

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
Joan Henry
Simon McGrath

Tuesday 15 September 2020 at 7.15 pm

This will be a virtual meeting and therefore will not take place in a physical location, in accordance with s78 of the Coronavirus Act 2020.

Agenda

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| 1 | Election of Chair | |
| 2 | Apologies for absence | |
| 3 | Declarations of pecuniary interest | |
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Contact for further information about the task group meeting:
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Agenda Item 4

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.

OVERVIEW AND SCRUTINY COMMISSION - FINANCIAL MONITORING TASK GROUP

5 MARCH 2020

(7.15 pm - 9.25 pm)

PRESENT Councillors Stephen Crowe(in the Chair), Nigel Benbow, Natasha Irons, Paul Kohler and Peter Southgate

Caroline Holland (Director of Corporate Services), Bindi Lakhani (Head of Accountancy), Roger Kershaw (Assistant Director of Resources), David Keppler (Head of Revenues and Benefits) and Zoe Church (Head of Business Planning)

1 APOLOGIES FOR ABSENCE (Agenda Item 1)

Apologies were received from Councillor Ed Gretton and Councillor Owen Pritchard.

2 DECLARATIONS OF PECUNIARY INTEREST (Agenda Item 2)

There were no declarations of pecuniary interest.

3 MINUTES OF LAST MEETING - 14 JANUARY 2020 (Agenda Item 3)

The minutes were agreed as an accurate record of the meeting.

Matters arising - Bishopford Road Bridge – no update, the council is still awaiting the results of the structural engineers' report (carry forward to next meeting).

4 SOCIAL CARE CHARGING (Agenda Item 4)

The Panel welcomed Michael Turner, Policy and Strategy Manager for Merton CIL, to the meeting.

Keith Burns, Head of Commissioning and Market Development, gave an opening overview of the Financial Assessment process. Keith explained that it is understood that service users can have difficulties with completing the paperwork but home visits are offered regularly and engagement with the service user is our priority. The full cost is implemented to safeguard the Councils interests.

Michael Turner summarised his briefing note for the group;

- Would like to work toward a position where there is no charge for home care (similar to Hammersmith & Fulham Council).
- The Disability Related Expenditure disregard has been £10 for ten years which is not a sufficient allowance. This figure is too low and does not reflect the true cost of extra items that are required.

David Keppler (Head of Revenues and Benefits) provided additional information in response to further questions;

- The Debt Recovery team also attempt engagement with the service user.
- Cases are passed to Merton's legal team or a specialist debt collector only as a last resort.

- Case are scrutinised at six weekly meetings with the Directors of Corporate Services and Community and Housing.
- The Council does look to recover legal fees but there have been instances when the Council has footed the fees (no assets, debt can't be recovered etc.)
- A Financial Assessment can be conducted at any point during the process, the timeframe never expires.
- The Debt Recovery system is unable to report on the Homecare/Residential split, however we have requested our accountancy colleague work it out manually.
- When benchmarked with other Local Authorities, Merton is mid-range in terms of debt (4.4 million)
- Action: David Keppler will bring data along to the next task group meeting with the debt report.

Action: Keith Burns agreed to provide details of the minimum and maximum payments, in response to a query about the average payment amount.

Action: Keith Burns agreed that there is scope to look at increasing the £10 DRE disregard and will look at reviewing this figure with Michael Turner (Merton CIL).

5 DEEP DIVE REVIEW OF THE FUTURE CAPITAL PROGRAMME (Agenda Item 5)

The Assistant Director of Resources, Roger Kershaw, introduced the report.

The Head of Business Planning, Zoe Church, gave a presentation explaining the definition of capital expenditure, the key documents (Capital strategy and the Treasury Management strategy) grants, CIL/Section 106 and forecast funding.

Zoe Church and Caroline Holland provided additional details in response to questions:

- The Neighbourhood CIL bidding process occurs annually.
- Action: Caroline Holland will circulate further details to the group including ward allocation, minimum bid details and broadcast details.
- The 4 million for fleet vehicles was a contractual agreement with the South London Waste Partnership. Purchased vehicles are estimated to last eight years.
- Merton has not borrowed externally since 2007. Main borrower is PWLB.

6 FINANCIAL MONITORING REPORT - QUARTER 3, 2019/20 (Agenda Item 6)

The Director of Corporate Services, Caroline Holland, outlined the overall financial position at the end of the third quarter and provided additional detail in response to questions:

- The turnover is 12% due to high agency (long term) in Legal and Children's, Schools and Families.
- Dedicated Schools Grant - We are awaiting CIPFA guidance in the new financial year. Reserves were set aside to offset this but there is still an ongoing dialogue about whether it should be separate to the general fund.
- The undelivered Environment and Regeneration savings are due to the delay in the implementation of the parking charges.

7 PROPOSED WORK PROGRAMME FOR 2020/21 (Agenda Item 7)

The task group discussed potential items for the coming year, should the task group continue.

- Potential item for July – Make or Buy review
- Capital Budget programme could be scheduled for November 2020 or March 2021.
- Adult Social Care – Debt follow up
- Refresh of the Target Operating Models (to be combined with service plans)

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Financial Management Task Group

Date: 15th September 2020

Subject: Financial Report 2019/20

Lead officer: Roger Kershaw

Lead member: Mark Allison

Recommendations:

- A. That Cabinet note the revenue outturn for 2019/20
- B. That Cabinet note that there will be an update on the five year plan for the DSG deficit prepared and reported back later in the financial year.
- C. That Cabinet consider the outturn position on Capital and approve the Slippage into 2020/21 and other adjustments detailed in Appendix 2C, 2C1 and Section 7 of the report
- D. That Cabinet note that TfL have issued warnings that their funding to local authorities is likely to reduce, officers have received assurances that funding commitments already incurred will be met by them.

1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

This report outlines the outturn position for the last financial year (2019/20) and the issues that arise from it.

Section 2 – Summarises the outturn position of the Authority.

Section 3 – Reviews the detailed outturn position for service departments

Section 4 – Reviews the outturn position for corporate items

Section 5 – Provides other information

Section 6 – Provides information on Reserves

Section 7 - Provides information on the capital outturn

Section 2 – REVENUE OUTTURN 2019/20

OUTTURN	2019/20 Current Budget (Net)	2019/20 Current Budget (excl. overheads)	2019/20 Outturn (excl. overheads)	2019/20 Variance excl. overheads	Jan 2020 (P10) Forecast Variance	2018/19 variance excl. overheads	Outturn to P10 forecast variance
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Department							
Corporate Services	10,874	25,962	25,473	(490)	(462)	(2,511)	(28)
Children, Schools and Families	60,579	55,468	55,227	(241)	690	2,271	(931)
ASC	57,434	54,269	53,553	(717)	(981)	(169)	265
Housing	2,036	1,721	2,049	328	18	(73)	310
Libraries & Merton Adult Learning	3,040	2,340	2,410	70	46	45	24
Public Health	0	(148)	(148)	0	0	0	0
Environment & Regeneration	15,821	10,656	11,439	783	66	(1,526)	717
Net recharges	0	0	120	120	0	(33)	
NET SERVICE EXPENDITURE	149,784	150,268	150,122	(147)	(623)	(1,995)	356
Corporate Provisions	2,244	1,760	191	(1,570)	(1,885)	(5,661)	315
TOTAL GENERAL FUND	152,028	152,028	150,312	(1,716)	(2,508)	(7,656)	672

NET FAVOURABLE OUTTURN BALANCE TRANSFERRED TO OCPB* RESERVE	1,716
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*** Outstanding Council Programme Board (OCPB)**

Business Rates	(44,026)	(44,026)	(46,690)	(2,664)			
Grants	(8,169)	(8,169)	(9,476)	(1,307)			
Council Tax and Collection Fund	(91,070)	(91,070)	(91,070)	0			
Covid Emergency funding **	0	0	(4,789)	(4,789)			
TOTAL FUNDING	(143,265)	(143,265)	(152,025)	(8,760)	0	0	0

FUNDING TRANSFERRED TO RESERVES:	
SOCIAL CARE GRANT AND COVID EMERGENCY FUNDING TRANSFERRED TO COVID 19 RESERVE	6,096
SURPLUS ON BUSINESS RATES RETENTION SCHEME TRANSFERRED TO BALANCING THE BUDGET RESERVE	2,664

** Covid grant received in advance in 19/20

At the end of the financial year 2019/20 the overall favourable outturn was £1,716k, 0.25% of the gross budget (£7,656k favourable outturn, 1.42% of the gross budget in 2018/19)

Net service expenditure was a £147k favourable variance.

Although there was an overall favourable variance, Housing Services and Environment & Regeneration both ended the year adverse against budget which is explained in further detail in the department summaries below.

Covid 19

The Covid 19 pandemic has not had a dramatic impact on the final outturn for 2019/20 as the pandemic only started to make a noticeable impact in the last few weeks of March. The true scale of the financial impact will be felt in 2020/21 and places additional strain on the budget for 2020/21. The pandemic will have a significant impact on the Council's resources, in terms of increased expenditure but especially lost income.

Income loss in parking services was experienced from mid February 2020 when the scale of the crisis worldwide started to escalate and the effect on income loss is detailed in the E&R section. Given the timing of the national lockdown and the progression of the pandemic, it only had a limited direct impact on the financial position for 2019/20. Clearly, the impact for 2020/21 and future years is much more significant. The Covid19 expenditure incurred in 19/20 was £176k (see Corporate items section).

Chief Officers and Finance Officers will continue to monitor budgets closely in 2020/21 with focus on the increasing challenges faced by the Council:

Impact of Covid 19

As part of Central Government's response to the COVID-19 pandemic, the Council received additional grants and payments in advance, over and above budgeted receipts, to aid with cashflow and to allow the Council to help the residents and businesses. Although some of these amounts were received right at the end of 2019/20, they primarily related to the 2020/21 financial year and, where appropriate, were transferred to an earmarked reserve.

The level of Government funding so far will not be sufficient to address the impact of increased costs of service provision and the impact of lost income from fees, charges and commercial investment. Further support is uncertain. The latest forecast financial impact of the pandemic reported in the May MHCLG return was £46m which after the £10.6 funding received results in a projected shortfall of £35.4m.

Demand led services for both adult and children's placements have been under pressure in recent years and these will be further exacerbated by the pandemic.

DSG deficit

Given the size of the deficit on the DSG, during 2019/20 the Council was required to submit a Recovery Plan to the Department of Education (DfE) to outline how the DSG would be brought back to balance over a period of five years. The plan requested by and submitted to the DfE does not project recovery of this deficit but actually results in a growing deficit. These figures will be reworked for reporting later in the financial year. The cumulative deficit at the end of 2019/20 is £12.7m.

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

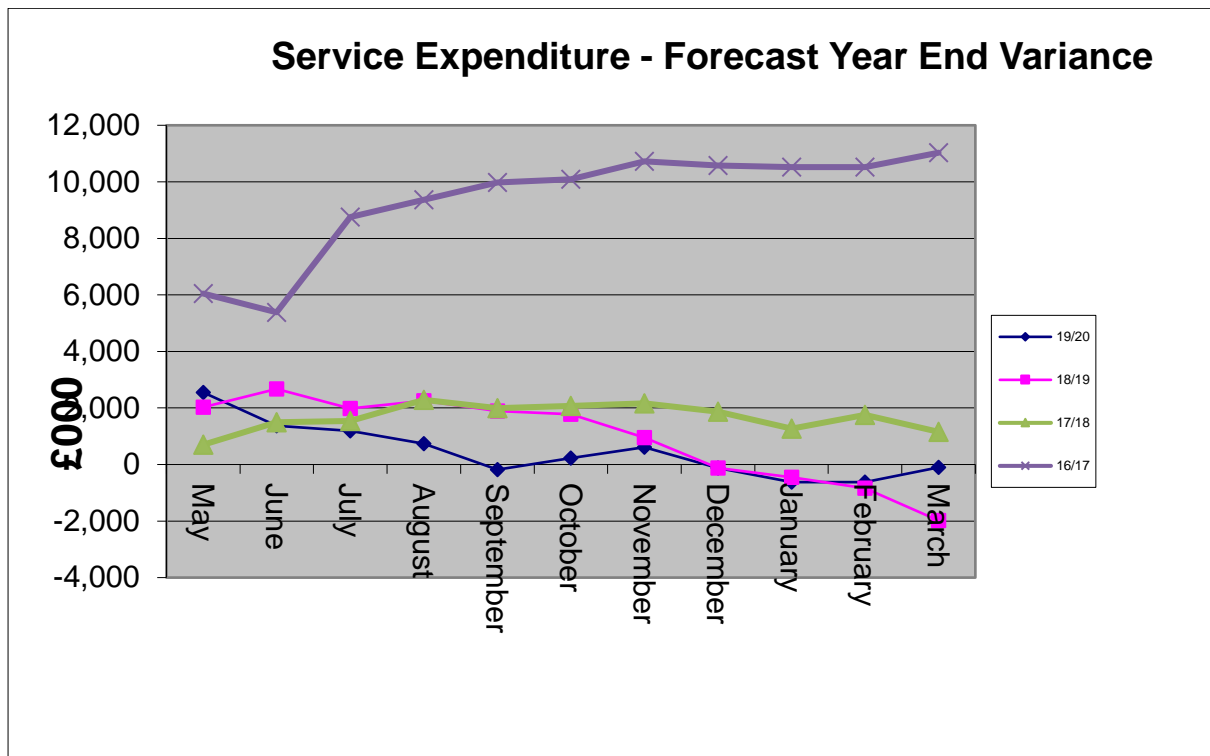
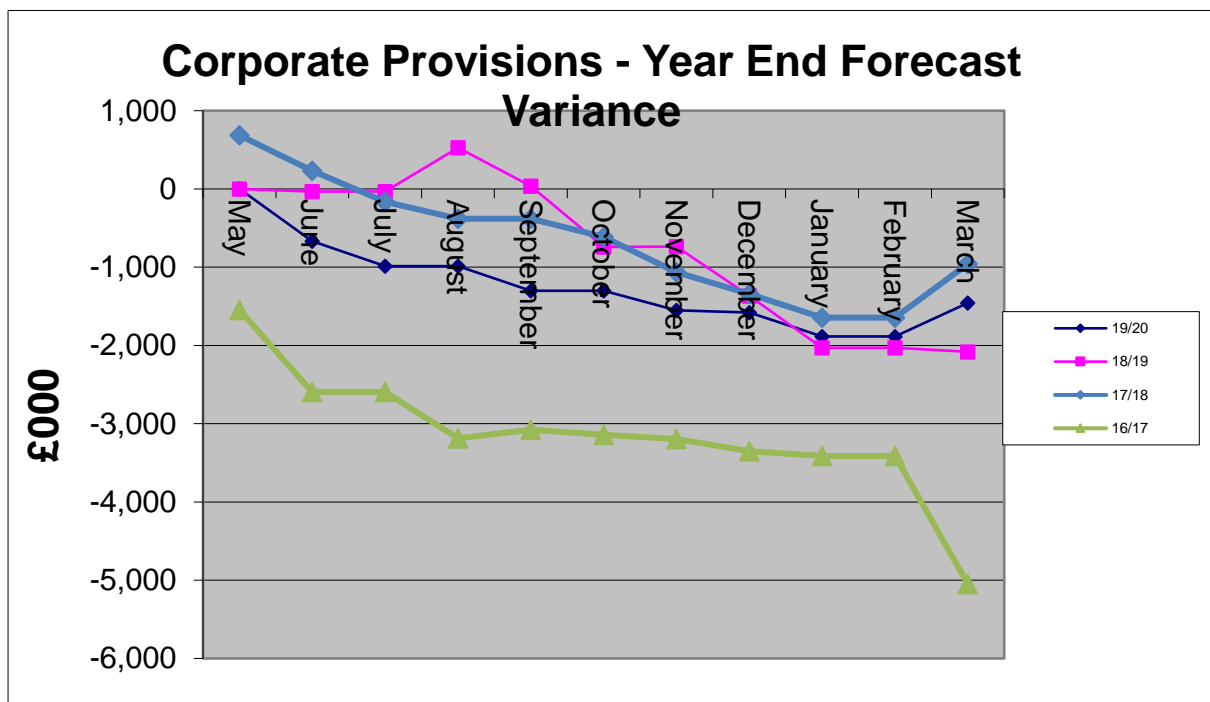


Chart 2 shows the forecast year end variance for corporate provisions with a comparison against prior years.



Section 3 Detailed Service Spending

Corporate Services

Division	2019/20 Current Budget (£000)	2019/20 Outturn (£000)	Variance (£000)	Forecast variance at year- end - January (£000)	2018/19 Outturn Variance (£000)
Customers, Policy & Improvement	3,648	3,479	(169)	(123)	(246)
Infrastructure & Technology	11,363	10,685	(678)	(666)	(64)
Corporate Governance	2,311	2,131	(180)	(161)	(294)
Resources	5,918	6,013	95	186	(707)
Human Resources	1,997	2,184	187	218	16
Corporate Other	725	980	255	84	(1,216)
Total (controllable)	25,962	25,472	(490)	(462)	(2,511)

Overview

At the end of 2019/20, the Corporate Services (CS) department has a favourable variance of £490k. The variance has increased by £28k from that reported at the end of January (period 10).

Customers, Policy and Improvement - £169k favourable

The division's AD budget has a favourable £64k variance largely due to the AD post being vacant for part of the year. There is a favourable variance of £60k on Cash Collections, capturing future year savings early in 2019/20. Marketing and Communications have a £52k favourable variance from less than budgeted spend on the council magazine and graphic design. A further £52k favourable variance is from Community Engagement, this is a result of maternity leave not covered for part of the year and other running costs. The policy team have a £15k favourable variance mainly due to grants to voluntary organisations being less than budgeted, part offset by agency spend covering sick leave during the year and other running costs. A £47k favourable variance has been achieved in the Registrars Service relating to the overachievement of income, part offset by additional spend on running costs.

The Customer Contact budget has an adverse variance of £20k due to additional IT hosting costs. Press and PR also have an adverse variance of £67k due to the underachievement of income and the use of agency staff. Merton Link has an adverse £22k variance due to agency staff covering sickness and maternity leave as well as covering additional work pressures in year.

Infrastructure & Technology - £678k favourable variance

Of the division's favourable variance, £586k relates to the budget for Microsoft Licences (Enterprise Agreement). The licence costs covering 19/20 were paid in advance during 18/19 whilst the new contract begins from April 2020 with the first year's costs to be accounted for in 2020/21.

There are various other favourable variances within the I&T division, including the Post and Print Room (£36k) with a vacancy held in the team for part of the year, the Corporate Print Strategy (£61k) due to less than budgeted multi-functional device (MFD) costs and IT Service Delivery (£93k) due to recharges to departments for various service requests and less than budgeted licence costs, partly offset by the use of agency staff. Additionally, Transactional Services have achieved a £121k favourable variance resulting from the recovery of expenses in previous years and there is a £94k favourable variance on Garth Road Archive Storage from rental income. A £120k favourable variance is on the Energy budget due to delays on works to be carried out, contracts achieving better value than had been anticipated and some works not going ahead due to upcoming savings in 20/21.

I&T also have a number of adverse variances offsetting the items above. These include variances on Telecoms of £117k due to system upgrades and delays experienced earlier in the year with the PABX telecoms implementation and £67k on the Professional Development Centre (Chaucer Centre) due to the underachievement of rental income. Facilities Management have an adverse £28k variance reflecting only a partial achievement of a saving in year (2018-19 CS04) following a restructure of the energy team carried out mid-year. Facilities have a further £125k adverse variance on the external fees account mainly due to the use of additional agency staff during the year but income was also impacted towards the end of 19/20 as Covid-19 delayed completion of some projects. The Business Systems Team also have an adverse variance of £121k mainly due to IT licences and the underachievement of income savings, partly offset by recharges of staff costs to various departments and capital projects.

Corporate Governance – £180k favourable variance

The favourable variance within Corporate Governance is mainly formed of £17k from various running cost budgets held by the AD, £23k from Democracy Services largely due to vacancies and £20k running costs. A further £54k favourable variance is from the Information Governance team due to vacancies and consultants budget not required in year as well as the receipt of a £13k government grant which was not budgeted. Electoral Registration Services have a £23k favourable variance as household notification letters were not required in January as the register was accurate as a result of the general election. This is mostly offset by £23k in Election Expenses for a trackway at the General Election count venue which was deemed by the Cabinet Office to not be reclaimable. Additionally, Legal Services outside of SLLp have achieved a favourable variance of £34k due to expenditure budgets not required in year.

The South London Legal Partnership (SLLp) achieved an overall surplus of £56k, of which £12k has been retained by Merton and the remainder shared between

partners. This has mainly been generated by recharges to clients for work done by Advocates in the team.

Resources - £95k adverse variance

There are various favourable variances within Senior Management, made up of the Chief Executive's budget (£36k), Director of Corporate Services (£101k) and AD Resources (£39k) due to subscription and consultancy budgets not required in year.

Corporate Accountancy has a £49k adverse variance largely due to agency spend which is part offset by less than budgeted external audit fees. A £62k adverse variance on the Financial Information System (FIS) team is mainly due to additional system support costs. The Insurance and Treasury teams have an adverse variance of £127k due to property valuation fees spent ahead of a re-tendering exercise for insurance contracts and insurance premium costs being more than budgeted. These are partly offset by a recharge of staff time to the pension fund and insurance income from commercial clients.

Benefits Administration has achieved a £305k favourable variance mainly due to additional income from DWP for various schemes as well as less than budgeted running costs. There is an adverse variance of £229k on Local Taxation Services due to various running costs, overtime and agency spend. The Bailiff Service also has an adverse variance of £119k due to falling levels of enforcement income towards the end of the financial year following the increased timeframe required for issuing summons.

Human Resources – £187k adverse variance

The majority of HR's adverse variance is within the Learning and Development budget where spend was £107k higher than budgeted. This is mainly due to the interim cover for the Head of Organisational Development and HR Strategy post and the implementation of a new recruitment system which required an additional temporary resource for part of the year.

The HR AD budget also has an adverse variance of £46k due to the interim cover of the Head of HR post and recruitment costs. Another significant budget pressure within HR is from the Transactions budget which has a £74k adverse variance. 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. Occupational Health also has an adverse variance (£16k) due to increased referrals, this will be closely monitored during the coming year as the service will be aiming to bring the waiting time down for appointments and monitor any impact of covid-19 and new working arrangements on the number of referrals.

Partly offsetting the above are favourable variances in the Payroll service (£41k) and HR Business Partnerships budget (£13k) both due to vacancies and a restructure in year which captured part of a 20/21 saving earlier than targeted.

Corporate Items - £255k adverse variance

The Housing Benefit Rent Allowances budget has a net adverse variance of £564k. This is due to a shortfall on income relating to overpayment recovery for 2019/20 as well as a clawback of housing benefit (HB) subsidy from DWP following the audit of the 2017/18 HB claim. The audit identified errors over the accepted level which would have allowed the Council to be eligible for subsidy income on HB overpayments. The level of clawback has since been successfully challenged and subsequently reduced by DWP but the cost included in 19/20's outturn is reflective of the higher amount which had been initially confirmed by DWP as at the end of March 2020. The reduction of £234k will therefore show as a credit in 2020/21. A separate clawback for the 18/19 HB claim may be required but is not yet known.

The adverse impact on HB is partly offset by the budget of £500k to top-up the HB bad debt provision as a top up of only £100k was required. A summary of the HB variances is shown below:

	£'000		
	Budget	Outturn	Variance
HB Surplus from overpayment recovery	-1,500	-1,015	485
HB 17/18 claim clawback*	0	479	479
HB Bad debt provision top-up	500	100	-400
Total	-1,000	-436	564

*Has since been reduced by DWP to £245k. Credit for the difference will be in 20/21.

Separately, a surplus of £62k was generated following the introduction of a scheme to recover old housing benefit debts which had previously been written off, due to new access to information from HMRC. The corporately funded items budget has a favourable variance of £233k due to budget not required in year.

The Coroners Court has an adverse variance of £56k which includes £66k relating to the Westminster Bridge inquest. This part offsets with £41k additional income from the Magistrates Court.

Environment & Regeneration

Environment & Regeneration	2019/20 Current Budget	Full year Outturn (Mar)	Outturn Variance (Mar)	Forecast Variance at year end (Jan)	2018/19 Outturn Variance
	£000	£000	£000	£000	£000
Public Protection	(13,027)	(11,741)	1,286	317	(753)
Public Space	14,883	14,519	(364)	(35)	(1,449)
Senior Management	979	1,060	81	107	(17)
Sustainable Communities	7,821	7,601	(220)	(323)	694
Total (Controllable)	10,656	11,439	783	66	(1,525)

Description	2019/20 Current Budget	Outturn Variance (Mar)	Forecast Variance at year end (Jan)	2018/19 Variance at year end
	£000	£000	£000	£000
Regulatory Services	638	87	82	112
Parking Services	(14,516)	1,171	174	(964)
Safer Merton & CCTV	851	28	61	99
Total for Public Protection	(13,027)	1,286	317	(753)
Waste Services	13,791	72	326	(1,611)
Leisure & Culture	491	(334)	(337)	(222)
Greenspaces	1,355	(111)	(27)	145
Transport Services	(754)	9	3	239
Total for Public Space	14,883	(364)	(35)	(1,449)
Senior Management & Support	979	81	107	(17)
Total for Senior Management & Support	979	81	107	(17)
Property Management	(2,614)	(251)	(234)	368
Building & Development Control	4	34	(63)	275
Future Merton	10,431	(3)	(26)	51
Total for Sustainable Communities	7,821	(220)	(323)	694
Total Excluding Overheads	10,656	783	66	(1,525)

Overview

The department has a year-end direct adverse variance of £783k at year end. The main areas of variance are Parking Services, Leisure & Culture, Greenspaces, and Property Management.

Public Protection

Parking Services adverse variance of £1,171k

The adverse variance is mainly as a result of a £1,900k saving relating to the review of parking charges, based on an October start date. Cabinet approved a revised set of charges in September, which commenced on the 14th January 2020, and an estimated £622k was received, compared to a forecast of £792k in January. As well as being impacted by Covid-19, the new charges implemented in January 2020 were designed to influence motorists behaviour and reduce the use of the motor car. It is too early to tell exactly how behaviour has been affected, but further work is underway to fully understand the short and longer term impact of this.

The new charges were designed to influence motorists' behaviour and reduce the use of the motor car. It is too early to tell exactly how behaviour has been affected. Covid-19 has affected parking revenue across the board including ANPR, PCNs as well as on and off-street charges income. Further work is underway to fully understand the short and longer term impact of this.

The outturn also includes an adverse variance on Supplies & Services (£309k), mainly in relation to the operation and maintenance of the ANPR cameras, additional server space, and the upgrade of the P&D machines to allow for the revised parking charges. The budgets will be realigned for 2020/21 for any ongoing costs in relation to the ANPR cameras.

The adverse variance was partially offset by additional penalty charge notices being issued, following the implementation of the ANPR system across the borough (£342k), and RingGo admin fee income (£196k).

Public Space

Leisure & Culture favourable variance of £334k

The favourable variance 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 (£224k). Changes to this contract came into effect from 1st 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.

The outturn also includes a favourable variance of £49k on utilities spend incurred at these leisure Centres, and a favourable variance of £42k relating to the Watersports Centre.

Greenspaces favourable variance of £111k

The outturn includes a favourable variance of £191k in relation to the grounds maintenance contract. This figure includes an expected contractual cemetery revenue share for 2018/19 and 2019/20 of £157k. However, in tandem with the Phase C Waste Services (lot 1) Annual Review process, a similar process is nearing completion regarding the Grounds Maintenance contract (lot 2), which could affect this revenue share and, therefore, cause a budget pressure within 2020/21.

The section also ended the year with a favourable variance in relation to events of £137k, which was offset by an adverse variance on rental income of £159k. To help address the rental income pressure, budgets have been realigned and an alternative saving of £40k has been agreed for 2020/21.

Sustainable Communities

Property Management favourable variance of £251k

The principal reason for the favourable variance relates to exceeding the commercial rental income expectations by £696k, which included £95k of one-off income from conducting the backlog of rent reviews in line with the tenancy agreements.

This was partially offset by an adverse variance of £352k on premises related expenditure, in particular, utility, and repairs & maintenance costs. In addition, the section ended the year with a £126k adverse variance on supplies & services, mainly

relating to the employment of consultants to progress rent reviews due to lack of internal resource, and valuations to support asset valuations.

Children Schools and Families

Children, Schools and Families	2019/20 Current Budget £000	Outturn (Mar) £000	Outturn Variance (Mar) £000	Forecast Variance at year end (Jan) £000	2018/19 Variance at year end £000
Education	24,416	24,479	63	33	(37)
Social Care and Youth Inclusion	19,421	19,837	416	1,516	3,211
Cross Department budgets	1,029	983	(47)	(45)	(20)
PFI	8,419	8,168	(251)	(402)	(354)
Redundancy costs	2,183	1,761	(422)	(407)	(529)
Other Education				(4)	0
Total (controllable)	55,468	55,228	(240)	691	2,271

Overview

At the end of March, Children Schools and Families reported a £240k favourable variance on local authority funded services, favourable movement of £931k from January's forecast. The movement 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.

