.76
	Mental Health Team	34.25	-8.02	26.23	18.31	7.92	4.00	3.92
	Operations	80.36	12.57	92.93	77.70	15.23	10.00	5.23
	Operations and Commissioning	27.00	-4.19	22.81	18.31	4.50	4.00	0.50
	Management	8.00	-4.00	4.00	4.00	0.00	0.00	0.00
<b>Adult Social Care Total</b>		<b>197.43</b>	<b>-0.61</b>	<b>196.82</b>	<b>162.93</b>	<b>33.89</b>	<b>29.00</b>	<b>4.89</b>
<b>C&amp;H Strategy &amp; Improvement</b>								
		0.00	10.40	10.40	3.00	7.40	2.00	5.40
<b>C&amp;H Strategy &amp; Improvement</b>		<b>0.00</b>	<b>10.40</b>	<b>10.40</b>	<b>3.00</b>	<b>7.40</b>	<b>2.00</b>	<b>5.40</b>
<b>Housing Services</b>								
Housing Needs	Advice & Options	12.50	-1.00	11.50	11.50	0.00	1.00	-1.00
	Development	5.00	0.00	5.00	4.00	1.00	0.00	1.00
	Environmental Health (Housing) Team	8.03	-3.00	5.03	2.80	2.23	2.00	0.23
	Housing Strategy	0.00	4.00	4.00	1.00	3.00	1.00	2.00
	Management	3.00	2.00	5.00	3.00	2.00	0.00	2.00
<b>Housing Services Total</b>		<b>28.53</b>	<b>2.00</b>	<b>30.53</b>	<b>22.30</b>	<b>8.23</b>	<b>4.00</b>	<b>4.23</b>
<b>Libraries, Heritage and Adult Education Service</b>								
Library Service	Heritage Centre	1.00	0.00	1.00	1.00	0.00	0.00	0.00
	Mitcham Library	3.80	0.00	3.80	2.80	1.00	1.00	0.00
	Morden Library	5.46	0.00	5.46	5.46	0.00	0.00	0.00
	Pollards Hill & Colliers Wood Library	3.17	0.40	3.57	3.57	0.00	0.00	0.00
	Raynes Park & West Barnes Library	3.27	0.01	3.28	3.27	0.01	0.00	0.01
	Resources Team	2.00	-0.50	1.50	1.50	0.00	0.00	0.00
	Service Development	2.00	0.00	2.00	2.00	0.00	0.00	0.00
	Wimbledon Library	7.45	-0.02	7.43	6.44	0.99	1.00	-0.01
		1.50	0.50	2.00	2.50	-0.50	0.00	-0.50
Adult Learning		3.75	-0.15	3.60	4.80	-1.20	0.00	-1.20
Management		0.00	1.00	1.00	1.00	0.00	0.00	0.00
<b>Libraries, Heritage and Adult Education Service Total</b>		<b>33.40</b>	<b>1.24</b>	<b>34.64</b>	<b>34.34</b>	<b>0.30</b>	<b>2.00</b>	<b>-1.70</b>
<b>Provider Services</b>								
All Saints/High Path Day Centre	All Saints	9.52	-0.52	9.00	8.23	0.77	0.00	0.77
	High Path	8.81	-1.10	7.71	6.51	1.20	0.00	1.20
		0.00	1.00	1.00	1.00	0.00	0.00	0.00
Jan Malinowski/Eastways Centre	Eastways Day Centre	8.02	-0.52	7.50	7.50	0.00	0.00	0.00
	Jan Malinowski Centre	29.75	-0.54	29.21	28.03	1.18	0.00	1.18
		0.00	1.00	1.00	1.00	0.00	0.00	0.00
Supported Living/Mascot/Glebelands	Glebelands	10.17	0.80	10.97	9.60	1.37	0.00	1.37
	Mascot	18.97	3.70	22.67	15.20	7.47	0.00	7.47
	Support Living Services	27.15	0.45	27.60	12.89	14.71	0.00	14.71
		0.00	1.00	1.00	1.00	0.00	0.00	0.00
Meadowsweet/Riverside	Meadowsweet	11.17	-3.25	7.92	8.00	-0.08	0.00	-0.08