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:

Description	Budget £000	Mar £000	Jan £000	2019/20 £000
Procurement & School organisation	594	(306)	(306)	(411)
SEN transport	4,705	1,289	1,281	1,223
Early Years services	3,117	(314)	(302)	(349)
CWD team staffing	571	(60)	(82)	(88)
Childrens Short-Breaks Placements	280	177	89	219
Education Inclusion	1,771	(350)	(256)	(398)
Internal legal hard charge	543	(105)	(118)	(32)
Other over and underspends	12,835	(268)	(273)	(380)
Subtotal Education	24,416	63	33	(216)
Fostering and residential placements (ART)	7,111	(98)	432	1,057
Un-accompanied asylum seeking children (UASC)	75	33	274	488
Community Placement	0	300	400	500
No Recourse to Public Funds (NRPF)	21	132	147	301
MASH & First Response staffing	1,618	257	307	354
Legal costs	526	72	139	280
Other over and underspends	10,070	(280)	(183)	231
Subtotal Children's Social Care and Youth Inclusion	19,421	416	1,516	3,211

Education Division

The procurement and school organisation budget has reported a favourable variance of £306k because of lower spend on revenueisation 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 spend is £5.928m, circa £563k more than last year. The SEN transport budget has an adverse variance of £1.289m, however, this has decreased by £8k since January. 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 had been delayed, hence the favourable variance of £314k.

The Children with Disabilities team, is holding vacant posts which is reflected in the outturn, resulting in a £60k favourable variance. Some of this is being used to offset agreed social work activities in the fostering service.

Childrens Short Breaks Placements has reported an adverse variance of £177k, an adverse movement of £88k since January. This is due to higher clawback forecast at P10, which did not materialise.

Education Inclusion has reported a favourable £350k variance, a favourable movement of £94k from January. This is primarily due to staffing underspends within My Futures Team and the Education Welfare service. In addition, there has been an overachievement in income in relation to School buy backs within Education Welfare and an increase in licences issued within Youth Services because of unprecedented demand over February and March.

The internal legal hard charging budget has reported a favourable variance of £105k.

There are various other movements in outturn across the division netting to a £268k favourable variance. These combine with the items described above to arrive at the total divisional adverse forecast of £63k, an adverse movement of £30k from January.

Children's Social Care and Youth Inclusion Division

At the end of March Merton had 154 looked after children. This is a decrease of 10 children from January. The numbers of Looked after Children in Merton remain relatively stable and we continue to maintain relatively low levels of children in care as detailed in the table below:

Overview	2015/16	2016/17	2017/18	2018/19	2019/20
Number of children in care as at 31st March	163	152	154	160	154
Of which UASC	22	20	28	34	28
Rate per 10,000	35	33	33	34	33
London Rate	51	50	49	Tbc	Tbc
England Rate	60	62	64	Tbc	Tbc

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

Service	Budget £000	March Outturn £000	Variance		Placements	
			Mar £000	Jan £000	March No	Jan No
Residential Placements	2,305	1,551	(754)	(652)	13	13
Independent Agency Fostering	1,753	2,025	272	347	43	48
In-house Fostering	993	1,534	541	704	73	74
Secure accommodation	138	47	(91)	(59)	1	1
Parent and Baby	103	48	(55)	0	0	0
Supported lodgings/housing	1,819	1,808	(11)	92	53	57
Total	7,111	7,013	(98)	432	183	193

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 sometimes required. Some specific provision is mandated by the courts.

- Residential placements reported a favourable variance of £754k at the end of this financial year. This has been offset by pressures within agency and in-house fostering. We currently have 13 placements in total. 4 clients in residential homes, 4 in respite and 5 placed by SEN in residential schools.
- Independent Agency Fostering reported an adverse variance of £272k. We currently have 43 placements. 5 placements have ended since January.
- In-house Foster carer reported a £541k adverse variance. We currently have 73 placements. Favourable £163k movement from January is due to uncertainty around the movement of placement costs over the last couple of months. Forecasting methods will be reviewed in 2020/21.
- Youth Justice secure accommodation expenditure reported a favourable variance of £91k at the end of this financial year. We currently have one placement.
- Parent and Baby reported a £55k favourable variance. There is currently no placement.
- Semi- Independent expenditure reported a favourable variance of £11k. We currently have 53 placements. 4 placements have ended since January.
- At the end of March, UASC placements and previous UASC that are now Care Leavers have reported an adverse variance of £45k, favourable movement of £242k from January.

Service	Budget £000	March outturn £000	Variance		Placements	
			Mar £000	Jan £000	March No	Jan No
Independent Agency Fostering	380	474	94	131	11	14
In-house Fostering	325	798	473	351	33	30
Supported lodgings/housing	570	602	32	105	30	27
UASC grant	(1,200)	(1,754)	(554)	(300)		
Total	75	120	45	287	74	71

At the end of March, we have a total of 74 USAC placements, 28 under 18 and 46 over 18. Of the 28 under 18 clients, 25 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 to accommodate 37 unaccompanied asylum-seeking children (equivalent of 0.08% of the child population).

Merton had 46 young people aged 18+ who were formerly UASC in our care at the end of March, 19 in foster care, 27 in semi-independent accommodation. Once UASC

young people reach age 18, we retain financial responsibility for them as Care Leavers until their immigration status is resolved.

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. Changes in the fostering recruitment budget from the corporate communications team has reduced the range of recruitment activity.

In 2019/20 we have recruited 9 new foster carers and 3 connected persons this year. The target for this financial year was to recruit 20 new foster carers (including connected persons).

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 accept and retain children with more challenging behaviours in placement and by implementing the Mockingbird Model. We are also targeting our recruitment to increase our number of in-house parent and child foster placements.

Our ART Placement service have been 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.

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 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	May	June	July	August	September	October	November	December	January	February	March
ART Independent Agency Fostering	£ 879	£ 854	£ 889	£ 898	£ 922	£ 910	£ 910	£ 908	£ 906	£ 913	£ 917
ART In-house Fostering	£ 438	£ 443	£ 430	£ 428	£ 441	£ 435	£ 431	£ 432	£ 433	£ 422	£ 423
UASC Independent Agency (Grant)	£ 822	£ 822	£ 821	£ 821	£ 819	£ 818	£ 831	£ 803	£ 803	£ 801	£ 839
UASC In house Fostering (Grant)	£ 410	£ 388	£ 452	£ 419	£ 450	£ 425	£ 506	£ 495	£ 493	£ 495	£ 562
UASC Independent Agency (Non-Grant)	£ 802	£ 802	£ 802	£ 802	£ 661	£ -	£ 560	£ 560	£ 516	£ 792	£ 792
UASC In house Fostering (Non-Grant)	£ 409	£ 417	£ 405	£ 426	£ 402	£ 420	£ 397	£ 417	£ 417	£ 413	£ 434
ART Residential Placements	£ 3,919	£ 3,887	£ 3,886	£ 3,916	£ 3,925	£ 3,870	£ 3,874	£ 3,865	£ 3,865	£ 3,858	£ 3,926
ART Secure Accommodation	£ 1,890	£ 1,890	£ 1,890	£ 2,457	£ 1,984	£ 1,804	£ 1,760	£ 1,760	£ 1,766	£ 1,680	£ 1,680
ART Govt Grant											
ART Mother & Baby Unit	£ 4,204	£ 4,204	£ 3,401	£ 3,401	£ 3,306	£ 3,405	£ 3,405	£ 3,405	£ 3,405	£ 3,405	£ 3,381
Supported Housing & Lodgings (Art 16+ Accommodation)	£ 611	£ 619	£ 627	£ 652	£ 683	£ 676	£ 750	£ 733	£ 726	£ 721	£ 719
Supported Housing & Lodgings (Hsng Benefit Income)											
Supported Housing & Lodgings - UASC (Grant)	£ 788	£ 736	£ 687	£ 687	£ 771	£ 708	£ 767	£ 656	£ 663	£ 655	£ 756
Supported Housing & Lodgings - UASC (Non-Grant)	£ 451	£ 410	£ 400	£ 427	£ 432	£ 428	£ 422	£ 420	£ 419	£ 414	£ 412

Schools PFI

The Schools PFI contract was signed by the council in 2002 and operates until 2029 so now has less than ten years to run. The PFI contract was initially responsible for the funding and management of a £56 million design and construction project for six secondary schools and is now responsible for the operation of four secondary school buildings including their maintenance and facilities management (FM) services such as cleaning and school meals.

Schools PFI reported a favourable variance of £251k, an adverse movement of £151k from January. This is due to a year end technical adjustment, where £151k of budget has been transferred to reserves as per the PFI model. This will again be reviewed in 2020/21.

Dedicated Schools Grant (DSG)

DSG funded services reported a £9.822m adverse variance, a favourable movement of £847k since January. The DSG had a cumulative adverse spend of £2.909m at the end of 2018/19. The adverse spend in the current financial year will be adding to this balance, cumulatively this is at £12.750m. In the budget setting process, we assumed the outturn would be £147.990m, with the accumulated deficit now of £12.750m, this means a variance of £9.822m. The impact of this on future growth requirements will be reviewed. There was a separate report on the DSG Deficit Recovery Plan to Cabinet in January 2020. The DfE met with the LA on 11 February 2020 to discuss this recovery plan, and they will return to assess our progress in November 2020.

The main reason for the variance relates to a £6.799m adverse variance in relation to Independent Day School provision. However, this is a £325k increase since January 2020, following the SEN2 Audit review. The reason for the significant adverse movement is due to the high number of placements. The total number of placements at the end of March were 2011, and this is expected to increase in 2020/21.

Based on past years' experience, we are expecting the number of placements within Independent day school provision to continue to increase in 2020/21. At this stage it is difficult to predict how many EHCPs will be issued, or the type of education provision they will require. They are going through assessment and a decision about issuing a plan and the type of provision is made once all the professional advice is received and reviewed by the SEND Panel.

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, the cumulative DSG deficit at the end of 2019/20 is £12.750m.

Other adverse variances include £1,188k on EHCP allocations to Merton primary and secondary schools, £2.012m on EHCP allocations to out of borough maintained primary, secondary and special schools, and £1.489m 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 5 years since the entitlement changed following the implementation of the Children and Families Act.

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		Jan 2020 Total Statements and EHCPs	
	No	%	No	%	No	%	No	%	No	%
Early Years (incl. Private & Voluntary Settings)	0	0%	1	0%	7	0%	7	0%	7	0%
Mainstream Schools (incl. Academies, Free and Independent)	422	39%	461	37%	526	35%	584	34%	707	37%
Additional Resourced Provision	110	10%	111	9%	116	8%	125	7%	125	6%
State Funded Special Schools	358	33%	388	31%	416	27%	440	26%	474	25%
Independent Special Schools	132	12%	153	12%	176	12%	228	13%	280	15%
Post 16 College and traineeships	25	2%	93	7%	183	12%	212	12%	199	10%
Post 16 Specialist	10	1%	25	2%	44	3%	37	2%	35	2%

Alternative Education (incl. EOTAS, Hospital Schools and EHE)	15	1%	10	1%	22	1%	28	2%	61	3%
No placement (including NEET)	3	0%	0	0%	28	2%	51	3%	40	2%
Total	1075	100%	1242	100%	1518	100%	1712	100%	1928	100%
Change over previous year				16%		22%		13%		11%

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 will continue to also work with other authorities on the deficit DSG issue.

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. The estimated additional grant is £335k, for 2018/19 the additional grant was £338k.

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

In addition to the pressures on the high needs block, which are clear from the outturn figures highlighted above and expected to continue into 2020/21 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 9 in 2019/20. There are various reasons for schools requiring to set deficit budgets including unfunded non-teacher pay increases, increased costs relating to children that require additional support but do not meet statutory thresholds for additional funding, reduction in pupil numbers and reduced levels of reserves that schools would previously have used to balance their budgets. Total school balances, including capital balances, did however increase last year.

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

Management action

Staffing report

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

Placements

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

Our aim has been to reduce 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 parent and child foster placements.

Children with additional needs

We have been working with colleagues in CCGs through the tripartite process in order to secure appropriate health contributions 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 option is cheaper.

We have a multi-agency SEND panel providing strategic oversight of the statutory assessment process to ensure that at both 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. The table below highlights the continued estimated overspends relating to these unfunded duties:

Description	Budget £000	Mar Outturn £000	Jan overspend forecast £000	2018/19 over £000
Supported lodgings/housing- care leavers	1,819	(11)	92	52
Supported lodgings/housing- UASC	570	32	105	774
UASC	705	567	481	211
No Recourse to Public Funds (NRPF)	21	132	147	301
UASC grant	(1,200)	(554)	(300)	(285)
Total	1,915	166	525	1,053

The above table summarises the placement cost in relation to additional burdens. On top of these costs there will also be staffing costs to support 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's care packages, not just education.

- New requirement of social work visits to children in residential schools and other provision.

Community and Housing

Overview

Community and Housing (C&H) outturn position for the financial year 2019-20 is a favourable variance of £319k. C&H continue to operate in a challenging and uncertain environment in terms of future funding, fragile provider market and an increasing number of customers presenting with very complex needs.

The department continues to strive to achieve its Target Operating Model vision to provide the services to enable its customers to live better, healthier and more independent lives which will enable improved life chances.

At the end of March 2020 the department mobilised to concentrate all its resources to the COVID-19 pandemic to provide a comprehensive joined up service as per central government directive with health. Whilst the position in London has improved, we are planning for potential surges as lockdown eases. The department is therefore likely to remain in some form of emergency planning mode for some time. It is expected that this will impact the financial position of the department long after the pandemic ceases.

Community & Housing Summary Outturn Position

Community and Housing	2019-20 Current Budget £000	2019-20 Outturn £'000	2019-20 Variance £000	Forecast Variance (Jan'20) £000	2018-19 Outturn Variance £000
Access and Assessment	43,995	42,852	(1,143)	(1,349)	(275)
Commissioning	4,188	4,105	(83)	(127)	(5)
Direct Provision	4,617	4,806	189	210	6
Directorate	1,467	1,787	320	285	90
Adult Social Care	54,267	53,550	(717)	(981)	(167)
Libraries and Heritage	2,348	2,418	70	46	45
Merton Adult Learning	(8)	(8)	0	0	0
Housing General Fund	1,721	2,049	328	18	(73)
Sub-total	4,061	4,459	398	64	(195)
Public Health	(148)	(148)	0	0	0
Grand Total	58,180	57,861	(319)	(917)	(195)

Adult Social Care £717k Favourable Variance

Adult Social Care was forecasting a favourable variance of £981k as of period 10 January) but the actual favourable variance is £717k as at March 2020. This includes one off items of £852k due to in year recoupments, a reduction in placements and under spend on salaries. The predicted unfavourable variance in

direct provision and directorate budgets were offset by underspends elsewhere in the division.

Placement numbers decreased between period 10 (January) and March with largest decrease amongst the over 65's. There were 62 new customers, 61 deaths and 35 customers no longer requiring a service. The gradual reduction in placements is due to a combination of the effective management to facilitate faster hospital discharges, the effective use of the in-house Re-ablement service which increased the chances of customers returning home, thus better customer outcomes which is customers requiring no further input from the service.

However it should be noted that due to the COVID-19 pandemic additional pressures will be placed on this service as more customers are discharged from hospital or health needs increased due to the pandemic. There is also the added issue of provider market fragility due to increase cost, employee illness and shortage of PPE.

Direct Provision-£189k Adverse Variance

This service outturn variance is £189k which is £21k better than forecasted.

The division incurred unexpected additional holiday pay processed by payroll based on guidelines issued by ACAS which increases the amount of holiday pay bank staff are entitled to receive, and this also significantly includes permanent staff who work bank hours at other establishments.

During the financial year the service experienced a high level of sickness at MASCOT, Supported Living, Glebelands and the JMC and as such salary forecast increased. While sickness across Provider Services has decreased in the past year there was a spike in these services. The absences were mostly related to long term ill health with several members of staff. Staff absence levels have since reduced despite COVID-19.

C&H-Other Services

Libraries-£70k Adverse Variance

In January 2020 this service forecasted an unfavourable variance of £46k however outturn was slightly more at £70k. This is due to loss of income from lettings and from other day to day library charges due to the closure of the library from the 23rd March on the onset of COVID-19. A majority of library staff were redeployed to assist with COVID-19 support with a small number providing library on-line support service.

Merton Adult Learning – Breakeven

Merton Adult Learning forecasted a breakeven position throughout the financial year. This service is Greater London Authority (GLA) grant funded and thus grant is expected to all contracts commissioned and management cost for the service.

During the financial year this service was inspected by Ofsted inspection and the strong performance of the service was noted and the improvements in the offer made to residents was recognised since the move to the new commissioning model in 2016.

Housing - £328k – Adverse Variance

The Housing service is was forecasting an adverse variance of £18k as at January 2020 but due to the nature of this service demand could fluctuate due unforeseen circumstances. COVID 19 and the steps the service has done to assist rough sleepers into accommodation will have longer term implications, including for rent deposits and supported housing.

During the financial year this division implemented several local initiatives following the successful applications to MHCLG for grant funding which are expected to be continued in 2020-21. These include: -

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

Prevention Activities undertaken during 2019-20 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 for the financial year 2019-20.

Period	Homelessness Prevention Targets 2019-20
Full Year Target	450
Target YTD	450
Achieved-Apr'19	57
Achieved-May'19	86
Achieved-June'19	118
Achieved-July'19	152
Achieved-Aug'19	193
Achieved-Sept'19	233
Achieved-Oct'19	273
Achieved-Nov'19	309
Achieved-Dec'19	371
Achieved-Jan'20	388
Achieved-Feb'20	437
Achieved-Mar'20	480

The homelessness prevention service provided by the Housing Team continues to exceed its targets.

Analysis of Housing and Temporary Accommodation Outturn

The diagram below shows analysis of the housing outturn for the financial year 2019-20

Housing	Budget 2019- 20 £000	Outturn Variance (Mar'20) £'000	Forecast Variances (Jan'20) £000	Outturn Variances (Mar'19) £000
Temporary Accommodation- Expenditure	2,368	1,002	593	562
Temporary Accommodation-Client Contribution	(140)	(321)	(317)	(518)
Temporary Accommodation-Housing Benefit Income	(2,005)	(535)	(535)	(26)
Temporary Accommodation-Subsidy Shortfall	322	793	788	455
Temporary Accommodation- Grant	0	(766)	(450)	(531)
Subtotal Temporary Accommodation	544	173	80	(58)
Housing Other Budgets- Over/(under)spend	1,177	155	(62)	(15)
Total Controllable	1,721	328	18	(73)

Temporary Accommodation (TA) movement for financial year 2019-20

The data below shows the number of households i.e. families and single (placements) in temporary accommodation during 2019-20.

The data below shows that the service had an average occupancy rate of 178 during 2019-20 and 171 in 2018-19 which is an increase of 7. It is expected that in 2020-21 this will be higher due to the increase in rough sleepers in the borough during the COVID-19 crisis. A snap shot taken in November the service counted 11 rough sleepers' in the borough but during the COVID-10 pandemic the numbers increased to 52 in June.

Temporary Accommodation	Numbers IN	Numbers OUT	Total for the Month	2018/19
Mar'17	-	-	186	
Mar'18	16	16	165	
Mar'19	15	11	174	
April'19	15	11	178	170
May'19	15	16	177	175
June'19	11	18	170	172
July'19	16	20	166	175
Aug'19	16	14	168	176
Sept'19	14	13	169	174
Oct'19	17	12	174	168
Nov'19	19	15	178	169
Dec'19	17	12	183	167
Jan'20	11	8	186	171
Feb'20	18	11	193	170
Mar'20	12	6	199	174

The above table also shows that temporary accommodation numbers slowly increased between September and March ending the financial year at 199 households.

Public Health –Breakeven Position

Public Health achieved a breakeven position as predicted despite several cost pressures on the division's budget such as a reducing public health grant, increase in demand from providers for additional funding.

However it is expected that although the service grant will increase in 2020-21 the cost pressure will continue as increase in grant is earmarked to fund increase the NHS contract costs. It is also expected that whilst the COVID-19 pandemic continues this division will be involved in a number of the government initiatives to contain the pandemic thus will affect its financial position.

During the financial year the service also secured LGA funding to fund for a Behavioural Insights project. The objective of which was to design, implement and

evaluate behavioural insights trial which aims to change behaviours to only improvement the environment but health.

Section 4 Corporate Items

These budgets cover a wide range of significant areas including treasury management, contingency, contributions to past service deficiency on the pensions fund and contributions from government grants and use of reserves. The details comparing actual expenditure with budget are contained in Appendices 1. The summary position of corporate expenditure items is as follows:-

Corporate Items	Current Budget 2019/20 £000s	Full Year Forecast (March) £000s	Forecast Variance at year end (March) £000s	Forecast Variance at year end (Jan) £000s	Outturn Variance 2018/19 £000s
Impact of Capital on revenue budget	11,157	10,996	(161)	(149)	403
Investment Income	(664)	(1,368)	(704)	(542)	(364)
Pension Fund	3,193	3,089	(104)	(100)	(254)
Pay and Price Inflation	100	0	(100)	0	(1,122)
Contingencies and provisions	2,162	2,007	(155)	(577)	(3,366)
Income Items	(1,503)	(1,846)	(343)	(212)	(956)
Appropriations/Transfers	9,343	9,343	0	0	(6)
Central Items	12,630	11,224	(1,406)	(1,432)	(6,068)
Levies	949	948	(1)	0	0
Depreciation and Impairment	(23,666)	(23,666)	0	0	4
TOTAL CORPORATE PROVISIONS	1,070	(498)	(1,569)	(1,581)	(5,661)
COVID-19 Emergency expenditure	0	176	176	0	0

From an early stage in the financial year, it became clear that there would be severe pressures on service department budgets, particularly in demand led services such as Adult Social Care and Children's Social Care. However, the overriding concern throughout 2019/20, and it is still unresolved, is the level of DSG deficit which resulted in a negative reserve brought forward from 2018/19 and an increasing deficit for future years unless the Government committed to resolving this crucial funding issue. It was therefore necessary to monitor corporate provisions carefully throughout 2019/20 in order to offset the forecast overspend as far as possible by underspends in corporate budgets, mainly in contingencies held to provide flexibility in the event of such pressures. Throughout 2019/20 Cabinet has agreed appropriations to reserves to provide for the forecast deficit in the event that no additional Government funding is forthcoming

The main variances (greater than £100k) in corporate items are:

Capital Financing Costs (Favourable variance £0.161m)

There was an underspend mainly due to slippage in the capital programme.

Investment income (Favourable variance £0.704m)

The increase in income is due to improved interest rates and amounts invested than assumed in the budget.

Pension Fund (Favourable variance £0.100m)

This was mainly due to the non-utilisation of the budget for auto enrolment. These costs were met within service departments' employees budgets.

Provision for Excess Inflation (Favourable variance £0.100m)

This provision was closely protected during the year as provision for the DSG deficit

Contingencies and Provisions (Favourable variance £0.155m)

Favourable variances in corporate contingencies held as provision for the DSG deficit were mainly offset by an unfavourable variance of £1.3m in the Bad Debt provision which was increased significantly in light of the coronavirus pandemic and the inevitable impact it will have in future years.

Loss of income arising from P3/P4 (Favourable variance £0.100m)

The level of income from these car parks was not impacted by these developments in 2019/20 and none of the budget was therefore utilised.

Income items (Favourable variance £0.343m)

The net additional income arose from miscellaneous items of additional income and expenditure (£0.186m) and additional IP and dividend income from CHAS (£0.157m)

Funding

The level of corporate funding in 2019/20 was c. £2.798m more than budgeted and this has been transferred to reserves. This funding was attributable to the following:-

- a) Social Care Grant – Grant of £1.278m was received to be spend on both Children's and Adult's Social Care pressures. This has been transferred to reserves for future allocation on social care as part of the Covid-19 response.
- b) Business Rates – London Pilot Pool premium: During 2019/20 Merton, along with all other London boroughs participated in a pool. The 2019/20 original estimate for Business Rates was based on a "No worse off" position and because of the current advantages of pooling it is estimated that Merton will receive additional business rates income of c. £1.520m This is subject to the finalisation of all London boroughs business rates income as detailed in the NNDR3 returns and this will not be finalised until much later. Indeed the 2018/19 final position is still not settled due to the delay experienced by a number of boroughs in their final accounts sign off.

Coronavirus Pandemic: COVID-19

Since the Coronavirus Pandemic hit the UK at the end of 2019/20 the Council has received some Government Grant and incurred some initial expenditure although the vast majority of this will fall in 2020/21. The balance of the grant (£4.789m) has been paid into a COVID-19 reserve for application in 2020/21.

The details are summarised below:

COVID-19: Net Expenditure	Current Budget 2019/20 £000s	Year to Date Budget (March) £000s	Year to Date Actual (March) £000s	Full Year Forecast (March) £000s	Forecast Variance at year end (March) £000s	Forecast Variance at year end (Jan) £000s	Outturn Variance 2018/19 £000s
COVID-19 Emergency expenditure	0	0	176	176	176	0	0
COVID-19 Emergency funding	(4,789)	(4,789)	(4,965)	(4,965)	(176)	0	0
Net	(4,789)	(4,789)	(4,789)	(4,789)	0	0	0

Section 5 - Other Information

Progress on Savings 2019/20

Department	Target Savings 2019/20	2019/20 Savings achieved	Shortfall	Shortfall %	Period 10 Forecast Shortfall	2020/21 Expected Shortfall
	£000	£000	£000	%	£000	£000
Corporate Services	1,484	1,259	225	15.2%	95	155
Children Schools and Families	572	572	0	0.0%	0	0
Community and Housing	1,534	1,416	118	7.7%	118	0
Environment and Regeneration	3,370	1,752	1,618	48.0%	1,351	217
Total	6,960	4,999	1,961	28.2%	1,564	372

Details are provided in Appendix 3

Progress on Savings 2018/19

Department	Target Savings 2018/19	2018/19 Shortfall	2019/20 Shortfall	2020/21 Projected shortfall
	£000	£000	£000	£000
Corporate Services	2,024	505	395	120
Children Schools and Families	489	0	0	0
Community and Housing	2,198	442	0	0
Environment and Regeneration	926	523	206	50
Total	5,637	1,470	601	170

Details are provided in Appendix 3A

Debt Report

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

Quality of forecasting

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

Section 6 Reserves Position

Usable Reserves	Balance at 31st Mar 2018 £000	Transfers out 2018/19 £000	Transfers in 2018/19 £000	Balance at 31st Mar 2019 £000	Transfers out 2019/20 £000	Transfers in 2019/20 £000	Balance at 31st Mar 2020 £000
General Fund:							
Balances held by schools	(8,748)	151	3,410	(5,187)	2	9,480	4,295
General Fund Balances	(12,778)	0	(1,000)	(13,778)	0	0	(13,778)
Earmarked reserves	(39,196)	18,489	(27,399)	(48,106)	17,240	(28,741)	(59,607)
Total General Fund	(60,722)	18,640	(24,989)	(67,071)	17,242	(19,261)	(69,089)
Capital:							
Capital Receipts Reserves (CRR)	(15,513)	16,360	(10,075)	(9,228)	9,597	(2,428)	(2,059)
Capital Grants Unapplied (CGU)	(10,479)	7,018	(13,545)	(17,006)	9,632	(14,526)	(21,900)
Total Capital	(25,992)	23,378	(23,620)	(26,234)	19,229	(16,954)	(23,958)
Total Usable Reserves	(86,714)	42,018	(48,609)	(93,305)	36,472	(36,216)	(93,048)

Usable Reserves	Balance at 31st Mar 2018 £000	Transfers out 2018/19 £000	Transfers in 2018/19 £000	Balance at 31st Mar 2019 £000	Transfers out 2019/20 £000	Transfers in 2019/20 £000	Balance at 31st Mar 2020 £000
Earmarked Schools balances	(8,145)	151	0	(7,994)	0	(361)	(8,355)
Schools Fund	325	0	(427)	(102)	2	0	(100)
DSG Reserve	(928)	0	3,837	2,909	0	9,841	12,750
Total balances held by Schools	(8,748)	151	3,410	(5,187)	2	9,480	4,295

Reserve	Balance at 31st Mar 2018 £000	Net Transfer (to)/from Reserve £000	Balance at 31st Mar 2019 £000	Transfers out 2019/20 £000	Transfers in 2019/20 £000	Balance at 31st Mar 2020 £000
Outstanding Council Programme Board	(4,545)	113	(4,432)	1,784	(2,523)	(5,171)
For use in future years' budgets	(11,131)	580	(10,551)	3,979	(4,630)	(11,202)
Revenue Reserve for Capital/Revenuisation	(3,498)	(1,112)	(4,610)	223	(26)	(4,413)
Renewable energy reserve	(1,523)	0	(1,523)	0	(298)	(1,821)
Repairs and renewals fund	(1,090)	(1,000)	(2,090)	0	0	(2,090)
Pension fund additional contribution	(453)	0	(453)	0	0	(453)
Local land charges	(2,038)	(220)	(2,258)	0	(127)	(2,385)
Apprenticeships	(260)	(833)	(1,093)	118	0	(975)
Community care reserve	(1,386)	0	(1,386)	1,783	(1,293)	(896)
Local welfare support reserve	(377)	0	(377)	62	0	(315)
Economic development strategy	(2)	2	0	0	0	0
Corporate services reserves	(1,771)	(478)	(2,249)	451	(204)	(2,002)
Spending Review Reserve	0	(3,100)	(3,100)	32	(4,667)	(7,735)
COVID-19 Emergency Funding	0	0	0	0	(6,173)	(6,173)
Wimbledon tennis courts renewal	(150)	0	(150)	0	0	(150)
Governor support reserve	(28)	0	(28)	0	0	(28)
New homes bonus scheme	(122)	0	(122)	0	0	(122)
Adult social care grants	(2,161)	(2,033)	(4,194)	3,519	(3,387)	(4,062)
Culture & environment contributions	(13)	(389)	(402)	312	(110)	(200)
Culture & environment grants	(517)	251	(266)	91	(419)	(594)
Children & education grants	(426)	(49)	(475)	374	(83)	(184)
Housing GF grants	(106)	(598)	(704)	4,477	(4,639)	(866)
Insurance reserves	(1,955)	0	(1,955)	0	0	(1,955)
School standard Fund	(372)	372	0	0	0	0
Schools PFI fund	(5,247)	(382)	(5,629)	0	(162)	(5,791)
CSF Reserves	(25)	(35)	(60)	35	0	(25)
Grand Total	(39,196)	(8,910)	(48,106)	17,240	(28,741)	(59,607)

Section 7 CAPITAL

Outturn and Budget Management

The table (a) below shows that Total Capital Expenditure for 2019/20 is £23.2 million compared to the total projected by budget managers in November 2019 of £26.6 million (this equates to a negative variance of 12.8%). November is used for capital variances due to the funding decisions taken at this time of the capital programme. It is envisaged that this forecast would have been much closer if the expenditure in March 2020 had not been reduced by the restrictions caused by Covid 19.

Department	November Budget Monitoring 2019-20	December 2019 & January 2020 Monitoring	Final Budget 2018-19	Final Outturn	Outturn Variance to Final 2019-20 Budget	November Forecast For Year	% Variance to November Forecast
Column	(1)	(2)	(3)	(4)	(5)	(6)	(8)
			(1)+(2)		(4)-(3)		(7)/(6)
Corporate Services	7,149,230	0	7,149,230	5,176,728	(1,972,502)	6,985,649	(25.89)
Community and Housing	1,057,490	0	1,057,490	878,778	(178,712)	957,490	(8.22)
Children, Schools & Families	9,062,400	0	9,062,400	8,584,692	(477,708)	9,049,340	(5.13)
Environment & Regeneration	9,606,240	85,120	9,691,360	8,520,718	(1,170,642)	9,570,260	(10.97)
Total	26,875,360	85,120	26,960,480	23,160,915	(3,799,565)	26,562,739	(12.81)

Appendix 2a provides additional information on the individual variances on schemes. Within Corporate services the in year favourable variance in the programme was caused by the programme having slipped from that estimated at period 8 when the budgets are set with projects such as Office 365 being suspended in response to restrictions from Covid 19.

Movement in the Funding of the 2019/20 Capital Programme

In funding the Capital Programme for budget setting finance officers reduce budget manager estimates to overcome their optimism bias. As part of the Business Planning Process for 2020-24 officers reduced the estimated outturn for 2019-20 from £26.6 million to £25.2 million. The table below summarises the impact this reduction had on the funding of the programme.

Capital Expenditure	2019/20 Estimated Outturn £000	Actual 2019/20	Variance	Narrative
Capital Expenditure Budget/ Managers Forecasts P8	26,960,480	26,562,739		Budget compared to Budget Managers Forecast for November (P8)
Projected and Actual Difference to Outturn	(1,724,177)	(3,401,824)		
Total Projected and Actual Capital Expenditure	25,236,303	23,160,915	(2,075,388)	Budgeted outturn compared to the Actual Outturn
Financed by:				
Capital Receipts	10,128,381	9,596,898	(531,483)	Balance of Funding
Capital Grants & Contributions	14,323,172	12,981,136	(1,342,036)	All Grants and Contributions
Revenue Provisions	594,193	582,882	(11,311)	Includes Revenue Reserve and OCPB Reserve
Net financing need for the year	190,557	0	(190,557)	Borrowing not utilised

The table below provides a breakdown of the movement in the use of grants and contributions to the programme:

Grants and Contributions	Budget 2019/20	Outturn 2019/20	Variance
Transport for London	(2,894,880)	(2,584,201)	(310,679)
Education Basic Need Grant	(445,958)	(445,958)	0
School Condition Grant	(1,915,195)	(1,915,195)	0
Special Provision Capital Funding	(1,520,005)	(1,520,005)	0
Healthy Schools	(158,630)	(188,629)	29,999
Devolved Formula	(347,893)	(347,893)	0
HLF Canons	(80,719)	(80,719)	0
Better Care Fund (Applied in 2019/20)	(927,160)	(764,129)	(163,031)
Strategic CIL	(4,004,143)	(3,273,661)	(730,482)
Neighbourhood CIL	(477,840)	(379,657)	(98,183)
Section 106	(912,110)	(795,196)	(116,914)
School Contributions	(280,420)	(327,674)	47,254
Network Rail	(168,068)	(168,068)	0
Other Contributions	(190,151)	(190,151)	0
Grant Applied Generally to the Capital Programme	(14,323,172)	(12,981,136)	(1,342,036)

Movement in the 2019/20 Original Approved Programme

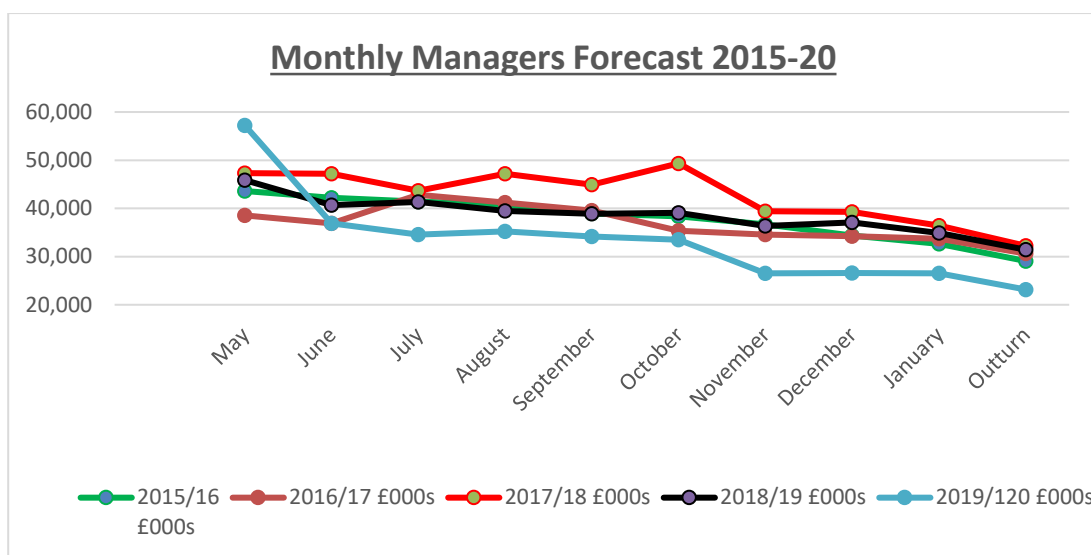
The Capital Programme for 2019/20 as approved in March 2019 was £53.5 million. Subsequently, slippage from 2018/19 of £2.9 million was added, and new funding of £1.5 million giving an effective opening programme of £57.9 million. However, during the financial year there was a net reduction in the overall programme mainly from budget being re-profiled into subsequent financial years. These movements are shown in Table (b) below. When final capital outturn is compared to the original capital programme the total slippage is 53%.

Depts.	Original Budget 2019/20	Net Slippage 2018/19	Adjustments	New External Funding	New Internal Funding	Re-profiling	Revised 2019/20 Budget
Corporate Services	28,857	1,686			60	(23,453)	7,150
Community & Housing	971	225				(139)	1,057
Children Schools & Families	10,203	566		594	50	(2,350)	9,063
Environment and Regeneration	13,498	404	(232)	535	519	(5,034)	9,690
Total	53,529	2,881	(232)	1,129	629	(30,976)	26,960

* Reprofiting includes Housing Company £21.6m

Capital - Monthly Managers Forecast Spend to Outturn

The graph below shows the monthly forecasting by managers of the outturn spend on capital over the last 5 years. The forecasting trend during 2019/20 followed the pattern of previous years and there was a continuing problem with the quality of forecasting around November when the Medium Term Financial Strategy is being prepared. The overestimate in spending feeds through into an overestimate of the budget for capital charges in the following year. It should be noted that centrally finance officers adjust the total projected capital spend from departments downwards for optimism bias when funding the programme. This year the outturn estimate for funding purposes was reduced to £25.2 million, with the impact of Covid 19 on March 2020 spend this estimate was overstated by £2 million.



Considerable time was spent with budget managers profiling their budgets in 2019-20, this work will continue in 2020-21.

The Level of Re-Profiling / Slippage from 2019/20

The table below summaries management proposals for treatment of slippage and overspends from the 2019/20 programme.

Management Proposals for under/Overspends with the 2019/20 Capital Programme

Department	Total Year End Variance 2019/20	Recommend Accept Slippage	Surrender/ Lease/Loan	Funded from Reserves etc.	Bring Forward from 2020/21
	£000's	£000's	£000's	£000's	£000's
Corporate Services	(1,973)	2,000	0	0	0
Community and Housing	(179)	189	0	0	0
Children, Schools & Families	(478)	530	0	0	(50)
Environment & Regeneration	(1,171)	1,285	69	0	(223)
Total	(3,800)	4,003	69	0	(273)

After offsetting minor under and overspends within the programme four schemes require clawback of budget from 2020-21, this clawback totals £272k. The five schemes are IT Equipment £41k, Cricket Green School Expansion £16k, Further SEN Provision £2k, Primary ASD Base £32k and Bishopsford Bridge £223k. This timing difference in spending and budget provision has been offset by drawing back the budget from 2020/21.

Appendix 2B provides details of the proposed slippage into 2020/21 split by departments.

Revised Capital Programme 2020-24: Appendices 2C and 2C1 provide details of the proposed movements in the approved Capital Programme 2020-24 for approval, this position is summarised in the two tables below:

Capital Programme Budget 2020-21

Summary	Budget 2020-21	Slippage*	Reprofiled into 2021-22	New 2020-21	TfL	Clawback	Relinquished	Revised Budget 2020-21
Corporate Services	22,099,700	2,000,070	(400,000)	0	0	0	0	23,699,770
Community and Housing	2,003,850	188,680	(483,330)	0	0	0	0	1,709,200
Children Schools & Families	4,565,740	530,120	(1,130,000)	572,660	0	(49,850)	0	4,488,670
Environment and Regeneration*	18,529,540	1,041,560	(3,157,450)	0	(1,149,010)	(223,120)	(387,940)	14,653,580
Total	47,198,830	3,760,430	(5,170,780)	572,660	(1,149,010)	(272,970)	(387,940)	44,551,220

*TfL Slippage shown in the TfL Column which encompasses all TfL Adjustments

Please note the proposed programme for 2020/21 includes £285,990 Transport for London (TfL) funding, although the TfL have issued warnings that their funding to local authorities is likely to reduce, officers have received assurances that funding commitments already incurred will be met by them, but this will be kept under review.

Capital Programme Budget 2021-24

Summary	Budget 2021-22	Adjustment*	Revised Budget 2021-22	Budget 2022-23	Adjustment	Revised Budget 2022-23	Budget 2023-24	Adjustment	Revised Budget 2023-24
Corporate Services	11,128,220	400,000	11,528,220	2,895,000	0	2,895,000	15,410,480	0	15,410,480
Community and Housing	913,000	767,200	1,680,200	882,000	547,000	1,429,000	425,000	0	425,000
Children Schools & Families	5,500,000	1,130,000	6,630,000	1,900,000	0	1,900,000	1,900,000	0	1,900,000
Environment and Regeneration	11,424,790	1,407,450	12,832,240	8,342,890	0	8,342,890	5,279,000	1,750,000	7,029,000
Total	28,966,010	3,704,650	32,670,660	14,019,890	547,000	14,566,890	23,014,480	1,750,000	24,764,480

*Adjustment for 2021-22 includes £283,870 Disabled Facilities Grant and Excludes re-profiling of Mitcham Town Centre Redevelopment match funding of £1.75m which has been added to 2023-24

Funding the Budgeted Capital Programme 2020-24: The Table below summarises the funding of the budgeted capital programme 2020-24, additional departmental detail is contained within Appendix 2D

Funding the Budgeted Capital Programme 2020-24

Description of Funding	2020-21	2021-22	2022-23	2023-24
Strategic CIL	(4,069,118)	(7,046,450)	(840,000)	0
Neighbourhood CIL	(324,610)	0	0	0
Section 106	(783,260)	(633,000)	(462,000)	(145,000)
Revenue Contributions	(4,734,344)	(45,000)	(55,000)	(30,000)
Corporate Reserves	(255,080)	(10,197)	0	0
Transport for London	(285,990)	(1,300,000)*	(1,300,000)*	(1,300,000)*
Other Ringfenced Grants	(4,204,087)	(1,538,790)	(557,590)	(280,000)
General Grants	(2,406,930)	(1,900,000)	(1,900,000)	(1,900,000)
Capital Receipts	(2,958,975)	(640,000)	(900,000)	(900,000)
Borrowing	(24,528,826)	(19,557,223)	(8,552,300)	(20,209,480)
Total	(44,551,220)	(32,670,660)	(14,566,890)	(24,764,480)

*Subject to further clarification from TfL

8 CONSULTATION UNDERTAKEN OR PROPOSED

8.1 All relevant bodies have been consulted.

9 TIMETABLE

9.1 In accordance with current financial reporting timetables.

10. FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

10.1 All relevant implications have been addressed in the report.

11. LEGAL AND STATUTORY IMPLICATIONS

11.1 All relevant implications have been addressed in the report.

12 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

12.1 Not applicable

13 CRIME AND DISORDER IMPLICATIONS

13.1 Not applicable

14. RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

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

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

Appendix 1	Corporate items
Appendix 2A	Capital Programme Outturn Position 2019/20
Appendix 2B	Proposed Budget to be Slipped to 2020/21
Appendix 2C&C1	Current Capital Programme 2020-24 including Slippage
Appendix 2D	Funding the Budgeted Capital Programme 2020-24
Appendix 3	Progress on savings 19/20
Appendix 3A	Progress on savings 18/19
Appendix 4	Debt Report
Appendix 5	Quality of forecasting
Appendix 6	Establishment Control Report Q4 2019-20

16 BACKGROUND PAPERS

16.1 Budgetary Control files held in the Corporate Services department.

17. REPORT AUTHOR

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APPENDIX 1

3E. Corporate Items	Council 2019/20 £000s	Original Budget 2019/20 £000s	Current Budget 2019/20 £000s	Year to Date Budget (March) £000s	Year to Date Actual (March) £000s	Full Year Forecast (March) £000s	Forecast Variance at year end (March) £000s	Forecast Variance at year end (Jan) £000s	Outturn Variance 2018/19 £000s
Cost of Borrowing	10,481	10,481	11,157	11,157	10,996	10,996	(161)	(149)	403
Impact of Capital on revenue budget	10,481	10,481	11,157	11,157	10,996	10,996	(161)	(149)	403
Investment Income	(664)	(664)	(664)	(664)	(1,368)	(1,368)	(704)	(542)	(364)
Pension Fund	3,429	3,429	3,193	3,193	3,089	3,089	(104)	(100)	(254)
Provision for Pay Award	877	877	(0)	(0)	0	0	0	0	(744)
Excess inflation Provision	450	450	100	100	0	0	(100)	0	(378)
Pay and Price Inflation	1,327	1,327	100	100	0	0	(100)	0	(1,122)
Contingency	1,500	1,500	500	500	0	0	(500)	(250)	(1,398)
Single Status/Equal Pay	100	100	0	0	0	0	(0)	0	(84)
Bad Debt Provision	500	500	500	500	1,804	1,804	1,304	0	(33)
Loss of income - P3/P4	200	200	100	100	0	0	(100)	(100)	(200)
Loss of HB Admin grant	83	83	34	34	0	0	(34)	(34)	(83)
Apprenticeship Levy	450	450	250	250	228	228	(22)	0	(217)
Revenuisation and miscellaneous	2,070	2,070	777	777	(25)	(25)	(802)	(193)	(1,351)
Contingencies/provisions	4,904	4,904	2,162	2,162	2,007	2,007	(155)	(577)	(3,366)
Other income	0	0	0	0	(186)	(186)	(186)	(212)	(953)
CHAS IP/Dividend	(1,407)	(1,407)	(1,503)	(1,503)	(1,660)	(1,660)	(157)	0	(3)
Income items	(1,407)	(1,407)	(1,503)	(1,503)	(1,846)	(1,846)	(343)	(212)	(956)
Appropriations: CS	(711)	(711)	(383)	(383)	(383)	(383)	0	0	0
Appropriations: E&R	(146)	(146)	77	77	77	77	0	0	0
Appropriations: CSF	9	9	(283)	(283)	(283)	(283)	0	0	0
Appropriations: C&H	(104)	(104)	84	84	84	84	0	0	0
Appropriations: Public Health	(1,200)	(1,200)	0	0	0	0	0	0	0
Appropriations: Corporate	(2,034)	(2,034)	9,849	9,849	9,849	9,849	0	0	(6)
Appropriations/Transfers	(4,186)	(4,186)	9,343	9,343	9,343	9,343	0	0	(6)
Depreciation/Impairment	(22,903)	(22,903)	(23,666)	(23,666)	(23,667)	(23,666)	0	0	4
Central Items	(9,019)	(9,019)	121	121	(1,447)	(1,446)	(1,568)	(1,581)	(5,661)
Levies	949	949	949	949	948	948	(1)	0	0
TOTAL CORPORATE PROVISIONS	(8,070)	(8,070)	1,070	1,070	(499)	(498)	(1,569)	(1,581)	(5,661)
COVID-19 Emergency expenditure	0	0	0	0	176	176	176	0	0
CORPORATE EXPENDITURE inc. COVID-19	(8,070)	(8,070)	1,070	1,070	(323)	(323)	(1,393)	(1,885)	(5,661)

Capital Outturn Position 2019-20

Summary	Budget	Outturn	Variance
Corporate Services	7,149,230	5,176,728	(1,972,502)
Community and Housing	1,057,490	878,778	(178,712)
Children Schools & Families	9,062,400	8,584,692	(477,708)
Environment and Regeneration	9,691,360	8,520,718	(1,170,642)
Total	26,960,480	23,160,915	(3,799,565)

Corporate Services	Budget	Outturn	Variance
Customer, Policy & Improvement			
Customer Contact Programme	472,660	295,848	(176,812)
Facilities Management - Works to Other Buildings			
Capital Building Works	360,034	501,371	141,337
Morden Park House Courtyard	27,120	0	(27,120)
Asbestos Safety Works	202,720	840	(201,880)
Water Safety Works	9,150	(16,076)	(25,226)
Facilities Management - Civic Centre			
Project General	242,296	242,296	0
Civic Centre Staff Entrance	111,460	8,550	(102,910)
Civic Centre Block Paving	68,720	0	(68,720)
Regulatory System	7,370	0	(7,370)
Improve and adapt cmttee rooms	85,110	21,438	(63,672)
Facilities Management - Invest to Save			
Project General	91,440	98,749	7,309
Photovoltaics & Energy Conserv	75,000	0	(75,000)
Business Systems			
Environmental Asset Management	25,790	7,989	(17,801)
Planning&Public Protection Sys	150,000	9,236	(140,764)
Kofax Scanning	28,800	30,626	1,826
Spectrum Spatial Analyst Repla	170,000	105,777	(64,223)
Regulatory System	21,270	0	(21,270)
Parking System	126,000	103,652	(22,348)
Youth Justice IT Systems	15,000	0	(15,000)
Mosaic Group Work Revenue	123,580	96,903	(26,677)
CPIS	0	1,110	1,110
EHCP Hub	35,000	22,583	(12,417)
SEN Case Management System	266,660	31,777	(234,883)
Infrastructure & Technology			
Project General	568,800	568,799	(1)
Data Centre Support Equipment	150,000	107,348	(42,653)
PABX Replacement	259,080	66,231	(192,849)
Network Switch Upgrade	200,000	0	(200,000)
IT Equipment	511,200	551,819	40,619
Office 365	815,000	393,577	(421,423)
Resources			
e5.5 Project	24,970	26,286	1,316
Corporate Items			
Westminster Ccl Coroners Court	5,000	0	(5,000)
Housing Company	1,900,000	1,900,000	0
Total Corporate Services	7,149,230	5,176,728	(1,972,502)
Community and Housing	Budget	Outturn	Variance
Adult Social Care			
Telehealth	5,000	3,349	(1,651)
Housing			
Project General	927,160	764,129	(163,031)
Libraries			
Colliers Wood Library Re-Fit	13,700	12,791	(909)
Public Toilet Mitcham Library	35,000	37,529	2,529
Library Management System	76,630	60,980	(15,650)
Total Community and Housing	1,057,490	878,778	(178,712)

Capital Outturn Position 2019-20

Children, Schools and Families	Budget	Outturn	Variance
Primary			
Hollymount - Schools Capital maintenance	15,390	15,392	2
West Wimb - Schools Capital maintenance	80,140	40,790	(39,350)
Hatfeild - Schools Capital maintenance	86,050	77,141	(8,909)
Hillcross - Schools Capital maintenance	227,740	227,447	(293)
Joseph Hood - Schools Capital maintenance	25,210	25,204	(6)
Joseph Hood - Healthy Schools	20,000	20,000	0
Dundonald School Expansion	0	2,629	2,629
Garfield - Schools Capital maintenance	140,240	97,622	(42,618)
Merton Abbey - Schools Capital maintenance	23,790	23,760	(30)
Pelham - Schools Capital maintenance	77,430	77,554	124
Poplar - Schools Capital maintenance	31,010	27,502	(3,508)
Wimbledon Chase - Schools Capital maintenance	136,660	129,665	(6,995)
Abbotsbury - Schools Capital maintenance	172,540	115,342	(57,198)
Abbotsbury - Healthy Schools	12,000	12,000	0
Bond - Schools Capital maintenance	90,600	84,568	(6,032)
Bond - Healthy Schools	30,000	30,001	1
Cranmer - Schools Capital maintenance	33,880	33,877	(3)
Gorringer Park - Schools Capital maintenance	73,000	58,352	(14,648)
Gorringer Park - Healthy Schools	10,970	10,970	0
Haslemere - Schools Capital maintenance	36,540	36,537	(3)
Liberty - Schools Capital maintenance	77,300	69,657	(7,643)
Liberty - Healthy Schools	15,000	15,000	0
Links - Schools Capital maintenance	43,980	43,660	(320)
Links - Healthy Schools	25,000	25,000	(0)
St Marks - Schools Capital maintenance	0	278	278
Lonesome - Schools Capital maintenance	61,120	24,381	(36,739)
Lonesome - Healthy Schools	20,000	20,000	0
Sherwood - Schools Capital maintenance	51,130	46,930	(4,200)
William Morris - Schools Capital maintenance	3,600	396	(3,204)
William Morris - Healthy Schools	15,000	15,000	0
Secondary			
Harris Academy Merton	35,720	1,550	(34,170)
Raynes Park - Schools Capital maintenance	37,180	31,589	(5,591)
Richards Lodge - Schools Capital maintenance	38,490	32,911	(5,579)
Rutlish - Schools Capital maintenance	251,540	236,994	(14,546)
Harris Academy Wimbledon	1,450,710	1,405,042	(45,668)
Special			
Perseid - Schools Capital maintenance	32,280	3,164	(29,116)
Perseid School Expansion	62,210	33,077	(29,133)
Cricket Green - Schools Capital maintenance	191,000	149,951	(41,049)
Cricket Green School Expansion	3,957,160	3,973,202	16,042
Melrose - Healthy Schools	7,000	7,000	0
Melrose Primary SEMH annexe 16	50,000	13,390	(36,610)
Further SEN Provision	0	2,065	2,065
Primary ASD base 1-20 places	800,000	831,743	31,743
Melbury College - Schools Capital maintenance	121,800	108,462	(13,338)
New ASD Provision	20,000	0	(20,000)
Secondary SEMH/medical PRU	20,000	0	(20,000)
Other			
Children's Safeguarding	440	0	(440)
Devolved Formula Capital	347,890	347,897	7
Unallocated Healthy Schools	3,660	0	(3,660)
Children Schools & Families	9,062,400	8,584,692	(477,708)

Capital Outturn Position 2019-20

Environment and Regeneration	Budget	Outturn	Variance
Public Protection & Development			
CCTV (match funding)	10,340	0	(10,340)
Schools ANPR Project	56,460	49,353	(7,107)
Street Scene & Waste			
Replacement of Fleet Vehicles	53,660	37,685	(15,975)
Alley Gating Scheme	30,000	7,508	(22,492)
Waste Bins	730,640	730,173	(467)
Highways			
Street Tree Programme	60,000	24,840	(35,160)
Raynes Park Station Pub Realm	26,110	0	(26,110)
Street Lighting Replacement Pr	296,960	311,130	14,170
Accessibility Programme	170,650	141,885	(28,765)
Casualty Reduction & Schools	234,000	203,433	(30,567)
Traffic Schemes	150,000	138,456	(11,544)
Surface Water Drainage	77,000	60,170	(16,830)
20mph Zone - TFL	184,000	198,995	14,995
Repairs to Footways	1,000,000	1,011,293	11,293
Maintain AntiSkid and Coloured	90,000	89,991	(9)
Borough Roads Maintenance	1,700,000	1,723,152	23,152
Highways bridges & structures	150,000	(4,668)	(154,668)
TfL Principal Road Maint	135,000	134,468	(532)
Safer Walking Routes/Streets	123,000	62,228	(60,772)
School part time road closure	158,040	97,974	(60,066)
Culverts Upgrade	150,000	27,877	(122,123)
Schools Superzones Proj	37,000	41,033	4,033
Bishopsford Bridge	0	223,122	223,122
Transport Improvements			
TfL Cycle Quietways	629,110	580,742	(48,368)
Cycle access/parking	7,000	6,321	(680)
Beddington Lane Cycle Route	210,490	143,562	(66,928)
Cycle Improve Residential Street	138,000	65,611	(72,389)
Mitcham Town Centre	69,600	59,032	(10,568)
Figges Marsh	861,990	785,382	(76,608)
Regeneration			
Colliers Wood - Wandle Waymark	15,000	0	(15,000)
Canons - Parks for People	75,000	41,062	(33,938)
Mitcham Cricket Green Improvem	50,000	40,680	(9,320)
Crowded Places-Hostile Vehicles	158,470	138,166	(20,304)
Wandle Project	26,210	10,573	(15,637)
Shop Front Improvement	146,190	122,780	(23,410)
B714 Deen City Farm	40,440	40,435	(5)
Performance space M Pr Chapter	46,430	46,430	0
Haydons Rd Shop Front Impr	20,000	0	(20,000)
Bramcote Parade Improvements	50,000	0	(50,000)
Property Management			
42 Graham Road	50,000	0	(50,000)
Vacant Premises Upgrade	25,000	36,585	11,585
Leisure and Culture			
Morden Leisure Centre	120,719	50,348	(70,371)
Morden Leisure Centre	244,281	244,281	0
Wimbledon Park Lake De-Silting	17,030	17,032	2
Wimbledon Park Lake Safety	57,970	39,185	(18,785)
Leisure Centre Plant & Machine	79,410	20,571	(58,839)
Polka Theatre	245,000	245,000	0
Canons LC - P&M	44,220	44,220	(0)
Wimbledon LC - P&M	124,780	124,777	(3)
Morden Park Pools - P&M	1,590	1,586	(4)
Parks Investment			
Parks Investment	295,000	250,014	(44,986)
Canons - Parks for People	27,000	15,621	(11,379)
Resurface Tennis Courts	150,440	0	(150,440)
Gap Road Corner Park	42,130	40,625	(1,505)
Environment and Regeneration	9,691,360	8,520,718	(1,170,642)
Capital	26,960,480	23,160,915	(3,799,565)

Proposed Budget to be slipped from 2019/20 to 2020/21 and Clawed Back from 2020/21

Summary	Slipped £	Clawback £	Total £
Corporate Services	2,000,070	0	2,000,070
Community and Housing	188,680	0	188,680
Children Schools & Families	530,120	(49,850)	480,270
Environment and Regeneration	1,284,550	(223,120)	1,061,430
Total	4,003,420	(272,970)	3,730,450

Corporate Services	Slipped £	Clawback £	Total £	Justification
Civic Centre Staff Entrance	7,200	0	7,200	Outstanding Works to be Paid for in 20-21
Regulatory System	28,640	0	28,640	For inclusion of Pest Control Work to be Carried Out in 20-21
Capital Building Works	227,110	0	227,110	Will be used to undertake Asbestos works
Replacement Boilers	267,200	0	267,200	Replacement Programme for pilers
Invest to Save - Photovoltaics & Energy Conserv	75,000	0	75,000	Spend below that forecast, scheme to be completed in 20-21
Environment Asset Management	17,800	0	17,800	Spend below that forecast, scheme to be completed in 20-21
Planning and Public Protection	140,760	0	140,760	Spend below that forecast, scheme to be completed in 20-21
Spectrum Spatial Analyst Repla	64,220	0	64,220	Spend below that forecast, scheme to be completed in 20-21
Parking System	22,350	0	22,350	Spend below that forecast, scheme to be completed in 20-21
Youth Justice IT Systems	15,000	0	15,000	Spend below that forecast, scheme to be completed in 20-21
Mosaic Group Work Revenue	26,680	0	26,680	Spend below that forecast, scheme to be completed in 20-21
EHCP Hub	11,310	0	11,310	Spend below that forecast, scheme to be completed in 20-21
SEN Case Management System	234,880	0	234,880	Spend below that forecast, scheme to be completed in 20-21
Data Centre Support Equipment	42,650	0	42,650	Spend below that forecast, scheme to be completed in 20-21
PABX Replacement	192,850	0	192,850	Spend below that forecast, scheme to be completed in 20-21
Network Switch Upgrade	200,000	0	200,000	Start of the scheme delayed to 2019-20
Office 365	421,420	0	421,420	Spend below that forecast, scheme to be completed in 20-21
Westminster Coroners Court	5,000	0	5,000	Start of the scheme delayed to 2020-21
Corporate Services	2,000,070	0	2,000,070	