	Riverside Drive	15.16	-0.95	14.21	14.21	0.00	0.00	0.00
		0.00	1.57	1.57	1.57	0.00	0.00	0.00
Merton Employment Team		2.93	-0.33	2.60	2.31	0.29	0.00	0.29
Service Provision Business Support		3.60	-0.60	3.00	1.60	1.40	1.00	0.40
Provider Services	Management	0.00	1.00	1.00	1.00	0.00	0.00	0.00
<b>Provider Services Total</b>		<b>145.25</b>	<b>2.71</b>	<b>147.96</b>	<b>119.65</b>	<b>28.31</b>	<b>1.00</b>	<b>27.31</b>
<b>Public Health Team</b>								
Public Health Team		18.06	-2.60	15.46	11.26	4.20	2.00	2.20
<b>Public Health Team Total</b>		<b>18.06</b>	<b>-2.60</b>	<b>15.46</b>	<b>11.26</b>	<b>4.20</b>	<b>2.00</b>	<b>2.20</b>
<b>Management</b>								
Management		14.00	-10.00	4.00	3.00	1.00	1.00	0.00
<b>Management Total</b>		<b>14.00</b>	<b>-10.00</b>	<b>4.00</b>	<b>3.00</b>	<b>1.00</b>	<b>1.00</b>	<b>0.00</b>
<b>Grand Total Community &amp; Housing</b>		<b>436.67</b>	<b>3.14</b>	<b>439.81</b>	<b>356.48</b>	<b>83.33</b>	<b>41.00</b>	<b>42.33</b>



Department / Team	Sub Team (if any)	Original Budget FTE	Budget FTE Variance	iTrent FTE Establishment	FTE Employees	Vacancies: iTrent Estab FTE less FTE	FTE vacancies covered by agency workers	Unfilled vacancies
<b>Public Protection</b>								
Parking & CCTV Services	Parking Services	73.50	11.00	84.50	66.21	18.29	13.00	5.29
Regulatory Services Partne	Administration and Finance	17.50	-14.50	3.00	2.00	1.00	1.00	0.00
	Business Development	1.00	0.00	1.00	0.00	1.00	1.00	0.00
	Commercial Services	3.00	2.00	5.00	2.00	3.00	0.00	3.00
	Environmental Health (Commercial)	17.48	-7.00	10.48	5.00	5.48	0.00	5.48
	Environmental Health (Pollution)	6.34	6.66	13.00	10.44	2.56	4.00	-1.44
	Licensing	10.00	1.00	11.00	3.90	7.10	3.00	4.10
	Residential & Pollution Services	18.31	-8.31	10.00	6.40	3.60	0.00	3.60
	Trading Standards	13.29	-2.19	11.10	9.29	1.81	0.00	1.81
	Wandsworth Regulatory Services Team Management	23.50	36.57	60.07	46.47	13.60	4.89	8.71
Safer Merton	CCTV	9.00	0.00	9.00	8.00	1.00	0.00	1.00
		8.49	0.37	8.86	7.63	1.23	0.00	1.23
Management	Management	1.40	0.00	1.40	0.40	1.00	1.00	0.00
<b>Public Protection total</b>		<b>203.81</b>	<b>25.60</b>	<b>229.41</b>	<b>168.74</b>	<b>60.67</b>	<b>27.89</b>	<b>32.78</b>
<b>Public Realm Contracting and Commissioning</b>								
Leisure & Culture Develop	Leisure Support Services	2.80	1.00	3.80	3.80	0.00	0.00	0.00
	Wimbledon Park Watersports Centre	5.00	2.00	7.00	7.00	0.00	0.00	0.00
	Management	1.00	0.00	1.00	1.00	0.00	0.00	0.00
Leisure & Culture Greensp	Arboricultural	2.00	0.00	2.00	2.00	0.00	0.00	0.00
	Events	1.00	0.40	1.40	0.00	1.40	0.00	1.40