Community and Housing	Slipped £	Clawback £	Total £	Justification
Telehealth	1,650	0	1,650	Spend below that forecast, scheme to be completed in 20-21
Disabled Facilities Grant	163,030	0	163,030	Spend below that forecast, Council funding for scheme continues in 20-21
Library Management System	24,000	0	24,000	Required to complete Phase 2 of a Multi-Authority Scheme
Community and Housing	188,680	0	188,680	

Children Schools & Families	Slipped £	Clawback £	Total £	Justification
West Wimbledon - Schools Capital maintenance	39,350	0	39,350	Spend below that forecast, scheme to be completed in 20-21
Hatfield - Schools Capital maintenance	8,910	0	8,910	Spend below that forecast, scheme to be completed in 20-21
Hillcross - Schools Capital maintenance	290	0	290	Spend below that forecast, scheme to be completed in 20-21
Garfield - Schools Capital maintenance	42,620	0	42,620	Spend below that forecast, scheme to be completed in 20-21
Schools Capital maintenance	3,510	0	3,510	Spend below that forecast, scheme to be completed in 20-21
Wimbledon Chase - Schools Capital maintenance	6,990	0	6,990	Spend below that forecast, scheme to be completed in 20-21
Abbotsbury - Schools Capital maintenance	57,200	0	57,200	Spend below that forecast, scheme to be completed in 20-21
Bond - Schools Capital maintenance	6,030	0	6,030	Spend below that forecast, scheme to be completed in 20-21
Gorrington Park - Schools Capital maintenance	14,650	0	14,650	Spend below that forecast, scheme to be completed in 20-21
Liberty - Schools Capital maintenance	7,640	0	7,640	Spend below that forecast, scheme to be completed in 20-21
Links - Healthy Schools	320	0	320	Spend below that forecast, scheme to be completed in 20-21
Lonsome - Schools Capital maintenance	36,740	0	36,740	Spend below that forecast, scheme to be completed in 20-21
Sherwood - Schools Capital maintenance	4,200	0	4,200	Spend below that forecast, scheme to be completed in 20-21
William Morris - Schools Capital maintenance	3,200	0	3,200	Spend below that forecast, scheme to be completed in 20-21
Harris Academy Merton	34,170	0	34,170	Spend below that forecast, scheme to be completed in 20-21
Raynes Lodge - Schools Capital maintenance	5,590	0	5,590	Spend below that forecast, scheme to be completed in 20-21
Richards Park - Schools Capital maintenance	5,580	0	5,580	Spend below that forecast, scheme to be completed in 20-21
Rutlish - Schools Capital maintenance	14,550	0	14,550	Spend below that forecast, scheme to be completed in 20-21
Harris Academy Wimbledon	45,670	0	45,670	Spend below that forecast, scheme to be completed in 20-21
Perseid - Schools Capital maintenance	29,120	0	29,120	Spend below that forecast, scheme to be completed in 20-21
Perseid School Expansion	29,130	0	29,130	Spend below that forecast, scheme to be completed in 20-21
Cricknet Green - Schools Capital maintenance	41,050	0	41,050	Spend below that forecast, scheme to be completed in 20-21
Cricknet Green School Expansion	0	(16,040)	(16,040)	Spend ahead of profile draw down from 20-21 Budgets
Melrose Primary SEMH annexe 16	36,610	0	36,610	Spend below that forecast, scheme to be completed in 20-21
Further SEN Provision	0	(2,070)	(2,070)	Spend ahead of profile draw down from 20-21 Budgets
Primary ASD base 1-20 places	0	(31,740)	(31,740)	Spend ahead of profile draw down from 20-21 Budgets
Melbury College - Schools Capital maintenance	13,340	0	13,340	Spend below that forecast, scheme to be completed in 20-21
New ASD Provision	20,000	0	20,000	Spend below that forecast, scheme to be completed in 20-21
Secondary SEMH/medical PRU	20,000	0	20,000	Spend below that forecast, scheme to be completed in 20-21
Unallocated Healthy Schools	3,660	0	3,660	Spend below that forecast, scheme to be completed in 20-21
Children Schools & Families	530,120	(49,850)	480,270	

Proposed Budget to be slipped from 2019/20 to 2020/21 and Clawed Back from 2020/21

Environment and Regeneration	Slipped £	Clawback £	Total £	Justification
CCTV (match funding)	10,340	0	10,340	Section 106 Funded Scheme to be slipped to 2020-21
Street Tree Programme	16,000	0	16,000	Idverde planting of 221 Trees in 2019/20 insufficient evidence to accrue
Raynes Park Station Pub Realm	26,110	0	26,110	Start of the scheme delayed to 2020-21 Funded by Section 106
Accessibility Programme	27,650	0	27,650	Transport for London Funded Scheme to be slipped to 2020-21
Casualty Reduction in Schools	5,570	0	5,570	Transport for London Funded Scheme to be slipped to 2020-21
Traffic Schemes	11,540	0	11,540	Transport for London Funded Scheme to be slipped to 2020-21
Highways bridges & structures	154,670	0	154,670	Activity focussed on Bishopsford Bridge
Safer Walking Routes	60,770	0	60,770	Transport for London Funded Scheme to be slipped to 2020-21
School Part Time Road Closures	67,110	0	67,110	Merton Funded Scheme to be Completed in 2020-21
Culverts	122,120	0	122,120	SCIL Funded Scheme to be slipped to 2020-21
Bishopsford Bridge	0	(223,120)	(223,120)	Spend ahead of profile draw down from 20-21 Budgets
Beddington Lane Cycle Route	60,000	0	60,000	Section 106 Funded Scheme to be slipped to 2020-21
Cycle Improvements Residential Streets	72,390	0	72,390	Transport for London Funded Scheme to be slipped to 2020-21
Mitcham Town Centre	10,570	0	10,570	NCIL £8,290 and Section 106 £15,120 slipped to 2020-21
Figges Marsh	76,610	0	76,610	Transport for London Funded Scheme to be slipped to 2020-21
Colliers Wood - Wandle Waymark	15,000	0	15,000	Section 106 Funded Scheme to be slipped to 2020-21
Canons Parks for the People	45,320	0	45,320	SCIL & HLF Funded Scheme to be slipped to 2020-21
Mitcham Cricket Green Improvements	9,320	0	9,320	NCIL Funded Scheme to be slipped to 2020-21
Crowded Places-Hostile Vehicle	20,300	0	20,300	Section 106 Funded Scheme to be slipped to 2020-21
Wandle Project	15,640	0	15,640	Section 106 Funded Scheme to be slipped to 2020-21
Shop Front Improvement	23,410	0	23,410	NCIL £8,290 and Section 106 £15,120 slipped to 2020-21
Haydens Rd Shop Front Impr	20,000	0	20,000	NCIL Funded Scheme to be slipped to 2020-21
Bramcote Parade Improvements	50,000	0	50,000	NCIL Funded Scheme to be slipped to 2020-21
42 Graham Road	50,000	0	50,000	Original scheme to convert Doctors Surgery into two flats but too expensive - project to be re-worked
Morden Leisure Centre	70,370	0	70,370	Required for Landscaping, Tree works and Final Demolition Costs.
Wimbledon Park Lake Safety	18,790	0	18,790	SCIL Funded Scheme to be slipped to 2020-21
Leisure Centre Plant & Machine	58,840	0	58,840	Covid delays to Roof Works £17k, Equipment Deliveries £24k and CHP Units £18k
Parks Investment	15,670	0	15,670	Essential Drainage and Footway Works delayed due to Covid 19
Resurface Tennis Courts	150,440	0	150,440	Start of the scheme delayed to 2020-21 Funded by Revenue Reserve
Environment and Regeneration	1,284,550	(223,120)	1,061,430	
Capital	4,003,420	(272,970)	3,730,450	

Capital Programme Budget 2020-21

	Summary	Budget 2020-21	Slippage	Reprofiled into 2021-22	New 2020-21	Virement	TfL 2019-20	Clawback	Relinquished	Revised Budget 2020-21
71	Corporate Services	22,099,700	2,000,070	(400,000)	0	0	0	0	0	23,699,770
72	Community and Housing	2,003,850	188,680	(483,330)	0	0	0	0	0	1,709,200
73	Children Schools & Families	4,565,740	530,120	(1,130,000)	572,660	0	0	(49,850)	0	4,488,670
74	Environment and Regeneration	18,529,540	1,041,560	(3,157,450)	0	0	(1,149,010)	(223,120)	(387,940)	14,653,580
	Total	47,198,830	3,760,430	(5,170,780)	572,660	0	(1,149,010)	(272,970)	(387,940)	44,551,220

Corporate Ser	Corporate Services	Budget 2020-21	Slippage	Reprofiled into 2021-22	New 2020-21	Virement	TfL 2019-20	Clawback	Relinquished	Revised Budget 2020-21	Score	Description of Impact
00000006	Customer Contact Programme	1,350,000	0							1,350,000		A new content management system need to be progressed in 20-21
00000627	Capital Building Works	650,000	227,110							877,110		Essential works determined by Condition Survey
00001606	Replacement Boilers	0	267,200							267,200		Essential Boiler Enhancement Works
00000019	Civic Centre Boilers	201,480	0							201,480		Essential Boiler Enhancement Works
00000021	Civic Centre Staff Entrance	0	7,200							7,200		Invoices to be paid in 2020-21
00001575	Civic Centre Cycle Parking	60,000	0							60,000		Options developed in keeping with Corporate Priorities & Budget
00000000	Invest to Save	400,000	0							400,000		Essential Invest to Save Schemes within Block Budget
00000022	Photovoltaics & Energy Conserv	0	75,000							75,000		Specific Essential Invest to Save scheme
00000008	Environmental Asset Management	0	17,800							17,800		Essential IT Developments in 20-21
00000009	Revenue & Benefits	400,000	0	(400,000)						0		Re-Proiled into 2021-22
00000010	Capita Housing	100,000	0							100,000		Currently Undergoing a Procurement Process Spend in 2020-21
00000013	ePayments Project	157,050	0							157,050		Currently Undergoing a Procurement Process Spend in 2020-21
00000053	Children's Safeguarding	125,000	0							125,000		
00000698	Planning&Public Protection Sys	199,950	140,760							340,710		Currently Undergoing a Procurement Process Spend in 2020-21
00000763	Spectrum Spatial Analyst Repla	165,000	64,220							229,220		Currently Undergoing a Procurement Process Spend in 2020-21
00001376	Regulatory System	0	28,640							28,640		Currently Undergoing a Procurement Process Spend in 2020-21
00000877	Parking System	0	22,350							22,350		Currently Undergoing a Procurement Process Spend in 2020-21
00001506	Youth Justice IT Systems	85,000	15,000							100,000		Starting the Procurement in July 2020
00001078	Mosaic Group Work Revenue	0	26,680							26,680		Required for Development Work
00001084	EHCP Hub	0	11,310							11,310		Required for Development Work
00001085	SEN Case Management System	0	234,880							234,880		Required for Development Work
00000000	Planned Replacement Programme	390,000	0							390,000		Essential 5 Year Rolling Programme of Works
00000020	Data Centre Support Equipment	150,000	42,650							192,650		Completion fo Project Expected in 2020-21
00000032	PABX Replacement		192,850							192,850		Essential 5 Year Rolling Programme of Works
00000046	Network Switch Upgrade		200,000							200,000		Essential 5 Year Rolling Programme of Works
00000629	IT Equipment	120,000	0							120,000		Essential 5 Year Rolling Programme of Works
00001504	Office 365		421,420							421,420		Essential Budget for the Completion of the Project
00000000	Multi Functioning Device	600,000	0							600,000		Currently Undergoing a Procurement Process Lease Spend in 2020-21
00000000	Westminster Ccl Coroners Court	455,000	5,000							460,000		
00000000	Housing Company	16,491,220	0							16,491,220		
71	Corporate Services	22,099,700	2,000,070	(400,000)	0	0	0	0	0	23,699,770		

Capital Programme Budget 2020-21

Community at	Community and Housing	Budget 2020-21	Slippage	Reprofiled into 2021-22	New 2020-21	Virement	TfL 2019-20	Clawback	Relinquished	Revised Budget 2020-21	Score	Description of Impact
00000031	Telehealth	38,750	1,650	(20,200)						20,200		Purchase of Telehealth Equipment delay by Covid 19
00000000	Disabled Facilities Grant	927,100	163,030	(263,130)						827,000		Grant Funded adaptations to property
00000000	Supported Living	488,000	0							488,000		
00000038	West Barnes Library Re-Fit	200,000	0	(200,000)						0		Scheme Re-Profiled to 2021-22
00000040	Library Self Service	350,000	0							350,000		Contract for Current System ceases January 2021
00000039	Library Management System		24,000							24,000		Second Phase of a Multi-Authority Scheme - Due December 2020
72	Community and Housing	2,003,850	188,680	(483,330)	0	0	0	0	0	1,709,200		

Capital Programme Budget 2020-21

Children Schools	Children Schools & Families	Budget 2020-21	Slippage	Reprofiled into 2021-22	New 2020-21	Virement	TfL 2019-20	Clawback	Relinquished	Revised Budget 2020-21	Risk	Description of Impact
00000880	West Wimbledon - Schools Capital maintenance		39,350							39,350		Grant Funded Essential works determined by Condition Survey
00000880	Hatfield - Schools Capital maintenance		8,910		10,000	25,000				43,910		Grant Funded Essential works determined by Condition Survey
00000880	Hillcross - Schools Capital maintenance		290		10,000	73,000				83,290		Grant Funded Essential works determined by Condition Survey
00000880	Dundonald - Schools Capital maintenance				10,000	69,500				79,500		Grant Funded Essential works determined by Condition Survey
00000880	Garfield - Schools Capital maintenance		42,620							42,620		Grant Funded Essential works determined by Condition Survey
00000880	Poplar - Schools Capital maintenance		3,510		5,000	15,500				24,010		Grant Funded Essential works determined by Condition Survey
00000880	Wimbledon Chase - Schools Capital maintenance		6,990		10,000	35,000				51,990		Grant Funded Essential works determined by Condition Survey
00000880	Wimbledon Park - Schools Capital maintenance				10,000	30,000				40,000		Grant Funded Essential works determined by Condition Survey
00000880	Abbotsbury - Schools Capital maintenance		57,200		10,000	70,000				137,200		Grant Funded Essential works determined by Condition Survey
00000880	Malmesbury - Schools Capital maintenance				10,000	25,000				35,000		Grant Funded Essential works determined by Condition Survey
00000880	Bond - Schools Capital maintenance		6,030							6,030		Grant Funded Essential works determined by Condition Survey
00000880	Cranmer - Schools Capital maintenance				10,000	24,000				34,000		Grant Funded Essential works determined by Condition Survey
00000880	Gorrington Park - Schools Capital maintenance		14,650		20,000	52,000				86,650		Grant Funded Essential works determined by Condition Survey
00000880	Liberty - Schools Capital maintenance		7,640		7,000	19,000				33,640		Grant Funded Essential works determined by Condition Survey
00000880	Links - Schools Capital maintenance				10,000	210,000				220,000		Grant Funded Essential works determined by Condition Survey
00000880	St Mark's - Schools Capital maintenance				10,000	155,000				165,000		Grant Funded Essential works determined by Condition Survey
00000880	Lonsome - Schools Capital maintenance		36,740		10,000					46,740		Grant Funded Essential works determined by Condition Survey
00000880	Sherwood - Schools Capital maintenance		4,200		10,000	187,000				201,200		Grant Funded Essential works determined by Condition Survey
00000880	William Morris - Schools Capital maintenance		3,200							3,200		Grant Funded Essential works determined by Condition Survey
00000880	Unallocated - Schools Capital maintenance	1,900,000	0		15,500	(1,400,000)				515,500		Grant Funded Essential works determined by Condition Survey
00000044	Harris Academy Merton		34,170							34,170		Final phase works as part of multi year expansion project
00000880	Raynes Park Schools Capital maintenance		5,590							5,590		Grant Funded Essential works determined by Condition Survey
00000880	Richards Lodge - Schools Capital maintenance		5,580							5,580		Grant Funded Essential works determined by Condition Survey
00000880	Rutlish - Schools Capital maintenance		14,550		4,450					19,000		Grant Funded Essential works determined by Condition Survey
00000048	Harris Academy Wimbledon	300,000	45,670	(150,000)						195,670		Remaining payments from multi year scheme
00000880	Perseid - Schools Capital maintenance	7,720	29,120		5,000	215,000				256,840		Grant Funded Essential works determined by Condition Survey
01000042	Perseid School Expansion		29,130							29,130		Final phase works as part of multi year expansion project
00000880	Cricket Green - Schools Capital maintenance		41,050		46,140	195,000				282,190		Grant Funded Essential works determined by Condition Survey
01790042	Cricket Green School Expansion	100,000	0					(16,040)		83,960		Final phase works as part of multi year expansion project
00001371	Melrose - Healthy Schools	30,000	3,980							33,980		order placed for work to be done in summer holidays
00001500	Melrose Primary SEMH Annex 16 Places	1,150,000	36,610	(350,000)						836,610		Planning application to be submitted shortly
00001574	Melrose S'dary SEMH 14 Places	200,000	0							200,000		Covid-19 issues are slipping engagement with schools
01530051	Harris Morden Sec Autism Unit	160,000	0	(110,000)						50,000		Covid-19 issues are slipping engagement with schools
00000697	Further SEN Provision	288,020	0	(250,000)				(2,070)		35,950		Covid-19 issues are slipping engagement with schools
00001501	Primary ASD base 1-20 places	100,000	0					(31,740)		68,260		Final payments in scheme committed in 2019/20
00000880	Melbury College - Schools Capital maintenance		13,340							13,340		Grant Funded Essential works determined by Condition Survey
00001503	New ASD Provision	250,000	20,000	(220,000)						50,000		Covid-19 issues are slipping engagement with schools
00001502	Secondary SEMH/medical PRU	80,000	20,000	(50,000)						50,000		Covid-19 issues are slipping engagement with schools
00000631	Devolved Formula Capital		0		349,570					349,570		Budget being passported to schools as usual
73	Children Schools & Families	4,565,740	530,120	(1,130,000)	572,660	0	0	(49,850)	0	4,488,670		

Capital Programme Budget 2020-21

Environment	Environment and Regeneration	Budget 2020-21	Slippage	Reprofiled into 2021-22	New 2020-21	Virement	TfL 2019-20	Clawback	Relinquished	Revised Budget 2020-21	Score	Description of Impact
00000056	Pay and Display Machines	500,000	0	(400,000)						100,000		Consultation on Emission Based Charging Delayed
00001579	Car Park Upgrades	464,000	0							464,000		Some Elements High Risk e.g Lighting in St Georges Rd Carpark
00000644	CCTV (match funding)		10,340							10,340		Essential Capital Works already Committed
00000997	Parking CCTV	140,000	0							140,000		Half of this Budget Already Committed
00000643	Replacement of Fleet Vehicles	584,000	0							584,000		Agreed Vehicle Replacement Prog. for Passenger Transport Vehicles
00001580	Mechanical Street Washer	75,000	0							75,000		Part of Agreed Cleaner Merton Programme
00000000	Alley Gating Scheme	30,000	0							30,000		Merton Block Scheme to Reduce Fly Tipping
00000000	SLWP	48,040	0							48,040		Phase C Capital Sevice Improvements
00000642	Street Tree Programme	60,000	16,000							76,000		Merton Block Scheme for Essential Tree Works
00001598	New Street Tree Planting Programme	50,000	0							50,000		SCIL
00001374	Raynes Park Station Pub Realm		26,110							26,110		S106 Scheme Meeting Terms of Agreement - Scheme Committed
00000101	Street Lighting Replacement Pr	290,000	0							290,000		Merton Block Scheme for Essential Capital Works
00000103	Accessability Programme	110,000	0				(82,350)			27,650		TfL Scheme for Essential Committed Capital Works
00000105	Casualty Reduction & Schools	254,000	0				(248,430)			5,570		TfL Scheme for Essential Committed Capital Works
00000117	Traffic Schemes	350,000	11,540				(100,000)			261,540		Merton Block Scheme Increased Pressure from TfL Reductions
00000144	Surface Water Drainage	69,000	0							69,000		Merton Block Scheme for Essential Capital Works
00000149	20mph Zone - TFL	101,000	0				(58,000)			43,000		TfL Scheme for Essential Committed Capital Works
00000634	Repairs to Footways	1,000,000	0							1,000,000		Merton Block Scheme linked to Insurance Claims
00000638	Maintain AntiSkid and Coloured	70,000	0							70,000		Merton Block Scheme for Essential Capital Works
00000639	Borough Roads Maintenance	1,200,000	0							1,200,000		Merton Block Scheme linked to Insurance Claims
00000645	Highways bridges & structures	480,000	154,670							634,670		Merton Block Scheme for Essential Capital Works
00000917	Safer Walking Routes/Streets	92,000	0				(31,230)			60,770		TfL Scheme for Essential Committed Capital Works
00000918	School part time road closure	60,000	67,110				(60,000)			67,110		Merton/TfL Scheme for Essential Capital Works
00001509	Culverts Upgrade	250,000	122,120							372,120		SCIL for Essential Capital Works
00001510	Schools Superzones Proj	37,000	0				(37,000)			0		TfL Scheme for Essential Committed Capital Works
00001526	Bishopsford Bridge	2,000,000	0					(223,120)		1,776,880		Merton Scheme for Essential Capital Works
00000104	Cycle access/parking	28,000	0				(28,000)			0		TfL Scheme for Essential Committed Capital Works
00000686	Beddington Lane Cycle Route		60,000							60,000		S106 Scheme Meeting Terms of Agreement - Scheme Complete
00000916	Cycle Improve Residential Stre	166,000	0				(93,610)			72,390		TfL Scheme for Essential Committed Capital Works
00000113	Mitcham Town Centre	382,000	10,570						(372,570)	20,000		SCIL for Essential Capital Works
01860000	Figges Marsh	92,000	0				(15,390)			76,610		TfL Scheme for Essential Committed Capital Works
00000685	Unallocated TFL	395,000	0				(395,000)			0		Adjustment to TfL Funding
00001566	Colliers Wood - Wandle Waymark		15,000							15,000		S106 Scheme Meeting Terms of Agreement - Scheme Complete
00000689	Canons - Parks for People	2,244,290	33,940							2,278,230		HLF/SCIL Scheme Revamping Canons
00000999	Mitcham Cricket Green Improvem	0	9,320							9,320		NCIL for Essential Capital Works
00001372	Crowded Places-Hostile Vehicl	268,000	20,300							288,300		SCIL/S106 for Essential Safety Capital Works - Scheme in Progress
00001572	Wimbledon Public Realm Imps	500,000	0							500,000		SCIL for Essential Public Realm Works
00001573	Morden TC Regen Match Funding	2,000,000	0	(1,750,000)						250,000		Merton Match Funding for Regeneration Works
00000093	Wandle Project		15,640							15,640		S106 Scheme Meeting Terms of Agreement
00000102	Shop Front Improvement		23,410							23,410		S106/NCIL Scheme Meeting Terms of Agreement
00001335	XMAS Lighting	95,000	0							95,000		Merton Scheme to Boost Three Key Town Centres
00001444	Haydons Rd Shop Front Impr	204,000	20,000							224,000		NCIL for Essential Capital Works
00001145	Merton Lost Rivers	100,000	0							100,000		Merton Scheme for Essential Capital Works
00001445	Bramcote Parade Improvements		50,000							50,000		NCIL for Essential Capital Works

Capital Programme Budget 2020-21

Environment	Environment and Regeneration	Budget 2020-21	Slippage	Reprofiled into 2021-22	New 2020-21	Virement	TfL 2019-20	Clawback	Relinquished	Revised Budget 2020-21	Score	Description of Impact
00001512	42 Graham Road		50,000							50,000		Merton Scheme to Convert Old Doctors Surgery to Income Generating
00001513	Vacant Premises Upgrade	25,000	0							25,000		Merton Scheme to Revamp Premises to Increase Rent
00810081	Morden Leisure Centre		70,370						(15,370)	55,000		Merton Scheme for Essential Works to Complete Scheme - Committed
00000099	Wimbledon Park Lake Safety	1,318,160	18,790	(1,007,450)						329,500		SCIL for Essential Safety Capital Works
00000640	Leisure Centre Plant & Machine	250,000	58,840							308,840		Merton Scheme for Essential Contractual GLL Works - CHP Boilers
00000635	Parks Investment	300,000	15,670							315,670		Merton Block Scheme for Essential Capital Works
00000689	Canons - Parks for People	1,188,300	11,380							1,199,680		HLF/SCIL Scheme Revamping Canons
04240000	Abbey Recreation Ground	39,750	0							39,750		S106 Scheme Meeting Terms of Agreement
00001157	Merton Park Green Walks	38,000	0							38,000		S106/NCIL Scheme Meeting Terms of Agreement
00001571	New Water Play Feature Wimb Pk	226,000	0							226,000		SCIL for Essential Capital Works
00001576	Wimb Pk Surface Car Park Op 2	40,000	0							40,000		Revenue Generating Scheme
00001577	Paddling Pool Option 1	90,000	0							90,000		SCIL for Essential Capital Works
00001578	Paddling Pool Option 2	226,000	0							226,000		SCIL for Enhancement Capital Works
00001567	Resurface Tennis Courts		150,440							150,440		Ringfenced Revenue Reserve to Fund the Scheme
74	Environment and Regeneration	18,529,540	1,041,560	(3,157,450)	0	0	(1,149,010)	(223,120)	(387,940)	14,653,580		
7	Capital	47,198,830	3,760,430	(5,170,780)	572,660	0	(1,149,010)	(272,970)	(387,940)	44,551,220		

Key	Description
Page 53	Essential Capital Works
	Review Information Outstanding
	No Budget 2020-21
NCIL	Neighbourhood Construction Industry Levy
S106	Section 106 Agreement
SCIL	Strategic Construction Industry Levy
TfL	Transport for London

Capital Programme Budget 2021-24

	Summary	Budget 2021-22	Adjustment	Revised Budget 2021-22	Budget 2022-23	Adjustment	Revised Budget 2022-23	Budget 2023-24	Adjustment	Revised Budget 2023-24
71	Corporate Services	11,128,220	400,000	11,528,220	2,895,000	0	2,895,000	15,410,480	0	15,410,480
72	Community and Housing	913,000	767,200	1,680,200	882,000	547,000	1,429,000	425,000	0	425,000
73	Children Schools & Families	5,500,000	1,130,000	6,630,000	1,900,000	0	1,900,000	1,900,000	0	1,900,000
74	Environment and Regeneration	11,424,790	1,407,450	12,832,240	8,342,890	0	8,342,890	5,279,000	1,750,000	7,029,000
	Total	28,966,010	3,704,650	32,670,660	14,019,890	547,000	14,566,890	23,014,480	1,750,000	24,764,480

	Corporate Services	Budget 2021-22	Adjustment	Revised Budget 2021-22	Budget 2022-23	Adjustment	Revised Budget 2022-23	Budget 2023-24	Adjustment	Revised Budget 2023-24
00000006	Customer Contact Programme	1,900,000	0	1,900,000	0	0	0	0	0	0
00000627	Capital Building Works	650,000	0	650,000	650,000	0	650,000	650,000	0	650,000
00000023	Civic Centre Lighting Upgrade	300,000	0	300,000	0	0	0	0	0	0
00001595	Combined Heat and Power (CHP) Sy	0	0	0	0	0	0	450,000	0	450,000
00001596	Absorption Chiller Replacement	0	0	0	0	0	0	275,000	0	275,000
00000000	Invest to Save	300,000	0	300,000	300,000	0	300,000	300,000	0	300,000
00000008	Environmental Asset Management	0	0	0	240,000	0	240,000	0	0	0
00000009	Revenue & Benefits	0	400,000	400,000	0	0	0	0	0	0
00000005	Aligned Assets	75,000	0	75,000	0	0	0	0	0	0
00001505	Ancillary IT Systems	50,000	0	50,000	0	0	0	0	0	0
00000698	Planning&Public Protection Sys	0	0	0	0	0	0	550,000	0	550,000
00000011	Replacement SC System	0	0	0	0	0	0	2,100,000	0	2,100,000
00000000	Planned Replacement Programme	870,000	0	870,000	705,000	0	705,000	770,000	0	770,000
00000046	Network Switch Upgrade	0	0	0	200,000	0	200,000	0	0	0
00000629	IT Equipment	100,000	0	100,000	100,000	0	100,000	0	0	0
00001370	e5.5 Project	0	0	0	700,000	0	700,000	0	0	0
00000000	Acquisitions Budget	0	0	0	0	0	0	6,985,180	0	6,985,180
00000000	Capital Bidding Fund	0	0	0	0	0	0	1,186,400	0	1,186,400
00000000	Corporate Capital Contingency	0	0	0	0	0	0	2,143,900	0	2,143,900
00000000	Housing Company	6,883,220	0	6,883,220	0	0	0	0	0	0
71	Corporate Services	11,128,220	400,000	11,528,220	2,895,000	0	2,895,000	15,410,480	0	15,410,480

	Community and Housing	Budget 2021-22	Adjustment	Revised Budget 2021-22	Budget 2022-23	Adjustment	Revised Budget 2022-23	Budget 2023-24	Adjustment	Revised Budget 2023-24
00000031	Telehealth	0	20,200	20,200	0	0	0	0	0	0
00000000	Disabled Facilities Grant	280,000	547,000	827,000	280,000	547,000	827,000	280,000	0	280,000
00000000	LD Housing	633,000	0	633,000	462,000	0	462,000	145,000	0	145,000
00000038	West Barnes Library Re-Fit	0	200,000	200,000	0	0	0	0	0	0
00000039	Library Management System	0	0	0	140,000	0	140,000	0	0	0
72	Community and Housing	913,000	767,200	1,680,200	882,000	547,000	1,429,000	425,000	0	425,000

	Children Schools & Families	Budget 2021-22	Adjustment	Revised Budget 2021-22	Budget 2022-23	Adjustment	Revised Budget 2022-23	Budget 2023-24	Adjustment	Revised Budget 2023-24
00000880	Schools Capital maintenance	1,900,000	0	1,900,000	1,900,000	0	1,900,000	1,900,000	0	1,900,000
00000048	Harris Academy Wimbledon	0	150,000	150,000	0	0	0	0	0	0
00001574	Melrose Sdary SEMH 14 Places	750,000	0	750,000	0	0	0	0	0	0
00001500	Melrose Primary SEMH annexe 16	400,000	350,000	750,000	0	0	0	0	0	0
01530051	Harris Morden Sec Autism Unit	1,200,000	110,000	1,310,000	0	0	0	0	0	0
00001503	New ASD Provision	0	220,000	220,000	0	0	0	0	0	0
00000697	Further SEN Provision	0	250,000	250,000	0	0	0	0	0	0
00001502	Secondary SEMH/medical PRU	1,250,000	50,000	1,300,000	0	0	0	0	0	0
73	Children Schools & Families	5,500,000	1,130,000	6,630,000	1,900,000	0	1,900,000	1,900,000	0	1,900,000

Capital Programme Budget 2021-24

	Environment and Regeneration	Budget 2021-22	Adjustment	Revised Budget 2021-22	Budget 2022-23	Adjustment	Revised Budget 2022-23	Budget 2023-24	Adjustment	Revised Budget 2023-24
00000056	Pay and Display Machines	0	400,000	400,000	0	0	0	0	0	0
00001579	Car Park Upgrades	520,000	0	520,000	0	0	0	0	0	0
00000644	CCTV (match funding)	699,000	0	699,000	480,000	0	480,000	0	0	0
00000000	Public Protection and Developm	35,000	0	35,000	0	0	0	0	0	0
00000643	Replacement of Fleet Vehicles	300,000	0	300,000	300,000	0	300,000	300,000	0	300,000
00000000	Alley Gating Scheme	30,000	0	30,000	30,000	0	30,000	30,000	0	30,000
00000643	SLWP Replacement of Fleet Vehicle	0	0	0	340,000	0	340,000	0	0	0
00000642	Street Tree Programme	60,000	0	60,000	60,000	0	60,000	60,000	0	60,000
00001598	New Street Tree Planting Programm	50,000	0	50,000	0	0	0	0	0	0
00000101	Street Lighting Replacement Pr	290,000	0	290,000	290,000	0	290,000	290,000	0	290,000
00000117	Traffic Schemes	150,000	0	150,000	150,000	0	150,000	150,000	0	150,000
00000144	Surface Water Drainage	69,000	0	69,000	69,000	0	69,000	69,000	0	69,000
00000634	Repairs to Footways	1,000,000	0	1,000,000	1,000,000	0	1,000,000	1,000,000	0	1,000,000
00000638	Maintain AntiSkid and Coloured	70,000	0	70,000	70,000	0	70,000	70,000	0	70,000
00000639	Borough Roads Maintenance	1,200,000	0	1,200,000	1,200,000	0	1,200,000	1,200,000	0	1,200,000
00000645	Highways bridges & structures	260,000	0	260,000	260,000	0	260,000	260,000	0	260,000
00001509	Culverts Upgrade	250,000	0	250,000	0	0	0	0	0	0
00001526	Bishopsford Bridge	690,000	0	690,000	0	0	0	0	0	0
00000685	Unallocated TFL	1,300,000	0	1,300,000	1,300,000	0	1,300,000	1,300,000	0	1,300,000
00000689	Canons - Parks for People	533,020	0	533,020	0	0	0	0	0	0
00001572	Wimbledon Public Realm Imps	500,000	0	500,000	500,000	0	500,000	0	0	0
00001573	Morden TC Regen Match Funding	2,500,000	0	2,500,000	1,500,000	0	1,500,000	0	1,750,000	1,750,000
00001145	Merton Lost Rivers	100,000	0	100,000	100,000	0	100,000	0	0	0
00000099	Wimbledon Park Lake Safety	0	1,007,450	1,007,450	0	0	0	0	0	0
00000640	Leisure Centre Plant & Machine	250,000	0	250,000	250,000	0	250,000	250,000	0	250,000
00000635	Parks Investment	300,000	0	300,000	300,000	0	300,000	300,000	0	300,000
00000689	Canons - Parks for People	178,770	0	178,770	0	0	0	0	0	0
00001577	Paddling Pool Option 1	90,000	0	90,000	90,000	0	90,000	0	0	0
00000000	Mortuary Provision	0	0	0	53,890	0	53,890	0	0	0
74	Environment and Regeneration	11,424,790	1,407,450	12,832,240	8,342,890	0	8,342,890	5,279,000	1,750,000	7,029,000
7	Capital	28,966,010	3,704,650	32,670,660	14,019,890	547,000	14,566,890	23,014,480	1,750,000	24,764,480

Funding the Budgeted Capital Programme 2020-21

Appendix 2D

Department	Revised Budget 2020-21	Strategic CIL	Neighbourhood CIL	Section 106	Revenue Contributions	Corporate Reserves	TfL	Other Ringfenced Grants	General Grants	Capital Receipts	Unfunded
Corporate Services	23,699,770	0	0	0	0	(234,880)	0	0	0	0	23,464,890
Community and Housing	1,709,200	0	0	(488,000)	0	(20,200)	0	(827,000)	0	0	374,000
Children, Schools and Families	4,488,670	(1,582,605)	0	0	(147,000)	0	0	(349,570)	(2,406,930)	0	2,565
Environment and Regeneration	14,653,580	(2,486,513)	(324,610)	(295,260)	(150,440)	0	(285,990)	(3,027,517)	0	0	8,083,250
Generally Applied to Programme		0	0	0	(4,436,904)	0	0	0	0	(2,958,975)	(7,395,879)
Total	44,551,220	(4,069,118)	(324,610)	(783,260)	(4,734,344)	(255,080)	(285,990)	(4,204,087)	(2,406,930)	(2,958,975)	24,528,826

Funding the Budgeted Capital Programme 2021-22

Department	Revised Budget 2021-22	Strategic CIL	Neighbourhood CIL	Section 106	Revenue Contributions	Corporate Reserves	TfL	Other Ringfenced Grants	General Grants	Capital Receipts	Unfunded
Corporate Services	11,528,220	0	0	0	0	0	0	0	0	0	11,528,220
Community and Housing	1,680,200	0	0	(633,000)	0	(10,197)	0	(827,000)	0	0	210,003
Children, Schools and Families	6,630,000	(4,730,000)	0	0	0	0	0	0	(1,900,000)	0	0
Environment and Regeneration	12,832,240	(2,316,450)	0	0	0	0	(1,300,000)	(711,790)	0	0	8,504,000
Generally Applied to Programme		0	0	0	(45,000)	0	0	0	0	(640,000)	(685,000)
Total	32,670,660	(7,046,450)	0	(633,000)	(45,000)	(10,197)	(1,300,000)	(1,538,790)	(1,900,000)	(640,000)	19,557,223

Funding the Budgeted Capital Programme 2022-23

Department	Revised Budget 2022-23	Strategic CIL	Neighbourhood CIL	Section 106	Revenue Contributions	Corporate Reserves	TfL	Other Ringfenced Grants	General Grants	Capital Receipts	Unfunded
Corporate Services	2,895,000	0	0	0	0	0	0	0	0	0	2,895,000
Community and Housing	1,429,000	0	0	(462,000)	0	0	0	(557,590)	0	0	409,410
Children, Schools and Families	1,900,000	0	0	0	0	0	0	0	(1,900,000)	0	0
Environment and Regeneration	8,342,890	(840,000)	0	0	0	0	(1,300,000)	0	0	0	6,202,890
Generally Applied to Programme		0	0	0	(55,000)	0	0	0	0	(900,000)	(955,000)
Total	14,566,890	(840,000)	0	(462,000)	(55,000)	0	(1,300,000)	(557,590)	(1,900,000)	(900,000)	8,552,300

Funding the Budgeted Capital Programme 2023-24

Department	Indicative Budget 2023-24	Strategic CIL	Neighbourhood CIL	Section 106	Revenue Contributions	Corporate Reserves	TfL	Other Ringfenced Grants	General Grants	Capital Receipts	Unfunded
Corporate Services	15,410,480	0	0	0	0	0	0	0	0	0	15,410,480
Community and Housing	425,000	0	0	(145,000)	0	0	0	(280,000)	0	0	0
Children, Schools and Families	1,900,000	0	0	0	0	0	0	0	(1,900,000)	0	0
Environment and Regeneration	7,029,000	0	0	0	0	0	(1,300,000)	0	0	0	5,729,000
Generally Applied to Programme		0	0	0	(30,000)	0	0	0	0	(900,000)	(930,000)
Total	24,764,480	0	0	(145,000)	(30,000)	0	(1,300,000)	(280,000)	(1,900,000)	(900,000)	20,209,480

APPENDIX 3

Department	Target Savings 2019/20	2019/20 Savings achieved	Shortfall	Shortfall %	Period 10 Forecast Shortfall	2020/21 Expected Shortfall
	£000	£000	£000	%	£000	£000
Corporate Services	1,484	1,259	225	15.2%	95	155
Children Schools and Families	572	572	0	0.0%	0	0
Community and Housing	1,534	1,416	118	7.7%	118	0
Environment and Regeneration	3,370	1,752	1,618	48.0%	1,351	217
Total	6,960	4,999	1,961	28.2%	1,564	372

DEPARTMENT: CORPORATE SERVICES - PROGRESS ON SAVINGS 19-20

Ref	Description of Saving	2019/20 Savings Required £000	2019/20 Savings Achieved £000	Shortfall	RAG	2020/21 Savings Expected £000	2020/21 Expected Shortfall £000	20/21 RAG	Responsible Officer	Comments
	Customers, Policy & Improvement									
CS2016 -05	Increase income through translations	15	15	0	G	15	0	A	Sean Cuniffe	20/21 will see the outsourcing of Translation Services so income streams will be removed as a result. Efficiencies will be made organisationally as a result of reduced administrative costs associated with maintaining the in-house service.
CS2016 -07	Cash Collection Reduction	30	30	0	G	30	0	G	Sean Cuniffe	
2018-19 CS09	Reduction/rationalisation in running costs budgets across multiple budgets	35	35	0	G	35	0	G	Sean Cuniffe	
CS2016 -06	Merton Link - efficiency savings								Sean Cuniffe	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 Cuniffe	Saving brought forward from 20/21 to 19/20 to offset CS2016-06 reprofiled from 19/20 to 20/21. Staff reduction came into effect mid-year, with the shortfall being met from elsewhere in the service
	Infrastructure & Technology									
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, therefore only a part-year saving achieved in 19/20.
2018-19 CS14	M3 support to Richmond/Wandsworth	20	0	20	R	20	0	A	Clive Cooke	This is dependent on agreement with RSP, may be at risk if they don't migrate to M3 system.
	Corporate Governance									
CSREP 2019-20 (1)	Increase in income from Legal Services relating to S106, property and court fees	50	46	4	A	50	0	G	Louise Round	The small shortfall in 2019/20 is offset in year by underspends on LBM legal services expenditure
CSREP 2019-20 (6)	Legal services - reduce employment and HR support by 50%	30	11	19	A	30	0	G	Louise Round	Underachievement offset by underspends elsewhere on legal support
	Resources									
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	30	-		Roger Kershaw	Saving replaced from 2020/21.
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	31	69	A	0	100	R	David Keppler	Overspend of £119k across LBM and LBS bailiff services, shortfall in saving is shown split across 2018-19 CS08 and CSREP 2019-20 (3). 20/21 will be kept under review but the service is not currently operational in light of the covid-19 circumstances so will not meet the savings target in 20/21.

APPENDIX 3

DEPARTMENT: CORPORATE SERVICES - PROGRESS ON SAVINGS 19-20

Ref	Description of Saving	2019/20 Savings Required £000	2019/20 Savings Achieved £000	Shortfall	RAG	2020/21 Savings Expected £000	2020/21 Expected Shortfall £000	20/21 RAG	Responsible Officer	Comments
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	0	50	R	0	50	R	David Keppler	Overspend of £119k across LBM and LBS bailiff services, shortfall in saving is shown split across 2018-19 CS08 and CSREP 2019-20 (3). 20/21 will be kept under review but the service is not currently operational in light of the covid-19 circumstances so will not meet the savings target in 20/21.
	Corporate									
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	
CSREP 2019-20 (5)	CHAS dividend	40	40	0	G	40	0	G	Ian McKinnon	
	Total Corporate Services Department Savings for 2019/20	1,484	1,259	225		1,329	155			

DEPARTMENT: ENVIRONMENT & REGENERATION SAVINGS PROGRESS: 2019-20

Ref	Description of Saving	2019/20 Savings Required £000	2019/20 Savings Achieved £000	Shortfall	RAG	2020/21 Savings Expected £000	2020/21 Expected Shortfall £000	2020/21 RAG	Responsible Officer	Comments	R / A Included in Forecast Over/Underspend? Y/N
SUSTAINABLE COMMUNITIES											
E4	Income from Merantun Development Limited for services provided to the company by LBM	100	94	6	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	10	45	R	48	7	R	James McGinlay	Covid-19 estimated to impact on saving, due to JC Decaux requesting to remove Q2 guaranteed income payment due to LBM.	Y
PUBLIC PROTECTION											
ENR1	Further expansion of the shared service.	100	100	0	G	100	0	G	Cathryn James		Y
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, this wasn't possible this financial year.	Y
ENR4	Charge local business' for monitoring of their CCTV	100	0	100	R				Cathryn James	Alternative saving has been agreed for 2020/21.	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	662	1,238	R	1900	0	A	Cathryn James	Saving was designed to influence motorists behaviour and reduce the use of the motor car. It is too early to tell exactly how behaviour has been affected. Covid-19 has affected parking revenue across the board including ANPR, PCNs as well as on and off street charges income. Further work is underway to fully understand the short and longer term impact of this.	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	0	14	R	14	0	A	Cathryn James		Y
PUBLIC SPACE											
ENR9	Increase level of Enforcement activities of internal team ensuring the operational service is cost neutral	200	165	35	R				John Bosley	Alternative saving has been agreed for 2020/21.	Y
E2	Thermal Treatment of wood waste from HRRC	30	0	30	R				John Bosley	Saving rejected by members due to impact on recycling rate and reputational damage. Thermal treatment of wood is no longer an option due to impact on carbon and the Council's commitment to be Carbon neutral. This saving will be replaced from 2020/21 by the underspend in residual waste disposal costs following the October 2018 service change.	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		N
E5	Letting of remaining vacant facilities in Greenspaces	50	0	50	R	50	0	A	John Bosley	One vacant property recently let	Y
E6	Increased tenancy income in Greenspaces	40	0	40	R				John Bosley	Alternative saving has been agreed for 2020/21.	Y
ENR10	MLC opens and Five year extension of the GLL contract	300	300	0	G	90	210	R	John Bosley	Guaranteed income reduced to zero for all months centres closed as a minimum, currently estimated until the end of June. This may be extended should the close out be extended.	N
ENV1819-01	Five year extension of the GLL contract	60	60	0	G	60	0	G	John Bosley		N
Total Environment and Regeneration Savings 2018/19		3,370	1,752	1,618		2,783	217				

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

Ref	Description of Saving	2019/20 Savings Required £000	2019/20 Savings Achieved £000	Shortfall	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
	Education										
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		
	Children Social Care & Youth Inclusion										
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	G	45	0	G	El Mayhew		Y
CSF2018-06	South London Family Drug and Alcohol Court commissioning	45	45	0	G	45	0	G	El Mayhew		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		
	Total Children, Schools and Families Department Savings for 2019/20	572	572	0		572	0				

APPENDIX 3											
DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2019/20											
Ref	Description of Saving	2019/20 Savings Required £000	2019/20 Savings Achieved £000	Shortfall	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
Adult Social Care											
CH35/36/52	Housing Related Support:- 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	309	0	G	309	0	G	Steve Langley	Achieved	Y
CH39	Extra Care Contracts:- 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	Promoting Independence:- 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	Home Care:- 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
CH70	Home Care Monitoring System:- 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. This is due to the low volume of hours taken on by the specialist providers, they may only support one customer thus not economically viable to be enrolled on to home monitoring system.	Y
CH89	Older People Day Care Activities:- 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
Subtotal Adult Social Care		1,496	1,378	118		1,496	0				
Library & Heritage Service											

	DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2019/20												APPENDIX 3	
Ref	Description of Saving	2019/20 Savings Required £000	2019/20 Savings Achieved £000	Shortfall	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			
CH67	Merton Arts Space income	38	38	0	G	38	0	G	Anthony Hopkins	On track, rental income has increased above budget by £9.4k	Y			
	Total C & H Savings for 2019/20	1,534	1,416	118		1,534	0							

Progress on savings 2018/19

APPENDIX 3A

Department	Target Savings 2018/19	2018/19 Shortfall	2019/20 Shortfall	2020/21 Projected shortfall
	£000	£000	£000	£000
Corporate Services	2,024	505	395	120
Children Schools and Families	489	0	0	0
Community and Housing	2,198	442	0	0
Environment and Regeneration	926	523	206	50
Total	5,637	1,470	601	170

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 Shortfall £000	19/20 RAG	2020/21 Expected Shortfall £000	20/21 RAG	Responsible Officer	Comments
	Infrastructure & transactions									
CS2015-10	FM - Energy invest to save	465	465	R	365	A	110	A	Richard Neal	The capital spend to achieve this was slipped and hence the saving was delayed with £100k achieved in 19/20 and £355k in 20/21. In 19/20 the unachieved saving has been 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 to identify if this can be met or if a replacement saving is required.
CSREP 2018-19 (14)	M3 support to Richmond/Wandsworth	20	20	R	20	R	0	A	Clive Cooke	This is dependent on agreement with RSP, may be at risk if they don't migrate to M3 system.
	Corporate Governance									
CSD43	Share FOI and information governance policy with another Council	10	10	R					Karin Lane	Replacement saving identified. From 19/20 this saving has been replaced by a reduction to the Corporate Governance AD's budget
	Total Corporate Services Department Savings for 2018/19	505	505		395		120			

DEPARTMENT: ENVIRONMENT & REGENERATION SAVINGS PROGRESS: 2018-19

APPENDIX 3A

Ref	Description of Saving	2018/19 Savings Required £000	2018/19 Savings Expected £000	Shortfall	18/19 RAG	2019/20 Savings Achieved £000	2019/20 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
SUSTAINABLE COMMUNITIES													
ENV20	D&BC: Increased income from building control services.	35	0	35	R						James McGinlay	Alternative saving has been agreed and implemented for 2019/20.	N
PUBLIC PROTECTION													
ENV07	Parking: Reduction in supplies & services/third party payment budgets.	60	13	47	R	13	47	R			Cathryn James	Alternative saving has been agreed for 2020/21.	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 and implemented for 2019/20.	N
ENV09	Regulatory Services: Investigate potential commercial opportunities to generate income	50	0	50	R	0	50	R	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		N
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		N
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
PUBLIC SPACE													
ENV32	Transport: Review of Business Support requirements	30	0	30	R						John Bosley	Alternative saving has been agreed and implemented for 2019/20.	N
ENR6	Waste: Wider Department restructure in Waste Services	200	0	200	R	91	109	R	50	A	John Bosley	This was not delivered in 2018. Review of the current wider Public Space structure is being assessed and business needs along with resource gap being identified. Scheduled. The restructure is now scheduled for the first quarter 2020/21	Y
ENR7	Transport Services: Shared Fleet services function with LB Sutton	10	0	10	R						John Bosley	Alternative saving has been agreed and implemented for 2019/20.	N
Total Environment and Regeneration Savings 2018/19		926	403	523		605	206		50				

Updated 19/02/2020											APPENDIX 3A
DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2018/19											
Ref	Description of Saving	2018/19 Savings Required £000	Shortfall £000	RAG	2019/20 Savings Achieved £000	2019/20 Shortfall £000	19/20 RAG	2020/21 Expected Shortfall £000	19/20 RAG	Responsible Officer	Comments
	Adult Social Care										
CH73	A review of management and staffing levels of the AMH team in line with the reductions carried out in the rest of ASC.	100	23	R	100	0	G	0	G	Richard Ellis	Balance deferred to 2019/20
CH36	Single homeless contracts (YMCA, Spear, Grenfell) - Reduce funding for contracts within the Supporting People area which support single homeless people -Reduced support available for single homeless people - both in terms of the numbers we could support and the range of support we could provide. In turn this would reduce their housing options. (CH36)	38	38	R	38	0	G	0	G	Steve Langley	£38k deferred to 2019/20
CH71	Transport: moving commissioned taxis to direct payments. Service users can purchase taxi journeys more cheaply than the council.	50	50	R	50	0	R	0	G	Phil Howell	Deferred to 2020/21.
CH72	Reviewing transport arrangements for in-house units, linking transport more directly to the provision and removing from the transport pool.	100	100	R	100	0	R	0	G	Richard Ellis	£100k deferred to 2020/21. Part of the Transport review which is about to commence
CH74	The implementation of the MOSAIC social care system has identified the scope to improve the identification of service users who should contribute to the costs of their care and assess them sooner, thus increasing client income. Assessed as a 3% improvement less cost of additional staffing	231	231	R	231	0	G	0	G	Richard Ellis	Team resources have increased and this has enabled to team to catch up on reviews and nil payers, which has netted more then £200k in additional income
Total C & H Savings for 2018/19		519	442		519	0		0			

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

Ref	Description of Saving	2018/19 Savings Required £000	Shortfall £000	RAG		2019/20 Savings Achieved £000	2019/20 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 4

Subject: Miscellaneous Debt Update March 2020

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

- 1.1 A breakdown of departmental net miscellaneous debt arrears, as at 31 March 2020, 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 – 31 March 2020 – not including debt that is less than 30 days old (Please note the new system reports debt up to 30 days whereas previously we reported up to 39 days)

Department a	30 days to 6 months b	6 months to 1 year c	1 to 2 years d	Over 2 years e	March 20 arrears f	Dec 19 arrears f	Direction of travel
	£	£	£	£	£	£	
Env & Regeneration	1,590,897	682,164	222,409	625,788	3,121,258	2,322,975	↑
Corporate Services	154,060	57,823	49,935	138,337	400,155	560,766	↓
Housing Benefits	595,793	382,862	1,087,641	3,023,642	5,089,938	5,001,504	↑
Children, Schools & Families	160,456	95,499	167,305	404,116	827,376	932,458	↓
Community & Housing	714,526	670,387	1,172,302	2,273,870	4,831,085	5,206,939	↓
Chief Executive's					-	-	-
CHAS 2013	21,848	3,517	-846	0	24,519	32,786	↓
Total	3,237,579	1,892,254	2,698,745	6,465,752	14,294,330	14,057,428	↑

- 1.3 Since the position was last reported on 31 December 2019, the net level of arrears, i.e. invoices over 30 days old, has increased by £236,902.
- 1.4 Since last reported at the end of December Environmental and Regeneration has increased by £798,283. There was an increase of £1.1 million in CIL debt over 30 day. One invoice of over £820,000 which was raised in December 2019 is still unpaid and is with the legal team to undertake legal proceedings. Housing benefit debt has increased by £88,434 (detailed below in this report).

- 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 £4.648 million, a reduction of £45,000 since last reported in December 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 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 was repeated in October.

- 3.10 A further 42 clients signed up for payment by direct debit in October/November 2019. The overall percentage of clients now paying by direct debit is 45.2% (347 out of 767).
- 3.11 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 31 December 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 £322,000 were paid in full.
- 3.12 As at the end of March 2020 only a further £7,800 has been collected. They currently have 18 live cases and they have identified 10 (£651,000) as 70% to 100% prospect of payment, 6 (£408,000) as 50% to 69% prospect of collection, 2 (£168,000) less than 50% prospect of collection. At the end of December 2019 they indicated that of the debt outstanding they indicated that £803,000 could be paid within six months. Progress since December 2019 up to the end of May 2020 has not been very good and this will be followed up and reported in the June 2020 report.
- 3.13 Agreement was reached for the Shared Legal Service to undertake legal work for an initial trial period of six months for all debts and this commenced in July 2019. Currently they have 10 cases with a total value of £172,000. Progress has been made on all cases and action commenced, including some legal proceedings. This has obviously slowed since the covid19 crisis. Work is being undertaken on the reporting of progress and a detailed update will be reported in the June 2020 report.
- 3.14 Cases for all debts types are still being passed to the Shared Legal Service and quarterly progress meetings take place to review processes and collection.
- 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 £7.644 million, which is a reduction of £9,000 since last reported at the end of December 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 June 2018 to December 2019 by quarter

Recovery Stage	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20
Invoice and Reminder stage	312,186	347,861	407,687	151,889	152,121	257,883	88,857	177,014
On-going recovery	2,775,552	2,618,115	2,477,390	2,550,198	2,622,894	2,349,142	2,178,844	2,016,838
Payment Arrangements	2,826,435	3,012,437	3,249,997	3,256,461	3,044,975	3,036,016	3,046,935	3,103,550
No Arrangements secured	2,384,329	2,216,787	1,912,306	1,967,960	2,073,063	2,180,600	2,338,903	2,347,401
Total HB Debt	8,298,502	8,195,200	8,047,380	7,926,508	7,893,053	7,823,641	7,653,539	7,644,803

- 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 291 new attachment to earnings. We currently have £754,000 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
Overpayments raised	4.67	4.56	3.66	3.74	3.10	2.61
Overpayments collected	2.22	2.88	2.75	2.92	3.00	2.47
Recovered from ongoing benefit	1.33	1.69	1.64	1.74	1.40	1.27

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 March 2020 the company reported that they had issued letters to 519 accounts, had applied for 389 attachment to earnings, set up 50 payment arrangements and received just over £131,000 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 3.24 above.

- 3.30 A further update of this initiative will be provided in the June 2020 report.
- 3.31 Work on this initiative has stopped following the covid19 crisis and lockdown.
- 3.32 Debt Written Off
- 3.33 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
	Total	Total	Total	Total	Total	Total
Debt type						
Sundry Debt	£347,726	£581,419	£129,338	£443,317	£572,301	£187,019
Housing benefit overpayment	£1,050,105	£510,352	£517,467	£512,379	£364,549	£220,728
Council Tax	£526,881	£951,280	£623,486	£804,987	£424,936	£359,789
Business Rates	£790,373	£659,514	£567,908	£378,155	£367,299	£500,210
Total	£2,715,085	£2,702,565	£1,838,199	£2,138,838	£1,729,085	£1,267,746

- 3.34 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. Of the £500,000 written off in 2019/20 £445,000 relates to businesses that went into liquidation.
- 3.35 Although the debt written off within any of the years does not relate to one specific year it should be noted that in 2019/20 the council was collecting a net debt of £119.1 million in council tax (this includes the GLA portion), a net debt of £93.7 million in business rates (this includes Business Rates Supplement) and approximately over £83 million raised through sundry debts.
- 3.36 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 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.

PROVISION FOR BAD AND DOUBTFUL DEBTS

- 5.1 Provision has been made in the draft 2019/20 accounts for writing off bad and doubtful debts held within the ASH, E5 and Housing benefits systems. These provisions are £ £4.856m for Accounts Receivable (including former ASH) miscellaneous debt and £6.202m for debt held in the Housing Benefits system, making a total General Fund provision for bad and doubtful debts of £ 11.058m. 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.

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- 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 31/03/2019	At 31/03/2020
	£000's	£000's
Env & Regeneration	701	980
Corporate Services	119	270
Housing Benefits	5890	6202
Children, Schools & Families	426	531
Community & Housing	2196	3075
Total	9332	11058

6. TOTAL DEBT DUE TO MERTON

The total amount due to Merton as at 31 March 2020 is detailed in the table below.