	Greenspaces Development	5.90	0.40	6.30	6.10	0.20	0.00	0.20
	Mitcham Common	0.00	2.00	2.00	2.00	0.00	0.00	0.00
	Management	0.00	1.00	1.00	1.00	0.00	0.00	0.00
<b>Strategic Partnership Team</b>		<b>1.00</b>	<b>0.00</b>	<b>1.00</b>	<b>1.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Waste Engagement & Enfo	Community Waste Partnerships	2.00	0.00	2.00	1.00	1.00	0.00	1.00
	Enforcement and Inspection	1.50	4.50	6.00	4.40	1.60	0.00	1.60
		0.00	1.00	1.00	0.60	0.40	0.00	0.40
Waste Services	Finance & Administration Support	2.00	0.00	2.00	2.00	0.00	0.00	0.00
	Finance and Performance	3.00	0.00	3.00	1.61	1.39	1.00	0.39
	Service Development & Strategy	2.69	2.00	4.69	2.29	2.40	0.00	2.40
	Training and Road Safety	1.00	0.00	1.00	0.50	0.50	0.00	0.50
	Transport and Operations	39.36	5.99	45.35	42.27	3.08	0.00	3.08
	Management	1.00	1.00	2.00	2.00	0.00	0.00	0.00
Management	Management	5.40	2.63	8.03	4.71	3.32	1.00	2.32
<b>Public Realm Contracting and Commissioning</b>		<b>76.65</b>	<b>23.92</b>	<b>100.57</b>	<b>85.28</b>	<b>15.29</b>	<b>2.00</b>	<b>13.29</b>
<b>Sustainable Communities</b>								
Business Performance (Sustainable Communities)	Business Performance	1.00	0.57	1.57	1.00	0.57	0.00	0.57
Development Control	Admin & Finance	5.00	1.00	6.00	5.00	1.00	2.00	-1.00
	Building Control	9.30	2.31	11.61	4.00	7.61	1.00	6.61
	Enforcement	5.45	0.05	5.50	3.50	2.00	2.00	0.00
	Planning Mitcham & Morden	6.00	5.00	11.00	10.00	1.00	3.00	-2.00
	Planning Wimbledon	5.50	0.50	6.00	4.00	2.00	2.00	0.00
	Management	1.00	0.00	1.00	1.00	0.00	0.00	0.00
futureMerton	Commissioning	8.44	8.31	16.75	6.43	10.32	7.00	3.32
	Economy	4.46	1.54	6.00	4.34	1.66	0.00	1.66
	Infrastructure	24.00	5.50	29.50	22.30	7.20	8.00	-0.80
	Programming	13.00	5.00	18.00	10.00	8.00	6.00	2.00
	Management	1.00	0.00	1.00	1.00	0.00	0.00	0.00
Property Management	Estates (Property Management)	3.00	0.00	3.00	2.00	1.00	0.00	1.00
	Finance & Admin (Property Management)	1.60	0.00	1.60	1.00	0.60	0.00	0.60
	Management -	0.00	1.00	1.00	1.00	0.00	0.00	0.00
Management	Management	2.00	0.00	2.00	1.60	0.40	0.00	0.40
<b>Sustainable Communities Total</b>		<b>90.75</b>	<b>30.78</b>	<b>121.53</b>	<b>78.17</b>	<b>43.36</b>	<b>31.00</b>	<b>12.36</b>
<b>Management</b>								
Management		2	0.00	2.00	2.00	0.00	0.00	0.00
<b>Management Total</b>		<b>2</b>	<b>0</b>	<b>2.00</b>	<b>2.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total</b>		<b>373.21</b>	<b>80.30</b>	<b>453.51</b>	<b>334.19</b>	<b>119.32</b>	<b>60.89</b>	<b>58.43</b>

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