Total debt outstanding as at 31 March 2020 and compared with previous periods over the past 15 months

	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20
	£	£	£	£	£	£
Miscellaneous sundry debt Note 1	14,496,116	17,532,710	16,803,235	16,459,168	12,584,544	15,997,460
Housing Benefit debt	8,047,380	7,926,508	7,893,055	7,823,641	7,653,539	7,644,804
Parking Services	4,658,685	4,508,378	4,535,378	3,848,876	4,183,930	3,489,345
Council Tax Note 2	6,127,652	8,157,533	7,215,847	6,825,605	6,496,094	8,755,512
Business Rates Note 3	1,822,228	2,979,843	2,586,876	2,474,270	1,941,014	3,661,859
Total	35,152,061	41,104,972	39,034,391	37,431,560	32,859,121	39,548,980

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 2019/20 in March 20 figures hence the increase.

Note 3 Business rates debt now includes unpaid business rates for 2019/20 in March 20 figure hence the increase.

- 6.1 The overall debt outstanding has increased by £6,689,859 since last reported at the end of December 2019. There are increases in council

tax and business rates debts as the figures at the end of March 2020 include unpaid debts that were billed in 2019/20.

- 6.2 The Parking debt has reduced but this is partly due to the debt figure for March 20 actually being the debt figure as at 28 May 2020. The 28 May data would incorporate reducing enforcement following the covid19 crisis.
- 6.3 A more relevant comparison is between March 2019 and March 2020. The changes in outstanding debt are as follows

Overall £1,556,000 decrease
 Sundry debt £1,535,000 decrease
 Housing Benefit £282,000 decrease
 Council Tax £598,000 increase
 Parking £1,019,000 decrease
 Business Rates £682,000 increase

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

Car Parking Aged Debtors – 28 May 2020
 (Please note that these numbers are as at 28 May 2020 and not 31 March 2020. They show the impact of Covid19)

Age of Debt	Outstanding £	Number of PCNs	Average Value £
0-3 months	£725,039	6,498	£112
3-6 months	£750,043	4,549	£165
6-9 months	£590,746	3,501	£169
9-12 months	£456,604	2,590	£176
12-15 months	£395,023	2,216	£178
Older than 15 months	£571,889	3,204	£178
Total	£3,489,345	22,558	£155

Total December 2019 £4,183,930 29,305

Increase/-decrease £694,585- 6,747-

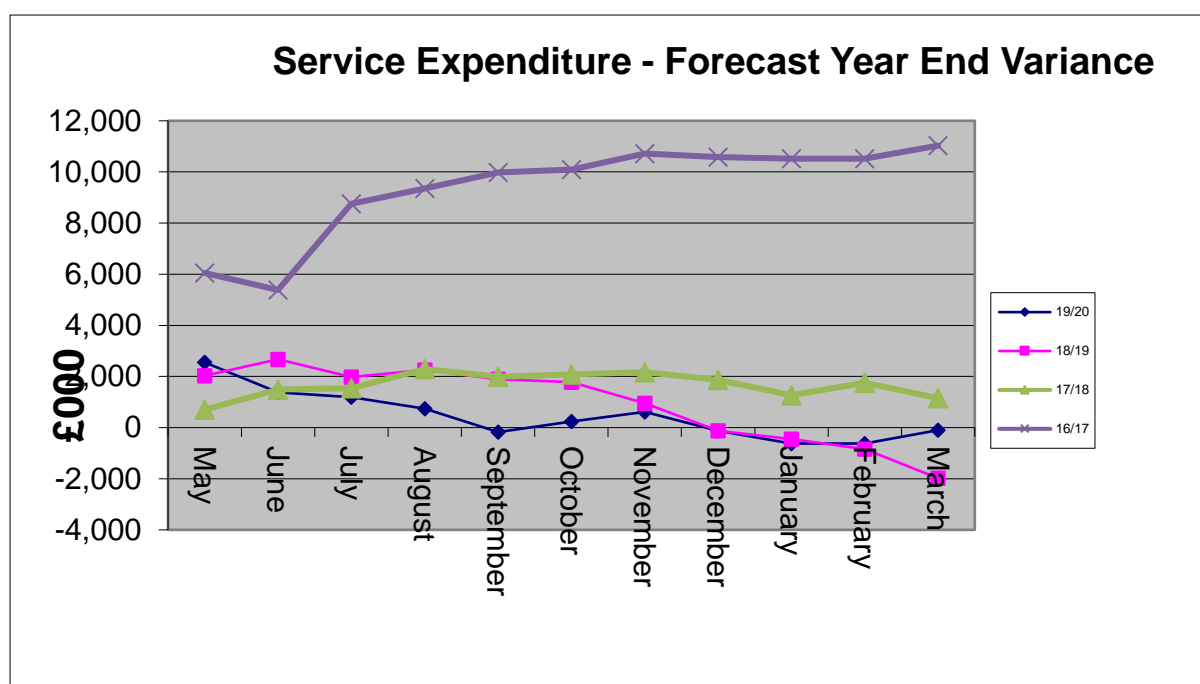
APPENDIX 5

Quality of Forecasting

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

The quality of forecasting has generally improved in recent years. As budgets have continued to be reduced by significant savings targets delivering services within budget allocation has become more difficult. Some budget managers are being overly cautious in forecasting. This together with the difficulty in forecasting demand led budgets such as adult and children's placements has resulted in a forecast adverse variance in the early part of the financial year often reducing as the year progresses. This is demonstrated in the graph below in 2018/19 and to a lesser extent in 2019/20.

Budget monitoring and forecasting will continue to be reviewed and challenged in 2020/21 with the focus on the financial impact of Covid-19.



Corporate Services – Reasons for January-Outturn variances

Division	December Forecast £'000	January Forecast £'000	February Forecast £'000	Outturn £'000	January – Outturn Variance £'000
Customers, Policy & Improvement	(176)	(123)	(123)	(169)	(46)
Infrastructure & Technology	203	(666)	(666)	(678)	(12)
Corporate Governance	(124)	(161)	(155)	(180)	(19)
Resources	30	186	175	95	(91)
Human Resources	249	218	218	187	(31)
Corporate Other	(591)	84	27	255	171
Total	(409)	(462)	(524)	(490)	(28)

Customers, Policy & Improvement

The favourable forecast variance increased from £123k expected at period 10 to £169k at year end. There are two main areas where this movement has occurred, namely Customer Contact and the Registrars service. Customer Contact's adverse variance is £20k less than anticipated due to reduced IT support required from suppliers in the last few months of the financial year. Outturn for the Registrars service is £35k better than forecast at period 10 mainly due to income exceeding expectations, particularly for citizenship ceremonies where income is received a month in arrears from the Home Office. Income forecasting will be closely monitored on the Registrars service for 20/21 to review the overly cautious nature of forecasting historically as well as the impact of Covid-19.

Infrastructure and Technology

The outturn position of a £678k favourable variance is largely unchanged overall when compared to the period 10 forecast of a £666k favourable variance. Within this relatively small movement there are some differences offsetting each other, mainly with IT and facilities.

The IT Service Delivery outturn was £26k less than the period 10 forecast as a prepayment was identified at year end which hadn't been adjusted for in the forecast. Telecoms spend was £16k higher than forecast due to the last quarterly bill being higher than expected.

Within Facilities there was reduced spend on Leisure Buildings (£31k) as Covid-19 prevented some works from being completed in March. There was also reduced income (£52k) for the external fees account due to both Covid-19 and an agency staff member leaving which prevented some works from being completed during the year. There was £18k less income than forecast for the PDC (Chaucer Centre) building due to a year end adjustment required which hadn't been reflected during budget monitoring. The Energy budget's outturn was £36k more favourable than forecast at period 10 due to some works not going ahead by the end of 19/20. Spend on energy projects had previously been highlighted by the division as an area where the forecast was less certain.

Corporate Governance

Corporate Governance's outturn favourable variance is £180k compared to £161k forecast at period 10. The largest favourable movement since period 10 is from the shared internal audit and fraud services as the year end costs provided by Richmond were £14k less than had been expected at period 10. There was also a £21k adverse movement on Election Expenses as the Cabinet Office advised that a trackway used at the General Election count venue was not reclaimable and therefore is a net cost to the Council in 2019/20. This offsets with various other small favourable movements across the division.

Resources

The outturn in resources had a net favourable movement of £91k from the period 10 forecast position. The main favourable movements within the division are from Corporate Accountancy (£35k) due to banking charges and the external audit fee being less than forecast, Local Taxation Services (£72k) as a non-general fund cost was incorrectly forecast on the service previously and income for the cost of NDR collection was higher than expected and Benefits Administration (£26k) as the agency staff requirement was less than anticipated. The Financial Information System (FIS) team also have a favourable movement of £18k as some credits were negotiated with the system supplier and some delayed work programmes due to Covid-19.

Partly offsetting these are some adverse movements in the Bailiff Service (£44k) as income continued to fall in the last few months of the year and the Insurance team (£24k) as the income forecast wasn't based on the most up to date commercial insurance database and a late insurance premium invoice for 2018/19 was paid in late 2019/20 and had not been forecast. The Budget Management team also had a £18k adverse movement due to additional agency and recruitment fees.

Human Resources

The variance on HR moved from £218k adverse variance forecast at period 10 to £187k adverse variance at year end.

The movement on HR is mainly due to external training costs which were £30k less than forecast. A freeze on non-essential training was implemented during the year when the demand for training indicated a significant budget pressure if no changes were made. The known outstanding training required was reviewed regularly and used to estimate what would be delivered by the end of March. The forecast also allowed for a degree of additional spend should some urgent or statutory training be required that hadn't already been identified. By year end this extra amount forecast was not required.

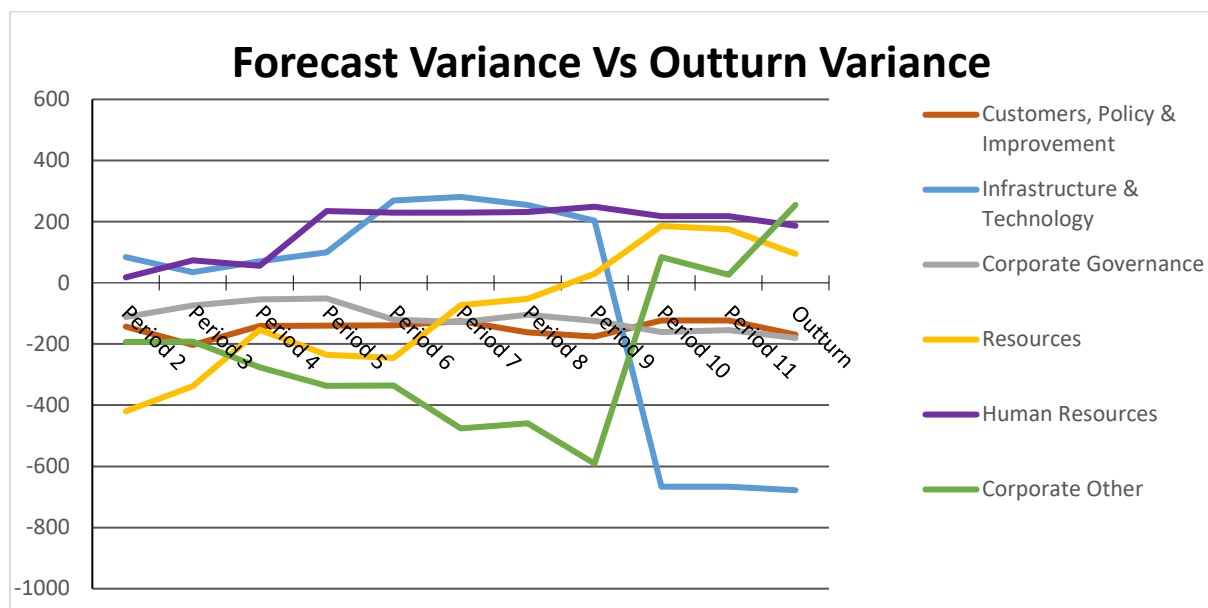
Corporate Items

Compared to period 10, the outturn variance has moved adversely by £171k. The main contributing factor is the Housing Benefits (HB) account as the surplus generated from overpayment recovery was £95k less than forecast at period 10 and a review of the HB bad debt provision at year end resulted in £100k expenditure to top up the provision. Although no top up had been forecast during the year it was considered prudent to top it up in light of the uncertainty around covid-19 and its potential impact on recovery of current HB overpayment debts.

Smaller adverse movements within Corporate Items compared to period 10 are an £18k movement from the scheme to recover old HB debts previously written off following new access to HMRC information and an additional £18k movement on redundancy costs as a further redundancy was confirmed after the period 10 forecasting.

Partly offsetting these adverse movements is a £60k reduction in cost from that forecast for the Coroners Court. This is due to updated information provided by Westminster and was identified during the period 11 review.

The following graph represents the monthly forecast variances reported by each division throughout 2019/20, compared to the final outturn position:



Environment & Regeneration – Reasons for Jan-Outturn variances

Division	Forecast Variance			Outturn Variance £'000	Jan – Outturn £'000
	December £'000	January £'000	February £'000		
Public Protection	26	317	826	1,286	969
Public Space	55	(35)	(2)	(364)	(329)
Senior Management	116	107	107	81	(26)
Sustainable Communities	(185)	(323)	(292)	(220)	103
TOTAL	12	66	639	783	717

Public Protection

The forecast variance remained relatively steady when comparing January to outturn, apart from within Parking Services whereby the adverse variance increased by £997k. However, it should be noted that the change in variance within Parking Services between February and Outturn was £488k.

There are several reasons for the change in variance, predominantly caused by a combination of Covid-19 and a change in motorists behaviours, with Covid-19 accounting for over £500k of the variance.

Taking each factor in turn, firstly, PCN income was £268k below forecast expectations, which was heavily affected by Covid-19 during February and March. For example, ANPR issue levels were c23% lower in February and c56% lower in March, whilst foot patrol issue levels were c42% lower in March, compared to the same time the previous year.

Secondly, the section was forecasting to receive £792k against the £1,900k saving relating to the review of parking charges, whereas an estimated £622k was achieved. As well as being impacted by Covid-19, the new charges implemented in January 2020 were designed to influence motorists behaviour and reduce the use of the motor car. It is too early to tell exactly how behaviour has been affected, but further work is underway to fully understand the short and longer term impact of this.

Thirdly, initial analysis indicates that January's permit and P&D income was broadly in line with expectations but, by the end of March, income levels were around £350k lower. Around £119k of this appears to relate to on and off-street parking, which we know was impacted by Covid-19. The remainder relates to permits, in particular residents and visitor, which is thought to be as a consequence of both Covid-19 (visitor permits) and a shift in driver behaviour. As an example, it appears that fewer resident permits were sold coupled with the fact that more residents purchased six-month as opposed to twelve-month permits. Motorists also appear to be purchasing individual visitor permits rather than multiples, which also indicates a switch in driver behaviour. However, this also means that an element of this variance may be a deferral rather than 'lost'.

In addition, a knock-on effect from this has been a reduction in diesel levy permit income, estimated to be around £50k.

Finally, supplies & services costs were £52k higher than forecast due to unforeseen security costs to remove trespassers from two car parks (£15k), additional maintenance costs of enforcement vehicles (£13k), and other minor costs not known during Period 10.

Relatively minor variations were experienced between January and outturn within Regulatory Services and Safer Merton, with variations of £5k and (£33k) respectively.

Public Space

Again, the forecast variance remained relatively steady when comparing January to outturn, with the exception of Waste Services whereby the adverse variance reduced by £253k.

The main reason for this was lower than expected residual waste disposal costs at the ERF facility of £340k. The unit cost for disposal at the ERF facility is based on a complex set of calculations that includes many variables that, together, result in a 'blended' gate fee for the Authority. Therefore, the cost reduction came as a result of various factors, which can be summarised as follows:-

- Landfill and contractor performance costs = (£162k)
- Waste off-taker costs = (£70k)
- NNDR cost share = (£43)
- Performance deductions = (41k)

This was partially offset by higher than forecast Phase C costs of £41k, and lower than anticipated fixed penalty notices income of £37k due to reduced volume of FPNs issued in the last quarter of the financial year.

The favourable variance within Greenspaces increased by £84k between January and outturn, mainly in relation to the Phase C contract through a combination of lower than anticipated costs (£41k) and higher than forecast income (41k).

Minor variations were experienced within Leisure & Culture (+£3k), and Transport Services (+£6k).

Sustainable Communities

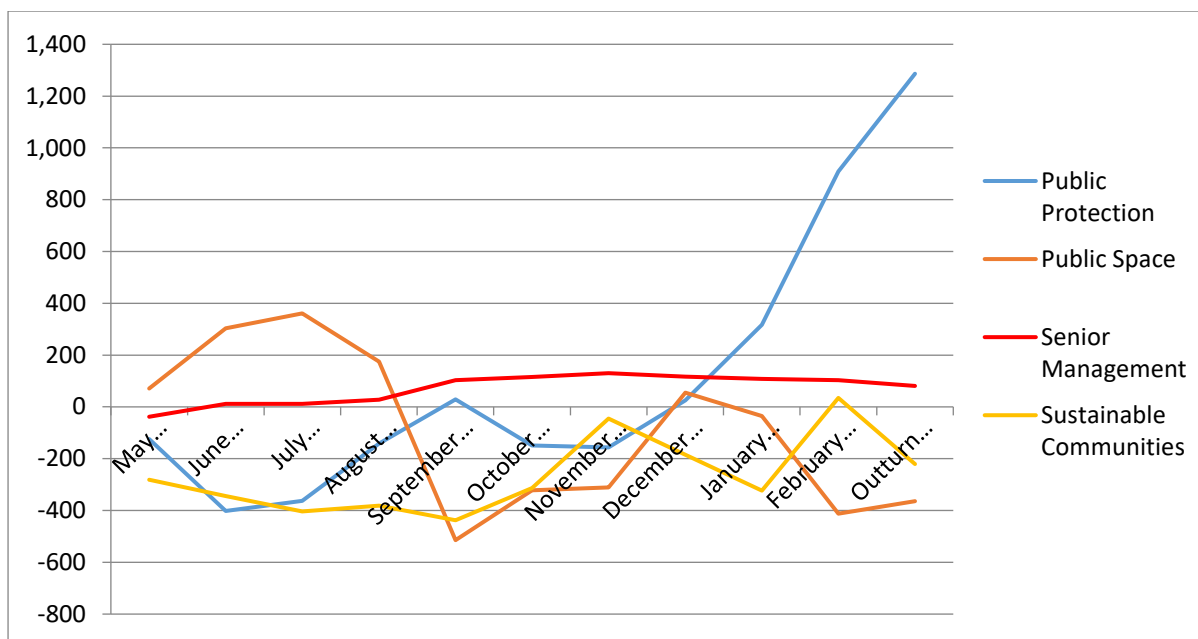
Between January and outturn the favourable variance reduced by £103k, principally within Development & Building Control (+£98k).

At outturn, income levels within D&BC were £84k lower than forecast, most notably within Development Control. Initial analysis by the section Manager estimates the impact of COVID-19 on potential D&BC income levels as being in the region of £43k.

Future Merton's overall favourable variance reduced by £23k between January and outturn, but it's worth noting that the costs associated with Bishopsford Bridge at outturn were £319k - £129k higher than forecast. This was largely due to the resolution of outstanding payments to FM Conway, for revenue matters (not capital), which were covered by a legal agreement and which had been a matter of debate between LBM and FMC. In early March 2020 FM Conway ceased work on the bridge. This was partially mitigated by lower than anticipated street lighting utility costs (-£43k), highways maintenance costs (-£27k), and improved street works income (-£41k).

A minor variation was experienced within Property Management & Review (-£18k).

The following graph represents the monthly forecast variances reported by each division throughout 2019/20, compared to the final outturn position:-



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

Division	December Forecast £'000	January Forecast £'000	February Forecast £'000	Outturn £'000	Jan – Outturn Variance £'000
Education	268	33	33	63	30
Social Care & Youth Inclusion	1,649	1,516	1,280	416	(1,100)
Cross Department budgets	(55)	(45)	(45)	(47)	(2)
PFI	(410)	(402)	(402)	(251)	151
Redundancy cost	(385)	(407)	(407)	(422)	(15)
Total	1,067	695	459	(241)	(936)

Education

The education service increased costs by £30k from the January's forecast to the year-end outturn.

Childrens Short Breaks Placement costs have increased by £88k from January due to greater clawbacks forecasted, but not materialising in March.

Education Inclusion decreased costs by £94k due to staffing underspends within My Futures Team and Education Welfare service. Additionally, there has been an overachievement in income in relation to School buy backs within Education Welfare along with an increase in licences issued within Youth Services because of unprecedented demand over February and March.

There were other smaller adverse variances including £8k increase in SEN transport, £13k increase in internal legal hard charge and £22k in CWD team staffing.

Social Care and Youth Inclusion

£1.1m favourable change from January.

Placement costs have decreased by £530k since January. This is due to the uncertainty in nature of these costs and consequently the difficulty in forecasting, this will be picked up with Budget Managers for 20/21, with a potential impact on levels of growth within the MTFS. In February, it was envisaged that the costs will be potentially significantly lower at out-turn and consequently were reduced by £236k.

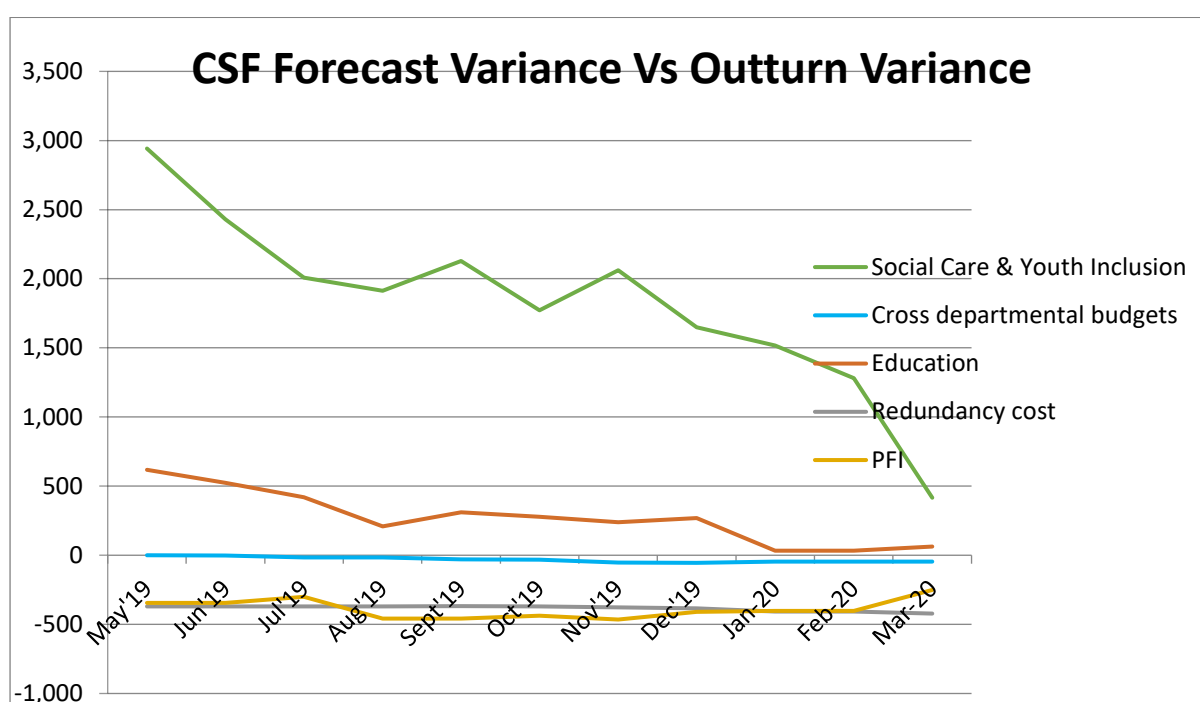
The community placement provision had a favourable reduction of £100k from January due to an over-accrual made in 2018/19. The client turns 18 in September and budget provision is available in 2020/21.

Additional £250k USAC grant has been received in March, which was not foreseen in January.

Safeguarding and care planning section 17 placement budget had a £155k reduction in costs compared to January, primarily due to staffing and legal, medical and court fees.

Cross Departmental, PFI and Redundancy cost

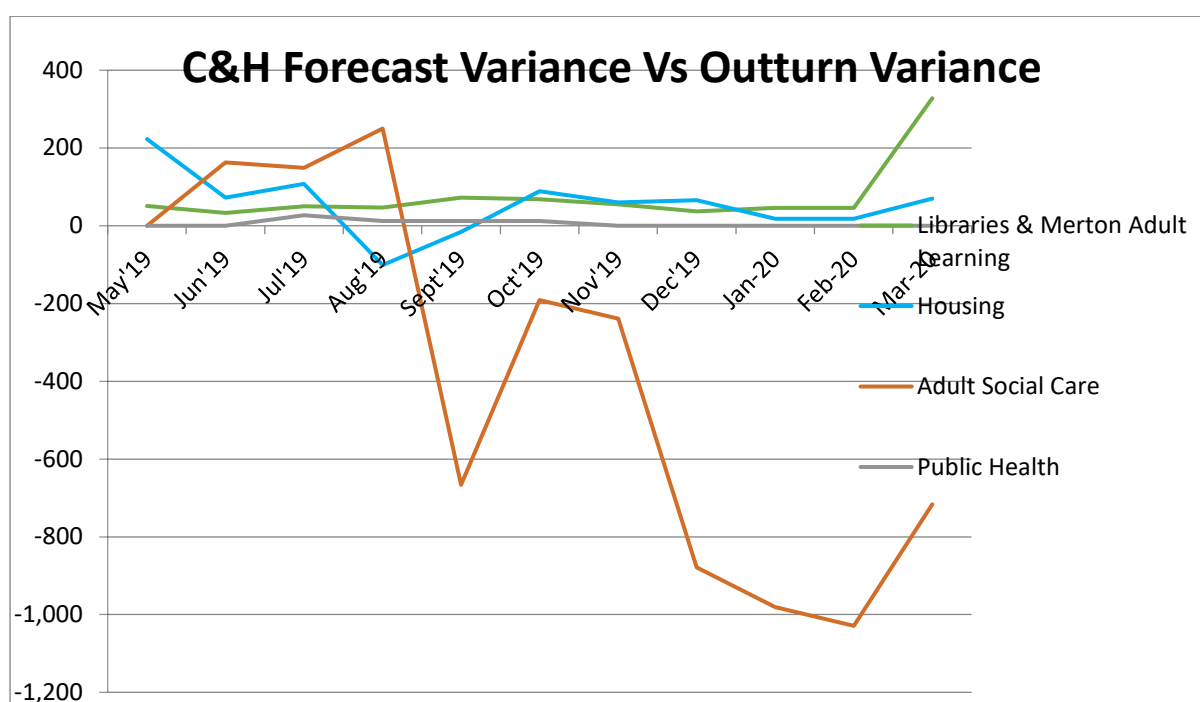
An adverse £150k movement in costs PFI from January due to year end technical adjustment. £150k budget has been transferred to reserves as per the latest model. This will be reviewed again in 2020/21.



Community & Housing – Reasons for Jan -Outturn variances

Division	December Forecast £'000	January Forecast £'000	February Forecast £'000	Outturn £'000	Jan– Outturn Variance £'000
Adult Social Care	-879	-981	-1,029	-717	265
Housing	37	46	46	328	282
Libraries & Merton Adult Learning	66	18	18	70	52
Public Health	0	0	0	0	0
TOTAL	-776	-917	-965	-319	598

The following graph represents the monthly forecast variances reported by each division in community & housing throughout 2019/20 compared to the final outturn position:-



Subject: Establishment Control and Vacancy reporting – 4th Quarter 2019/20

Lead officer: Liz Hammond – interim HR lead

Lead member: Councillor Mark Allison

Contact officer: Liz Hammond

Recommendations:

A. To note the contents of this report

1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1. The last report to this committee reported data as at Q3 2019/20 – data as at 31 December 2019.
- 1.2. This report provides data as at 4th quarter 2019/20 (data as at 31 March 2020). 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 A shows the position as at 31 March 2020. 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 31st March, 30th June, 30th September and 31st 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 A – establishment analysis including FTE agency workers and vacancies as at 31 March 2020

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
Budgeted FTE Establishment	The total budget FTE
FTE Employees	Total FTE employees
Vacancies: Budgeted FTE less FTE Employees	Budgeted FTE less FTE employees, i.e. the vacancies before accounting for agency workers
FTE vacancies covered by agency workers	Total FTE agency workers
Unfilled vacancies	Total FTE vacancies not filled by an employee or covered by an agency worker

As at 31 March 2020

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	33.43	523.25	430.05	93.20	58.99	34.21
Children Schools and Families	514.78	38.95	553.73	428.07	125.66	42.50	83.16
Community and Housing	436.67	15.79	452.46	357.05	95.41	50.00	45.41
Environment and Regeneration	373.21	83.18	456.39	318.69	137.70	76.00	61.70
Total	1814.48	171.35	1985.83	1533.86	451.97	227.49	224.48

As at 31 December 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	31.41	521.23	432.56	88.67	62.99	25.68
Children Schools and Families	514.78	46.75	565.53	438.34	127.19	47.50	79.69
Community and Housing	436.67	9.73	446.40	353.93	92.47	41.00	51.47
Environment and Regeneration	373.21	84.10	457.31	327.00	130.31	67.00	63.31
Total	1814.48	171.99	1990.47	1551.83	438.64	218.49	220.15

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	44.69	563.47	437.57	125.90	48.30	77.60
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
Total	1814.48	158.34	1976.82	1556.82	420.00	208.18	211.82

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
Total	1814.48	148.10	1963.58	1547.90	415.68	193.92	221.76

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
Total	1757.13	205.73	1962.86	1567.11	395.75	216.31	179.44

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
Total	1757.13	200.86	1957.99	1571.84	386.15	205.28	180.87

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
Total	1757.13	204.92	1962.05	1563.93	398.12	205.09	193.03

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	4.39	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
Total	1757.13	186.04	1943.17	1559.42	383.75	206.46	177.29

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
Chief Exec - Management		2	0.00	2.00	2.00	0.00	0.00	0.00
Chief Exec - Management Total		2.00	0.00	2.00	2.00	0.00	0.00	0.00
Corporate Governance								
Democracy Services		13.70	0.00	13.70	13.44	0.26	0.00	0.26
Electoral Services		4.50	0.10	4.60	4.00	0.60	1.00	-0.40
Information		10.73	0.00	10.73	10.27	0.46	0.00	0.46
South London Legal Partnership		110.50	4.14	114.64	87.45	27.19	30.99	-3.80
Management		1.00	0.00	1.00	1.00	0.00	0.00	0.00
Corporate Governance Total		140.43	4.24	144.67	116.16	28.51	31.99	-3.48
Customers, Policy and Improvement								
Continuous Improvement		4.00	1.00	5.00	4.00	1.00	0.00	1.00
Customer Contact & Communications	Communications	6.50	0.80	7.30	6.30	1.00	1.00	0.00
	Customer Contact	28.48	5.85	34.33	23.19	11.14	4.00	7.14
		1.00	0.00	1.00	0.00	1.00	0.00	1.00
Customer Contact Programme		0.00	3.00	3.00	0.00	3.00	0.00	3.00
Policy Strategy & Partnerships		5.60	0.00	5.60	5.60	0.00	0.00	0.00
Management		3.00	0.00	3.00	1.00	2.00	0.00	2.00
Customers, Policy and Improvement Total		48.58	10.65	59.23	40.09	19.14	5.00	14.14
Executive								
Executive Assistant		1	0.00	1.00	1.00	0.00	0.00	0.00
Executive Total		1.00	0.00	1.00	1.00	0.00	0.00	0.00
Human Resources								
Human Resources	Advice and Consultancy	7.00	1.50	8.50	7.61	0.89	0.00	0.89
	HR Processing and Report	7.00	-1.00	6.00	5.80	0.20	0.00	0.20
	Organisational Development & HR Strategy	12.00	-0.22	11.78	8.78	3.00	1.00	2.00
	Recruitment	3.00	0.00	3.00	3.00	0.00	0.00	0.00
	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	1.00	0.00
HR Total		32.54	1.28	33.82	28.73	5.09	2.00	3.09
Infrastructure & Technology								
Business Systems Team		25.20	3.00	28.20	25.20	3.00	3.00	0.00
Client Financial Affairs Team		6.00	-0.29	5.71	5.51	0.20	0.00	0.20
Commercial Services		9.00	0.00	9.00	8.00	1.00	0.00	1.00
Facilities Management	Compliance and Maintenance	9.20	-0.10	9.10	7.56	1.54	0.00	1.54
	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	0.00	3.00	2.00	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	5.00	0.00	0.00	0.00
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	1.00	3.00	2.00	1.00	1.00	0.00
Infrastructure & Technology Total		121.74	9.61	131.35	111.04	20.31	11.00	9.31
Resources								
Accountancy	Budget Team	14.60	1.00	15.60	9.86	5.74	5.00	0.74
	Corporate Accountancy	5.60	3.40	9.00	8.20	0.80	1.00	-0.20
	Service Financial Adviser CSF	4.53	2.00	6.53	4.33	2.20	1.00	1.20
	Management	1.00	0.00	1.00	1.00	0.00	0.00	0.00
Financial Strategy and Capital		9.00	-0.20	8.80	7.60	1.20	1.00	0.20
Revenues and Benefits	Bailiffs	18.60	0.00	18.60	17.19	1.41	0.00	1.41
	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	8.80	1.20	0.00	1.20
	Housing Benefits Incl Appeals	35.36	1.00	36.36	31.46	4.90	0.00	4.90
	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
Resources Total		142.53	7.65	150.18	130.03	20.15	9.00	11.15
Management								
Management		1.00	0.00	1.00	1.00	0.00	0.00	0.00
Management Total		1.00	0.00	1.00	1.00	0.00	0.00	0.00
Grand Total		489.82	33.43	523.25	430.05	93.20	58.99	34.21

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
Children's Social Care & Youth Inclusion								
Adolescent and Family Service	Restorative Justice and Partnerships			2.20	2.20	0.00	0.00	0.00
	14+ Looked After & Leaving Care	16.69	0.22	16.91	16.91	0.00	1.00	-1.00
	Risk and Desistence			6.00	6.00	0.00	1.00	-1.00
	Tackling Exploitation Team	3.00	0.00	3.00	3.00	0.00	0.00	0.00
	Transforming Families Team	12.00	-12.00	0.00	0.00	0.00	0.00	0.00
	Youth Justice Team (Risk and Court)	5.46	-5.46	0.00	0.00	0.00	0.00	0.00
	Youth Justice Team (Safeguarding and Partnerships)	5.20	-5.20	0.00	0.00	0.00	0.00	0.00
	Management	2.00	0.50	2.50	2.50	0.00	0.00	0.00
Children's Social Care Business	Business Support (AFS)	4.80	1.20	6.00	3.60	2.40	0.00	2.40
	Business Support (MASH/FR/Bond Road)	6.40	-2.40	4.00	3.00	1.00	1.00	0.00
	Business Support (PLACCL)	7.40	-0.40	7.00	7.00	0.00	0.00	0.00
	Business Support (QAPD)	6.60	0.60	7.20	4.60	2.60	0.00	2.60
	Business Support (Safeguarding/VCT/CWD)	6.00	1.50	7.50	8.20	-0.70	0.00	-0.70
	Finance Team - Children's Social Care	4.50	0.00	4.50	3.50	1.00	0.00	1.00
	Management	1.00	0.00	1.00	1.00	0.00	0.00	0.00
	Management	1.00	0.00	1.00	1.00	0.00	0.00	0.00
MASH & Child Protection Service	First Response Team 1	5.00	0.00	5.00	4.00	1.00	2.00	-1.00
	First Response Team 2	5.00	1.00	6.00	4.00	2.00	3.00	-1.00
	First Response Team 3	5.00	0.00	5.00	1.00	4.00	2.00	2.00
	First Response Team 4	4.00	1.00	5.00	4.00	1.00	0.00	1.00
	MASH	7.60	1.80	9.40	7.80	1.60	2.00	-0.40
	Management	1.00	0.00	1.00	1.00	0.00	0.00	0.00
	Management	1.00	0.00	1.00	1.00	0.00	0.00	0.00
	Management	1.00	0.00	1.00	1.00	0.00	0.00	0.00
Permanency, Looked after Children	Adoption Team	8.90	-8.90	0.00	0.00	0.00	0.00	0.00
	Fostering Recruitment & Permanency			6.60	5.60	1.00	0.00	1.00
	Fostering Team	5.60	0.00	5.60	5.00	0.60	1.00	-0.40
	Permanency	7.10	-0.10	7.00	5.70	1.30	2.00	-0.70
	Placements			4.63	4.60	0.03	0.00	0.03
	Quality Assurance & Panel	1.00	-1.00	0.00	0.00	0.00	0.00	0.00
	Management	9.60	-7.60	2.00	1.00	1.00	0.00	1.00
	Management	1.00	0.00	1.00	1.00	0.00	0.00	0.00
Quality Assurance and Practice Development	Children with Disability Social Work Team	8.00	1.00	9.00	8.60	0.40	1.00	-0.60
	Safeguarding and Care Planning Team 1	5.00	1.00	6.00	3.00	3.00	2.00	1.00
	Safeguarding and Care Planning Team 2	5.00	1.00	6.00	6.00	0.00	0.00	0.00
	Safeguarding and Care Planning Team 3	5.00	0.00	5.00	3.40	1.60	0.00	1.60
	Safeguarding and Care Planning Team 4	6.00	0.00	6.00	5.00	1.00	1.00	0.00
	Safeguarding and Care Planning Team 5	5.00	1.00	6.00	4.00	2.00	2.00	0.00
	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	2.00	0.00
Safeguarding and Planning	Management	1.00	0.00	1.00	1.00	0.00	0.00	0.00
	Management	1.00	0.00	1.00	1.00	0.00	0.00	0.00
	Management	1.00	0.00	1.00	1.00	0.00	0.00	0.00
	Management	1.00	0.00	1.00	1.00	0.00	0.00	0.00
	Management	1.00	0.00	1.00	1.00	0.00	0.00	0.00
	Management	1.00	0.00	1.00	1.00	0.00	0.00	0.00
	Management	1.00	0.00	1.00	1.00	0.00	0.00	0.00
	Management	1.00	0.00	1.00	1.00	0.00	0.00	0.00
Children's Social Care & Youth Inclusion Total		199.05	-28.84	189.64	154.41	35.23	25.00	10.23
Education Division								
Contracts and School Organisation	Contracts Management	6.00	1.00	7.00	4.40	2.60	1.00	1.60
	Schools Admissions	5.00	0.00	5.00	4.91	0.09	0.00	0.09
	Management	3.00	0.00	3.00	2.00	1.00	0.00	1.00
Early Years Childcare and Child Development	Brightwell Team	12.50	2.26	14.76	11.71	3.05	0.50	2.55
	Children's Centres	32.40	-1.40	31.00	27.00	4.00	2.00	2.00
	Continuous Improvement, Inclusion, Portage and Development	46.03	13.89	59.92	42.29	17.63	0.00	17.63
	Family Wellbeing Service			31.43	24.37	7.06	0.00	7.06
	Early Years 0-5s Supporting Families	15.20	-15.20	0.00	0.00	0.00	0.00	0.00
	Family Support Centre Bond Road	16.60	-14.60	2.00	1.00	1.00	0.00	1.00
	Funded Places, Sufficiency and Information	4.92	0.58	5.50	3.50	2.00	0.00	2.00
	Resources, Systems and Service Development	8.11	0.00	8.11	6.57	1.54	1.00	0.54
	Management	1.69	-0.69	1.00	1.00	0.00	0.00	0.00
	Management	1.69	-0.69	1.00	1.00	0.00	0.00	0.00
Education Inclusion	Education Welfare Service	9.84	2.11	11.95	10.67	1.28	1.00	0.28
	Learning Behaviour & Language Team	16.65	2.98	19.63	16.22	3.41	3.00	0.41
	Merton Advice and Support	0.00	1.00	1.00	2.00	-1.00	0.00	-1.00
	MIASS	1.00	0.00	1.00	1.00	0.00	0.00	0.00
	My Futures Team	8.60	2.00	10.60	6.60	4.00	1.00	3.00
	Participation	2.00	4.49	6.49	4.74	1.75	0.00	1.75
	Virtual Behaviour Service (Youth Inclusion)	11.07	0.63	11.70	9.70	2.00	0.00	2.00
	Youth Service	12.46	0.65	13.11	9.43	3.68	1.00	2.68
	Management	3.00	-2.00	1.00	0.00	0.00	0.00	0.00
	Management	3.00	-2.00	1.00	0.00	0.00	0.00	0.00
Merton School Improvement	Education Support Team	1.50	-1.50	0.00	0.00	0.00	0.00	0.00
	Equality & Diversity	3.83	-0.33	3.50	3.00	0.50	0.00	0.50
	Governance Team	2.83	0.17	3.00	3.00	0.00	0.00	0.00
	MSI Business Support Team			1.80	1.80	0.00	0.00	0.00
	Schools ICT Support	6.86	-0.26	6.60	5.60	1.00	0.00	1.00
	Strategic School Improvement	6.80	0.40	7.20	5.20	2.00	1.00	1.00
	Virtual School	5.83	0.24	6.07	4.93	1.14	1.00	0.14
	Management	1.00	0.00	1.00	1.00	0.00	0.00	0.00
	Management	1.00	0.00	1.00	1.00	0.00	0.00	0.00
	Management	1.00	0.00	1.00	1.00	0.00	0.00	0.00
Policy, Planning & Performance	Business Support Team (CSPD)	3.00	-1.00	2.00	1.66	0.34	0.00	0.34
	MCSB	3.40	-0.80	2.60	1.20	1.40	1.00	0.40
	Performance Analysis	0.00	3.66	3.66	2.51	1.15	2.00	-0.85
	Research & Information	4.66	-4.66	0.00	0.00	0.00	0.00	0.00
	Management	3.36	1.00	4.36	3.36	1.00	1.00	0.00
	Management	3.36	1.00	4.36	3.36	1.00	1.00	0.00
SEN & Inclusion Service	0-25 SEND Intervention Team	3.33	0.67	4.00	1.00	3.00	0.00	3.00
	Assessment, Planning and Resource Team	11.51	1.02	12.53	10.60	1.93	0.00	1.93
	Educational Psychology Service	14.85	1.13	15.98	15.66	0.32	0.00	0.32
	SEN Team	11.46	16.26	27.72	9.06	18.66	0.00	18.66
	Sensory Impairment Service	5.00	0.06	5.06	4.20	0.86	0.00	0.86
	Short Breaks Team	3.00	-3.00	0.00	0.00	0.00	0.00	0.00
	Management	1.00	0.00	1.00	1.00	0.00	0.00	0.00
	Management	1.00	0.00	1.00	1.00	0.00	0.00	0.00
Education Division Total		310.29	10.76	357.28	267.89	89.39	16.50	72.89
Joint Commissioning & Partnerships								
Joint Commissioning & Partnerships		3.44	1.37	4.81	3.77	1.04	1.00	0.04
Commissioning, Strategy And Performance Division Total		3.44	1.37	4.81	3.77	1.04	1.00	0.04
Management & Exec Assistant								
Management & Exec Assistant		2.00	0.00	2.00	2.00	0.00	0.00	0.00
Management & Exec Assistant total		2.00	0.00	2.00	2.00	0.00	0.00	0.00
Grand Total		514.78	38.95	553.73	428.07	125.66	42.50	83.16

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
Adult Social Care								
Adult Social Care	Commissioning & Market Development		31.81	31.81	25.51	6.30	4.00	2.30
	Long Term Services	47.82	-18.97	28.85	19.10	9.75	7.00	2.75
	Mental Health Team	34.25	-7.22	27.03	18.31	8.72	8.00	0.72
	Operations	80.36	29.44	109.80	88.90	20.90	14.00	6.90
	Operations and Commissioning	27.00	-27.00	0.00	0.00	0.00	0.00	0.00
	Management	8.00	0.00	8.00	4.00	4.00	0.00	4.00
Adult Social Care Total		197.43	8.06	205.49	155.82	49.67	33.00	16.67
C&H Strategy & Improvement								
		0.00	11.40	11.40	3.40	8.00	0.00	8.00
C&H Strategy & Improvement		0.00	11.40	11.40	3.40	8.00	0.00	8.00
Housing Services								
Housing Needs	Advice & Options	12.50	-1.00	11.50	11.00	0.50	2.00	-1.50
	Development	5.00	0.00	5.00	4.00	1.00	0.00	1.00
	Environmental Health (Housing) Team	8.03	-1.23	6.80	3.00	3.80	5.00	-1.20
	Housing Strategy	0.00	4.00	4.00	1.00	3.00	3.00	0.00
	Management	3.00	2.00	5.00	4.00	1.00	1.00	0.00
Housing Services Total		28.53	3.77	32.30	23.00	9.30	11.00	-1.70
Libraries, Heritage and Adult Education Service								
Library Service	Heritage Centre	1.00	1.00	2.00	2.00	0.00	0.00	0.00
	Mitcham Library	3.80	0.00	3.80	3.80	0.00	0.00	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	3.80	-0.20	0.00	-0.20
Management		0.00	1.00	1.00	1.00	0.00	0.00	0.00
Libraries, Heritage and Adult Education Service Total		33.40	2.24	35.64	35.34	0.30	1.00	-0.70
Provider Services								
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	28.04	1.17	0.00	1.17
		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	3.91	22.88	16.57	6.31	0.00	6.31
	Support Living Services	27.15	0.45	27.60	19.34	8.26	0.00	8.26
		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	10.21	4.00	0.00	4.00
		0.00	1.57	1.57	1.57	0.00	0.00	0.00
Merton Employment Team		2.93	-0.33	2.60	2.46	0.14	0.00	0.14
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
Provider Services Total		145.25	2.92	148.17	123.63	24.54	1.00	23.54
Public Health Team								
Public Health Team		18.06	-2.60	15.46	12.86	2.60	3.00	-0.40
Public Health Team Total		18.06	-2.60	15.46	12.86	2.60	3.00	-0.40
Management								
Management		14.00	-10.00	4.00	3.00	1.00	1.00	0.00
Management Total		14.00	-10.00	4.00	3.00	1.00	1.00	0.00
Grand Total Community & Housing		436.67	15.79	452.46	357.05	95.41	50.00	45.41

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
Public Protection								
Parking & CCTV Services	Parking Services	73.50	11.00	84.50	63.84	20.66	13.00	7.66
Regulatory Services Partn	Administration and Finance	17.50	-14.50	3.00	1.00	2.00	1.00	1.00
	Business Development	1.00	0.00	1.00	0.00	1.00	2.00	-1.00
	Commercial Services	3.00	2.00	5.00	2.00	3.00	0.00	3.00
	Environmental Health (Commercial)	17.48	-6.00	11.48	4.00	7.48	4.00	3.48
	Environmental Health (Pollution)	6.34	6.66	13.00	10.00	3.00	7.00	-4.00
	Licensing	10.00	1.00	11.00	4.90	6.10	5.00	1.10
	Residential & Pollution Services	18.31	-8.31	10.00	5.40	4.60	2.00	2.60
	Trading Standards	13.29	-2.09	11.20	9.39	1.81	0.00	1.81
	Wandsworth Regulatory Services Team	23.50	34.97	58.47	42.74	15.73	8.00	7.73
	Management	1.00	0.00	1.00	1.00	0.00	0.00	0.00
Safer Merton	CCTV	9.00	0.00	9.00	8.00	1.00	0.00	1.00
		8.49	0.37	8.86	6.80	2.06	0.00	2.06
Management	Management	1.40	0.00	1.40	0.40	1.00	1.00	0.00
Public Protection total		203.81	25.10	228.91	159.47	69.44	43.00	26.44
Public Realm Contracting and Commissioning								
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	5.00	2.00	0.00	2.00
	Management	1.00	0.00	1.00	1.00	0.00	1.00	-1.00
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	5.30	1.00	0.00	1.00
	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
Strategic Partnership Team		1.00	0.00	1.00	1.00	0.00	0.00	0.00
Waste Engagement & Enfr	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	0.00	1.00	0.00	1.00
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	1.16	1.84	1.00	0.84
	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	6.57	45.93	41.70	4.23	0.00	4.23
	Management	1.00	1.00	2.00	2.00	0.00	0.00	0.00
Management		5.40	2.63	8.03	4.71	3.32	1.00	2.32
Public Realm Contracting and Commissioning		76.65	24.5	101.15	80.86	20.29	3.00	17.29
Sustainable Communities								
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	9.00	2.00	2.00	0.00
	Planning Wimbledon	5.50	0.50	6.00	3.00	3.00	2.00	1.00
	Management	1.00	0.00	1.00	1.00	0.00	0.00	0.00
futureMerton	Commissioning	8.44	8.31	16.75	7.43	9.32	7.00	2.32
	Economy	4.46	1.54	6.00	4.53	1.47	0.00	1.47
	Infrastructure	24.00	7.30	31.30	21.30	10.00	8.00	2.00
	Programming	13.00	6.00	19.00	10.00	9.00	6.00	3.00
	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
Sustainable Communities Total		90.75	33.58	124.33	76.36	47.97	30.00	17.97
Management								
Management		2	0.00	2.00	2.00	0.00	0.00	0.00
Management Total		2	0	2.00	2.00	0.00	0.00	0.00
Grand Total		373.21	83.18	456.39	318.69	137.70	76.00	61.70

Financial Management Task Group

Date: 15 September 2020

Subject: Financial Report 2020/21 – Period 3, June 2020

Lead officer: Roger Kershaw

Lead member: Mark Allison

Recommendations:

A. That Cabinet note the financial reporting data for month 3, June 2020, relating to revenue budgetary control, showing a forecast net adverse variance at year-end of £23.7m.

B. That Cabinet note the contents of Section 4 and approve the amendments to the Capital Programme contained in Appendix 5B of the report

That Cabinet note the outcome of a review of the Capital Programme and the contents of Section 4 and Appendix 5B and approve the amendments to the Programme contained in the Table below

	Budget 2020-21	Budget 2021-22	Budget 2022-23	Budget 2023-24	Narrative
-	£	£	£	£	
Corporate Services					
Customer Contact Programme	(350,000)	(400,000)	0	0	Relinquished Budget
Capital Building Works	(175,420)	0	0	0	Relinquished Budget
Replacement Boilers	(267,200)	267,200	0	0	Re-profiled from 2020-21 to 2021-22
Civic Centre Lighting Upgrade		(300,000)	300,000	0	Re-profiled from 2021-22 to 2022-23
Planning & Public Protection	0	0	0	(550,000)	Relinquished Budget
School Admissions System	(125,000)	0	125,000	0	Re-profiled from 2020-21 to 2022-23
Youth Justice IT System	(100,000)	100,000	0	0	Re-profiled from 2020-21 to 2021-22
Multi Function Device	(330,000)	0	0	0	Relinquished Budget
IT Equipment	0	(100,000)	(100,000)	0	Relinquished Budget
Capital Bidding Fund	0	0	0	(186,400)	Relinquished Budget
Community and Housing					
Learnin Disability Housing	(138,000)	138,000			Re-profiled from 2020-21 to 2021-22
Environment and Regeneration	-	-	-	-	-
Car Park Upgrades	(264,000)	264,000	0	0	Re-profiled from 2020-21 to 2021-22
Replacement of Fleet Vehicles	(116,800)	116,800	0	0	Re-profiled from 2020-21 to 2021-22
Highway Bridges and Structures	(150,000)	150,000	0	0	Re-profiled from 2020-21 to 2021-22
Morden Town Centre Regeneration	(50,000)	(460,000)	108,000	402,000	Re-profiled from 2020-21 onwards
Cannons Parks for the People	178,770	(178,770)			Re-profiled from 2021-22 to 2020-21
Paddling Pool - Option 2	(113,000)	113,000	0	0	Re-profiled from 2020-21 to 2021-22
Total	(2,000,650)	(289,770)	433,000	(334,400)	

C. That finance officers continue to work with budget managers to identify further re-profiling and savings throughout the approved programme 2020-24.

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

1.1 This is the first quarter monitoring report for 2020/21 presented in line with the financial reporting timetable.

This financial monitoring report provides -

- The income and expenditure at period 3 and a full year forecast projection.
- An update on the financial impact of Covid-19
- An update on the capital programme and detailed monitoring information;
- An update on Corporate Items in the budget 2020/21;
- Progress on the delivery of the 2020/21 revenue savings

2. THE FINANCIAL REPORTING PROCESS

- 2.1 The budget monitoring process for 2020/21 will focus on the financial impact of Covid-19. The Council's services are under pressure due to the need to support businesses and residents, particularly vulnerable groups in need of social care and there has been a major reduction in the Council's income which is expected to continue. The detrimental impact of Covid-19 exceeds the support that the Government has currently pledged to provide.
- 2.2 There are also significant pressures on the Dedicated Schools Grant (DSG) which are being monitored. The cumulative deficit at the end of 2019/20 was £12.7m and the deficit is forecast to continue to increase in 2020/21.
- 2.3 Chief Officers, together with budget managers and Service Financial Advisers are responsible for keeping budgets under close scrutiny and ensuring that expenditure within areas which are above budget is being actively and vigorously controlled and where budgets have favourable variances, these are retained until year end. Any final overall adverse variance on the General Fund will result in a call on balances; With the projected scale of the impact of the Covid-19 pandemic and the growing DSG deficit, in the absence of further funding, the call on reserves will use all of the general fund reserve and a significant proportion of earmarked reserves of the Authority, which would need to be unearmarked.

3. 2019/20 FORECAST OUTTURN BASED UPON LATEST AVAILABLE DATA

Executive summary – At period 3 to 30th June 2020, the year-end forecast is a net adverse variance of £23.7m when all incremental Covid costs are included, after applying the remaining government emergency Covid-19 grant. If the Covid pressures hadn't arisen, the numbers suggest that we would be reporting a £3.2m underspend, however, there may be other impacts on services arising from Covid that are not apparent at this stage. This will be kept under review.

Summary Position as at 30th June 2020

	Original Budget 2020/21 £000s	Current Budget 2020/21 £000s	Full Year Forecast (June) £000s	Forecast Variance at year end (June) £000s	Forecast Variance at year end (May) £000s	Covid-19 Forecast £000s	Outturn variance 2019/20 £000s
Department							
Corporate Services	10,275	10,348	15,153	4,805	4,582	3,663	(490)
Children, Schools and Families	61,997	62,060	61,511	-550	-490	460	(241)
Community and Housing	68,656	68,656	68,551	-106	-359	3,583	(319)
Public Health	-157	-157	(157)	0	0	0	0
Environment & Regeneration	14,021	15,945	25,891	9,947	10,503	10,223	783
Overheads		0	0	0	0	0	120
NET SERVICE EXPENDITURE	154,791	156,852	170,950	14,096	14,236	17,929	(147)
Corporate Items							
Impact of Capital on revenue budget	11,190	11,190	11,171	(19)	0	0	(161)
Other Central budgets	(10,397)	(10,485)	(9,808)	677	650	0	(1,405)
Levies	962	962	962	0	0	0	(1)
TOTAL CORPORATE PROVISIONS	1,754	1,666	2,324	658	650	0	(1,567)
Covid-19			9,210	9,272	9,210	9,272	176
TOTAL GENERAL FUND	156,546	158,518	173,274	24,026	24,096	27,201	(1,714)
FUNDING							
Revenue Support Grant	-5,159	-5,159	-5,159	0	0	0	0
Business Rates *	(35,586)	(35,586)	(35,586)	3,990	3,990	3,990	(50)
Other Grants	(18,245)	(18,245)	(18,245)	0	0	0	0
Council Tax and Collection Fund *	(97,713)	(97,713)	(97,713)	7,699	7,699	7,699	50
COVID-19	0	0	(37,361)	(11,973)	(10,383)	(11,973)	0
FUNDING	(156,703)	(156,703)	(194,064)	(284)	1,306	(284)	0
NET	(157)	1,815	(20,790)	23,742	25,402	26,917	(1,714)

* These relate to deficits on the Collection Fund relating to Business Rates and Council Tax arising as a result of Covid-19. How these are reported going forward will be reviewed for future reports.

The current level of GF balances is £13.778m and the minimum level reported to Council for this is £13.8M.

Covid-19 Financial Impact

The ongoing Covid-19 pandemic has had a profound impact on council finances and will continue to do so during lockdown and beyond. Emergency funding of £10.6m has been received to date from Central Government in two tranches.

On 2nd July, the Secretary of State for Local Government announced a funding package for Councils to help address the range of Covid-19 pressures we face. This package included:

- A further £500m of unringfenced funding to respond to spending pressures, adding to the £3.2billion of unringfenced funding previously provided. Merton will receive a further £1.59m taking the total to £12.2m.
- A new scheme to reimburse Councils for lost income from sales, fees and charges. This will involve a 5% deductible rate, whereby the Council will absorb up to 5% and the government

compensation will cover 75p in every pound of relevant loss thereafter. The details of this are yet to be published and not included in the financial forecasts within the report.

- Accounting changes so that local authorities can spread their local tax deficits over three years rather than the usual one in the collection fund accounts. Again we await details of this scheme.

This additional funding is still insufficient to cover the projected financial impact of this crisis in terms of additional expenditure, income loss and the impact on delivery of savings for 2020/21.

Covid Expenditure

Covid expenditure which is incremental is reported centrally and not included in the departmental summaries below. These are the incremental costs such as PPE, food banks and the community hub.

Income shortfall

Income budgets are included within departments and so the impact of Covid-19 is reflected in department forecasts.

Impact on savings

Departmental budgets are adjusted for the agreed savings targets for 2020/21 as part of the budget setting process. The savings which are now under pressure due to Covid-19 are included in the forecast of the department.

A new column is included in departmental summaries to show the Covid effect within the departmental forecast. These, together with the central Covid-19 costs are summarised in the table below:

COVID-19 COST SUMMARY	June 2020/21 £000s
<u>Department</u>	
Corporate Services	3663
Children, Schools and Families	460
Community and Housing	3583
Public Health	0
Environment & Regeneration	10,223
TOTAL INCOME LOSS & SAVINGS UNACHIEVED	17,929
<u>Corporate Items</u>	9,272
ADDITIONAL COVID EXPENDITURE	9,272
<u>FUNDING</u>	
Business Rates	3,990
Council Tax	7,699
TOTAL FUNDING LOSS	11,689
GROSS COST OF COVID-19	38,890
Covid-19 Emergency funding received	(10,383)
Covid-19 Emergency funding - July 2020	(1,590)
NET COST OF COVID-19	26,917

Cashflow

The Covid-19 outbreak that emerged in March 2020 created pressure on the council's cash flow which is likely to remain for the rest of the year. Through prudent treasury cash flow procedures, the Council has been able to meet its additional expenditure from its cash imbalances in the bank and primarily from liquid cash balances held in Money Market Funds (MMF's).

In light of Government relief announcements, the Council will see a reduction in income going forward. Therefore, in order to meet its commitments going forward the decision was made to keep the Council's available fund in cash/MMF's to maintain liquidity. This meant that as fixed short and medium term deposits matured they were placed in MMF's and bank deposits which are immediately callable.

Cash flow is monitored on a daily basis and the current forecast shows the Council has sufficient funds to meet its payment needs going forward over the medium term. However, if a cash short fall occurs, the Council has the option to borrow from the market in order to meet its needs.

4. DEPARTMENTAL SUMMARY OF CURRENT POSITION

Corporate Services

Division	2020/21 Current Budget £000	2020/21 Full year Forecast (June) £000	2020/21 Full Year Forecast Variance (June) £000	2020/21 Full Year Forecast Variance (May) £000	2020/21 Covid-19 Forecast Impact (June) £000	2019/20 Outturn Variance £000
Customers, Policy & Improvement	3,694	4,738	1,044	1,052	443	(169)
Infrastructure & Technology	12,156	12,533	377	370	297	(678)
Corporate Governance	2,259	2,266	7	17	73	(180)
Resources	5,545	8,003	2,458	2,291	2,267	95
Human Resources	2,083	2,203	120	123	0	187
Corporate Other	173	972	799	729	583	255
Total (Controllable)	25,910	30,715	4,805	4,582	3,663	(490)

Overview

At the end of period 3 (June) the Corporate Services (CS) department is forecasting an adverse variance of £4.805m at year end, of which £3.663m is due to the external impact of covid-19. The adverse forecast within CS has increased by £223k compared to period 2.

Customers, Policy and Improvement - £1,044k adverse variance

The adverse variance in the division is mainly due to spend on the Customer Contact budget which is forecasting a £985k variance. This is made up of £172k for the cost of delays in light of the covid-19 pandemic and the remainder from the cost of contracts novated from the previous supplier which fall into the first months of 2020/21 and the estimated annual costs of the new systems.

The Registrars service is forecasting a £160k adverse variance and currently anticipating a 40% reduction in income for the year whilst it is still unclear when some services will be able to resume operating at normal capacity. Other adverse variances within the division due to covid-19 are from Blue Badges (£13k) as the introduction of charging has not commenced and the Translations service (£23k) due to a reduced number of face to face interpretations being fulfilled. The Press and PR

budget is also forecasting an adverse variance (£118k) mainly due to the use of agency staff covering the Head of Communications post pending the completion of a restructure within the division.

Partly offsetting the above are various favourable variances including £43k in the AD budget and £28k in Continuous Improvement due to vacancies expected for part of the year. A further £30k favourable variance is expected on Voluntary Sector Co-ordination mainly due to level of grants planned. Other forecast variances from less than budgeted running costs are in Merton Link (£45k favourable), Cash Collections (£59k favourable) and Marketing and Communications (£56k favourable).

The forecast variance overall for the division has changed by only £8k compared to period 2.

Infrastructure & Technology - £377k adverse variance

Many of the adverse variances within the division are due to reduced recharges as a result of the change in working arrangements surrounding the covid-19 pandemic. These adverse variances include £86k on the Corporate Print Strategy, £51k on the Print and Post room and £122k on the PDC (Chaucer Centre) room hire. Where these are internal recharges they have not been included in calculating the impact of covid-19 on the Council as they will positively impact other departments and are therefore not a net cost to LBM.

The FM External account is also forecasting a £111k adverse variance due to no new commissions being confirmed since the lock-down began. There is a variance on Corporate Contracts (£30k adverse) due to savings for reducing cleaning in corporate buildings being unachievable within the current circumstances. £107k adverse variance is also forecast in the Business Systems Team mainly due to budget pressure on IT licenses, support and maintenance. The pandemic has added to this as some system licences have been extended due to the delay on IT projects and forecast income from street naming and numbering is reduced, though this will be kept under review as the lock-down eases.

Favourable variances within the division include £23k in Client Financial Affairs from vacant hours, £30k on the Civic Centre from rental income over-achievement and £48k on Garth Road also from rental income.

The forecast variance in Infrastructure and Technology has increased by £7k compared to period 2. This is due to a number of small changes which are partly offsetting one another, such as £12k increased spend on responsive maintenance works carried out at the Civic Centre offsetting against a slightly more optimistic view of print strategy recharges as some services begin to return to the Civic Centre.

Corporate Governance – £7k adverse variance

The main adverse variance within Corporate Governance is due to £115k of legal savings forecast not to be achieved in year. A £32k shortfall on the saving to merge Democracy and Electoral Services is expected due to the restructuring coming into effect mid-year following the retirement of the Head of Democracy Services. This is, however, offset by various vacant hours and running cost budgets within both teams and the receipt of IER grant, resulting in a total £50k favourable variance across both services.

The South London Legal Partnership (SLLp) is currently forecasting a £161k surplus, with £35k to be retained by LBM.

The Corporate Governance adverse variance forecast has reduced by £10k since period 2. This is mainly due to the confirmation of the £22k IER grant and improved SLLp position which are more than offsetting an increased forecast on Information Governance from increased hours in the team and a contribution from the division to CPI in relation to the restructuring which transfers the scrutiny function.

Resources - £2,458k adverse variance

Within Resources there are multiple budgets forecasting adverse variances due to covid-19. The Chief Executive's budget has a £110k adverse variance mainly due to an interim Head of Recovery being appointed as a result of the pandemic. The Bailiff Service ceased operations and is forecasting an adverse variance of £1,365k (including the shared service element), we are currently working on the assumption that the service will not resume full operations for the rest of the calendar year. The Local Taxation Service is also showing an adverse variance of £921k mainly as a result of covid-19's impact on court cost income.

Other adverse variances within the division that are not covid-19 related include £128k in the Financial Information Systems (FIS) team due to salary budget pressure as well as system consultancy and support costs for the year. A £57k adverse variance in Insurance is due to property valuation fees incurred in preparation for the re-tendering of insurance contracts and the new contracts not commencing until mid-2020/21 resulting in a saving being unachieved in year. This is, however, partly offset by an overachievement anticipated on income. The Budget Management team also have an adverse variance (£55k) due to the use of agency staff covering vacancies in the team.

Favourable variances in the department include £44k and £43k on the Director of Corporate Services and AD budgets respectively due to consultants and subscription budgets not forecast to be required in year. Corporate Accountancy are forecasting a £22k favourable variance due to reduced banking costs in year, offsetting with agency spend. Within Revenues and Benefits the Benefits Administration and Support Teams are forecasting favourable variances of £37k and £23k respectively due to various running costs, vacancies and new burdens funding.

The forecast adverse variance in the division has increased by £167k compared to period 2. This is largely due to the inclusion of consultancy costs for the FIS team and extended agency costs within Budget Management.

Human Resources – £120k adverse variance

The adverse variance in HR is mainly across the AD (£71k) and Learning and Development (£34k) budgets as a result of agency staff covering vacant posts. There is also a £14k adverse variance forecast on Staff Side due to maternity leave cover.

The Occupational Health service is currently forecasting nil variance but will continue to be monitored through the year to review any impacts from covid-19 and changes to working arrangements.

The forecast variance on HR has reduced by only £2k since period 2 as a result of small adjustments offsetting one another.

Corporate Items - £799k adverse variance

The Housing Benefit Rent Allowances budget is forecasting a net adverse variance of £843k. This is due to a shortfall on the subsidy attracted by overpayments compared to the budgeted amount for 2020/21 and is inclusive of the £500k saving built in to the budget this year for improvement of overpayment recovery and therefore reducing the bad debt provision budget which is now not expected to be achievable in light of covid-19.

There is also a one-off saving in 2020/21 for the recovery of old housing benefit debts which had previously been written off, due to new access to information from HMRC. There is a £83k adverse variance and shortfall on the saving as recovery has been significantly impacted by covid-19.

Partly offsetting the above are favourable variances on the corporately funded items budget of £86k due to budget not expected to be required in year and £51k on the added years pension budget.

Compared to period 2, the Corporate Items adverse variance has increased by £70k. This is mainly due to a reduced forecast on the subsidy receivable in relation to Housing Benefit overpayments.

Environment & Regeneration

Environment & Regeneration	2020/21 Current Budget	Full year Forecast (June)	Forecast Variance at year end (June)	Forecast Variance at year end (May)	2020/21 Covid-19 Forecast Impact (June)	2019/20 Outturn Variance
	£000	£000	£000	£000	£000	£000
Public Protection	(15,539)	(7,682)	7,857	8,605	6,999	1,286
Public Space	15,484	17,191	1,707	1,507	2,078	(364)
Senior Management	1,018	901	(117)	(101)	0	81
Sustainable Communities	7,766	8,267	501	493	1,146	(220)
Total (Controllable)	8,729	18,677	9,947	10,503	10,223	783

Description	2020/21 Current Budget	Forecast Variance at year end (June)	Forecast Variance at year end (May)	2019/20 Variance at year end
	£000	£000	£000	£000
Regulatory Services	601	262	171	87
Parking Services	(17,156)	7,584	8,448	1,171
Safer Merton & CCTV	1,016	11	(14)	28
Total for Public Protection	(15,539)	7,857	8,605	1,286
Waste Services	14,280	273	242	72
Leisure & Culture	467	801	815	(334)
Greenspaces	1,441	596	477	(111)
Transport Services	(704)	37	(27)	9
Total for Public Space	15,484	1,707	1,507	(364)
Senior Management & Support	1,018	(117)	(101)	81
Total for Senior Management	1,018	(117)	(101)	81
Property Management	(2,990)	(115)	(26)	(251)
Building & Development Control	42	273	219	34
Future Merton	10,714	343	300	(3)
Total for Sustainable Communities	7,766	501	493	(220)
Total Excluding Overheads	8,729	9,947	10,503	783

Overview

The department is currently forecasting an adverse variance of £9,947k at year end. The main areas of variance are Regulatory Services, Parking Services, Waste Services, Leisure & Culture, Greenspaces, Building & Development Control, and Future Merton.

Public Protection

Regulatory Services adverse variance of £262k

The section has implemented agreed income savings of £160k over the last few financial years relating to potential commercial opportunities. However, the focus for the financial year 2019/20 needed to refocus from income generation to service improvement including a major IT project and restructure of the service. Key projects and staff vacancies has meant it has not yet been possible to achieve these savings targets. Once the new structure is in place and IT project has been completed, the section will be able to refocus their efforts on generating additional income, for example, through the provision of business advice.

In addition, Covid-19 has impacted on licensing income levels due to factors including street markets being closed and new Government guidelines being relaxed in areas such as pavement licences. Current forecasts estimate the financial impact to be in the region of £104k.

Parking Services adverse variance of £7,584k

Covid-19 has affected parking revenue across the board including ANPR, PCNs as well as on and off street charges income. Further work is underway to fully understand the short and longer term impact of this but current forecasts show an adverse variance on PCN, P&D, and permit income of £3,148k, £2,515k, and £1,705k respectively.

Contributing to the PCN adverse variance is a 2020/21 saving (ENV1920-01) of £340k relating to an application to change Merton's PCN charge band from band B to band A, which is now not expected to be implemented until April 2021.

Covid-19 has also had an impact of other areas of income, namely skip licences and parking bay suspensions, contributing to adverse variances of £165k and £92k being forecast respectively.

It should be noted that the section has a £3,800k budget expectation relating to the review of parking charges, which commenced on the 14th January 2020. The new charges were designed to influence motorists' behaviour and reduce the use of the motor car. It is too early to tell exactly how behaviour has been affected, which is being compounded by the impact of Covid-19, but work has started to try and better understand this.

The section is also forecasting an adverse variance on Supplies & Services (£136k), mainly in relation to the necessity of re-procuring body worn cameras and radios for the Civil Enforcement Officers.

The adverse variance is being partially offset by an employee related favourable variance of £144k.

Public Space

Waste Services adverse variance of £273k

An adverse variance of £109k is being forecast in relation to its waste collection and street cleansing contract, due to recharges for additional services being undertaken by the service provider.

The section is forecasting an adverse variance on disposal costs of £138k. As a result of changes to our residents working arrangements we have seen a greater increase in the number of households now working from home following the current Government advice in relation to Covid-19. This has resulted in an increase in overall domestic waste across all kerbside collection services.

An adverse variance of £33k is also being forecast in relation to the Household, Reuse, Recycling Centre (HRRC). However, negotiations are currently underway in order to extend the current contract, via a contract variation, in order to bring in line future costs and to align the contract period with the other SLWP boroughs. It is estimated that, if agreed, this would increase costs by

around £120k this financial year. The section is currently working with both the SLWP and our service provider to mitigate these increased costs, and an associated report will be presented in due course for Cabinet considerations.

A favourable variance on employee related spend of £38k is partially mitigating the adverse variance.

Leisure & Culture adverse variance of £801k

Due to the Covid 19 pandemic, on the 21st March 2020 the Authority's Leisure Centres closed following central Government instruction. Since this request, officers have been working with our service provider, GLL, to consider how best to support them, whilst still ensuring that they maximise the Government benefits; minimise costs whilst keeping their previous customer base supported through such measures as 'free' online exercise classes, etc.

However, it is clear from the continuous dialogue between the two parties that the GLL needs financial support from the council if they are going to survive. Following conversations with the industry, it is estimated that leisure centres might not be able to return to normal working practices until around January 2021. Therefore, the Authority has agreed to forego the guaranteed income due from the GLL contract until the end of December 2020, which equates to about £622k. (this may change depending on how the centres perform once they open).

As the leisure centres have been closed, the Authority is incurring lower utility costs at these premises, leading to a forecast favourable variance of £82k.

Covid-19 has also led to the closure of the Wimbledon Sailing base since 20th March 2020. The site re-opened on the 15th June with much smaller programmes available, but due to the closure and social distancing measures an adverse variance of £275k is being forecast, mainly as a result of reduced income.

Greenspaces adverse variance of £596k

The adverse variance is mainly as a result of most of this year's events in our parks and openspaces being cancelled due to Covid-19, which has led to a net variance of £258k.

In addition, an adverse variance of £181k is being forecasted in relation to the maintenance of the Authority's trees located on highways and in parks. This is due to the high number of trees requiring pollarding and maintenance and compliance with our management of public liability risk. We are now much clearer about the detailed maintenance regime and the costs.

Further adverse variances are being forecast in relation to rental income (66k), and P&D within certain parks (£55k), whereby the original saving proposal to include charging on Saturdays was removed following consultation alongside a significant reduction in commuter (paid for) parking.

An adverse variance of £29k is being forecast in relation to the grounds maintenance contract. However, this figure includes an expected contractual cemetery revenue share for 2018/19 and 2019/20 of £157k. However, in tandem with the Phase C Waste Services (lot1) Annual Review process, a similar process is nearing completion regarding the Grounds Maintenance contract (lot 2), which could affect this revenue share and, therefore, the forecast.

Sustainable Communities

Building and Development Control adverse variance of £273k

Covid-19 has also had a significant impact reducing various types of building and development control applications being submitted, leading to the section forecasting an associated income shortfall of £519k.

(£113k), and other grants & contributions by (£113k), mainly as a result of allowable CIL income to cover the administration and overhead costs associated with managing the levy.

Future Merton adverse variance of £343k

The section continues to incur staff and consultancy costs in relation to Bishopsford Bridge, for which there is no budget, leading to a forecast adverse variance of £262k. Increased costs include legal fees dealing with contractual issues, fees to divert utilities and the need to pay for access to third party land for the demolition and construction of the new bridge.

Covid-19 has also significantly affected the section's ability to generate income. Firstly, an adverse variance of £203k is being forecast in relation to the income received from the contract for the provision of bus shelters and free standing units advertising within Merton, partly due to the fact that JC Decaux have invoked the force majeure clause in the contract due to lack of demand for advertising due to C-19. This has been agreed by SLLP with a loss of the guaranteed minimum income for at least 4 months.

Secondly, Vestry Hall has been closed since 26th March 2020 resulting in a forecast variance of £151k in relation to room lettings and hall hiring's.

These adverse variances are being partially mitigated by favourable variances on temporary traffic orders income (£110k), and costs associated with CPZ consultation and implementation (£190k)

Children Schools and Families

Children, Schools and Families	2020/21 Current Budget £000	Full year Forecast June £000	Forecast Variance at year end (June) £000	Forecast Variance at year end (May) £000	2020/21 Covid-19 Forecast Impact £'000	2019/20 Variance at year end £000
Education	24,536	24,209	(328)	(92)	50	63
Social Care and Youth Inclusion	21,114	21,546	432	321	410	416
Cross Department budgets	890	874	(16)	(10)		(47)
PFI	8,730	8,240	(490)	(561)		(251)
Redundancy costs	1,927	1,780	(147)	(147)		(422)
Total (controllable)	57,197	56,648	(549)	(490)	460	(241)

Overview

At the end of June 2020, the Children Schools and Families directorate is forecasting a favourable £549k variance on local authority funded services, a favourable movement of £60k from last month.

£460k Covid-19 cost pressure has been identified, £410k relate to savings shortfall, £50k shortfall in income targets. These have been included in the forecasted position. There remains considerable uncertainty about the likely level of increased costs due to Covid-19. It is expected that the impact of the lockdown on children and families will emerge in increased safeguarding referrals as the lockdown is lifted. It is too soon to forecast the likely increase in families who will need the support of our family

wellbeing service, children in need, children on a child protection plan or children who become looked after as a result. We are monitoring the situation closely and expect the forecast to change as things become clearer in the autumn when the vast majority of children should be back in school.

The forecast favourable position is mainly due to the Schools PFI forecast of £490k favourable variance. This is due to an overachievement of Schools Contribution Income, due to higher pupil numbers, which is greater than budgeted for.

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. EHCP numbers have increased from 2,011 in March, to 2,086 in June, an increase of 75.

The CSF department has received £3.847m growth for 2020/21. £1.756m has been allocated across Childrens Social Care and £2,091m across Education.

Local Authority Funded Services

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

Description	Budget £000	June Var £000	May Var £000	2019/20 £000
Procurement & School organisation	321	(80)	(81)	(306)
SEN transport	6,198	0	19	1,289
Early Years services	4,189	12	50	(314)
Education Inclusion	1,683	(138)	(107)	(350)
Internal legal hard charge	493	0	6	(105)
LSCB	76	31	70	(65)
Other over and underspends	11,576	(153)	(49)	(86)
Subtotal Education	24,536	(328)	(92)	63
Fostering and residential placements (ART)	7,417	(266)	0	(98)
Un-accompanied asylum seeking children (UASC)	254	442	0	33
No Recourse to Public Funds (NRPF)	172	(14)	(14)	132
MASH & First Response staffing	1,643	345	345	257
CWD team staffing	557	(130)	0	(67)
CWD Placements	634	5	0	(58)
Legal costs	531	(45)	0	72
Other over and underspends	9,906	95	(10)	145
Subtotal Children's Social Care and Youth Inclusion	21,114	432	321	416

Education Division

£2.091m growth is attributed to; £1.496m SEN Transport, £400k SEN Team Staffing and £195k Education Psychology.

The procurement and school organisation budget is showing a favourable variance of £80k 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 forecasting a nil variance, this budget has become increasingly difficult to forecast given COVID-19 and the variability of schools' wider opening and the impact of social distancing requirements on transport commissioning. This is our current best estimate based on the

information available at the end of June. The current estimated cost includes a small forecast for mileage claims where parents transport themselves and send in invoices. Buses are still being used to transport young people, but this is a moving target with no real way of predicting what will happen since we don't know what will occur in September and beyond. The position at the end of the summer term is that we are starting to transport more clients – rising from only around a quarter to nearly a half of the normal client base in recent weeks - but in many cases not full time, no reduction is shown at present for this. That being said, if all pupils were to return in the autumn term (before allowing for new applications), we could expect a significant increase in cost. To support the existing cost pressure in this area, £1.496m growth was allocated in 2020/21, but this does not reflect the Covid-19 impact, which was not known at the time.

Early years service is reporting a £12k adverse variance due to underachievement of income targets as a consequence of COVID-19 of approx. £50k and underspends in staffing.

Education Inclusion is reporting a £138k favourable variance primarily due to staffing underspends within My Futures and Children and Young People's participation services as well as increased 'buy backs' of £25k.

LSCP has reported an adverse variance of £31k due to agency staff cost. A restructure is planned but timescales are uncertain at the moment because Covid-19 has delayed restructure activity.

Children's Social Care and Youth Inclusion Division

At the end of June, Merton had 158 looked after children. The numbers of looked after children in Merton remain relatively stable and we continue to maintain relatively low levels of children in care as detailed in the table below:

Overview	2015/16	2016/17	2017/18	2018/19	2019/20
Number of children in care as at 31st March	163	152	154	160	154
Of which UASC	22	20	28	34	28
Rate per 10,000	35	33	33	34	33
London Rate	51	50	49	Tbc	Tbc
England Rate	60	62	64	Tbc	Tbc

£1.76m growth across Childrens Social Care has been attributed to ART Placements (£604k), ART Supported Housing (£92k), Community Placement (£200k), No Recourse to Public Funds (£150k) and UASC placements and previous USAC that are now Care Leavers (£710k).

Service	Budget £000	June Forecast spend £000	Variance		Placements	
			June £000	May £000	June No	May No
Residential Placements	1,822	1117	(705)	0	11	11
Independent Agency Fostering	1,974	2,199	225	0	45	44
In-house Fostering	1,421	1,649	228	0	75	76
Secure accommodation	245	245	0	0	4	4
Parent and Baby	105	179	74	0	2	0
Supported lodgings/housing	1,850	1,762	(87)	0	56	59
Total	7,417	7,151	(266)	0	193	194

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 sometimes required. Some specific provision is mandated by the courts.

For June, placement costs have been forecast based on known placements as well as an estimated cost for movement in placements, including new cases, expected during the year. The demand-led nature of placements makes forecasting difficult but the assumptions will be reviewed and updated each month and estimates adjusted accordingly to provide our best estimate of full year costs.

Service	Budget £000	June Forecast- spend £000	Variance		Placements	
			June £000	May £000	June No	May No
Independent Agency Fostering	383	420	37	0	10	9
In-house Fostering	378	735	357	0	31	33
Supported lodgings/housing	693	741	48	0	30	29
UASC grant	(1,200)	(1,200)	0	0		
Total	254	696	442	0	71	71

At the end of June, we have a total of 71 USAC placements, 29 under 18 and 42 over 18. Of the 29 under 18 clients, 24 were placed in foster care and 5 in semi-independent accommodation. The administration's commitment (in line with other London Labour Councils) for Merton is to accommodate 38 unaccompanied asylum-seeking children (equivalent of 0.08% of the child population). We receive UASC grant towards these placements although it is not sufficient to cover the full cost of placement, subsistence and social work intervention.

Merton had 42 young people aged 18+ who were formerly UASC in our care at the end of May, 17 in foster care, 25 in semi-independent accommodation. Once UASC young people reach age 18, we retain financial responsibility for them as Care Leavers until their immigration status is resolved.

A review of the UASC growth £710k and the above adverse variance forecast of £442k will take place shortly to ensure the budgets are aligned correctly and the forecast reflects the true expected position.

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. Changes in the fostering recruitment budget from the corporate communications team has reduced the range of recruitment activity.

We have recruited 5 new foster carers (3 of these are connected persons & 2 are mainstream carers) this year so far. The target for this financial year is to recruit 20 new mainstream foster carers. We are therefore behind in relation to this 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 accept and retain children with more challenging behaviours in placement and by implementing the Mockingbird

Model. We are also targeting our recruitment to increase our number of in-house parent 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 continue to review all options to secure better value independent accommodation for our care leavers and expect to be able to procure further placements in 2020/21 which will help us reduce costs in this area.

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.

Schools PFI

Schools PFI is forecasting a £490k favourable variance. This is due to an overachievement of Schools Contribution Income compared with the sums budgeted for.

Dedicated Schools Grant (DSG)

DSG funded services are forecasting an adverse £12.050m variance, an increase of £2.209m over the 19/20 outturn. The DSG had a cumulative overspend of £12.750m at the end of 2019/20. The overspend in the current financial year will be adding to this balance, currently estimated at £24.8m. There was a separate report on the DSG Deficit Recovery Plan to Cabinet in January 2020. The DfE met with us on 11 February 2020 to discuss this recovery plan, and they will return to assess our progress in November.

The main reason for the variance relates to a £6.822m adverse variance on Independent Day School provision this is lower than forecast at period 2. The reason for the significant overspend is due to the high number of placements coupled with additional DSG budget of £2.6m applied as part of a realignment exercise.

Based on past years' experience, we are expecting the number of placements within Independent day school provision to increase in the year. At this stage it is difficult to predict how many EHCPs' will be issued, or the type of education provision they will require. However, we note an increase of 75 in the first quarter, and this therefore shows no slowing down, or plateauing of requirements. Requests for EHCPs go through assessment and a decision about issuing a plan and the type of provision is made once all the professional advice is received and reviewed by the SEND Panel.

We are seeking to increase the number of local maintained special school places in the borough, which have been built into the future forecasts on the deficit, 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 £24.8m cumulative deficit to increase further.

Other adverse variances include £1.803m on EHCP allocations to Merton primary and secondary schools, £1.715m on EHCP allocations to out of borough maintained primary, secondary and special schools, and £1.651m 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 June 2020 there were 2,086 EHCPs.

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		Jan 2020 Total Statements and EHCPs	
	No	%	No	%	No	%	No	%	No	%
Early Years (incl. Private & Voluntary Settings)	0	0%	1	0%	7	0%	7	0%	7	0%
Mainstream Schools (incl. Academies, Free and Independent)	422	39%	461	37%	526	35%	584	34%	707	37%
Additional Resourced Provision	110	10%	111	9%	116	8%	125	7%	125	6%
State Funded Special Schools	358	33%	388	31%	416	27%	440	26%	474	25%
Independent Special Schools	132	12%	153	12%	176	12%	228	13%	280	15%
Post 16 College and traineeships	25	2%	93	7%	183	12%	212	12%	199	10%
Post 16 Specialist	10	1%	25	2%	44	3%	37	2%	35	2%
Alternative Education (incl. EOTAS, Hospital Schools and EHE)	15	1%	10	1%	22	1%	28	2%	61	3%
No placement (including NEET)	3	0%	0	0%	28	2%	51	3%	40	2%
Total	1075	100%	1242	100%	1518	100%	1712	100%	1928	100%
Change over previous year				16%		22%		13%		11%

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 DSG deficit issue.

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 yet. For 2018/19 this additional grant was £338k.

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

In addition to the pressures on the high needs block, which are clear from the budget monitoring figures highlighted above and which continue into 2020/21 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 13 in 2019/20 to 10 in 2020/21. There are various reasons for schools requiring to set deficit budgets, increased costs relating to children that require additional support but do not meet statutory thresholds for additional funding, reduction in

pupil numbers, reduced levels of reserves that schools would previously have used to balance their budgets and loss of income due to Covid-19. Total school balances, including capital balances, did slightly increase last year.

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

Management action

Staffing report

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

Placements

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

Our 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.

Children with additional needs

We are working with colleagues in CCGs through the tripartite process in order to secure appropriate health contributions 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 option is cheaper. Some cost-saving measures linked to consolidation of routes or shared travel arrangements may not be possible in the light of Covid-19 restrictions

We have a multi-agency SEND panel providing strategic oversight of the statutory assessment process to ensure that at both 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 including the expansion of Cricket Green special school completed in early 2020, and the opening of an Additionally Resourced Provision (ARP)

at Stanford Primary School. There is further expansion of provision in the capital programme, including the expansion of Melrose School (for children with Social, Emotional and Mental Health), which is currently at the statutory consultation and planning application stage. Additional local provision should also assist with minimising increases to transport costs.

New burdens

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's care packages, not just education.
- New requirement of social work visits to children in residential schools and other provision.

Community and Housing

Community and Housing is forecasting a favourable variance of £106k as at June 2020. This is made up of forecasted favourable variances in Adult Social Care of £667k, and unfavourable variance in Housing of £322k and Libraries of £240k.

Community and Housing is still operating an emergency response and are working with NHS and community partners to for potential future surges in demand in autumn and winter related to a further surge in Covid-19 combined with the usual winter flu season. It is likely that recovery will run in parallel with an ongoing emergency response. We are planning on this being our operating model for the rest of this year.

The full impact of COVID 19 on our community, and therefore our services, is not yet fully understood. At present the department is focussed on supporting the NHS, housing rough sleepers and other homeless people, infection control, the local Test Track & Trace response, supporting the care sector (including with PPE supplies), shielding and community response as well as current residents shielding on advice from the government.

Community and Housing Summary Position

Community and Housing	2020/21 Current Budget £'000	2020/21 Full Year Forecast June'20 £'000	2020/21 Full Year Forecast Variance June'20 £'000	2020/21 Full Year Forecast Variance May'20 £'000	2020/21 Covid-19 Forecast Impact June'20 £'000	2019/20 Outturn Variance £'000
Adult Social Care	59,717	59,050	(667)	(698)	3,227	(728)
Libraries and Heritage	2,353	2,593	240	165	152	70
Merton Adult Learning	(5)	(5)	0	0	0	0
Housing General Fund	2,105	2,427	322	174	205	328
Public Health	(157)	(157)	0	0	0	0
Grand Total	64,013	63,907	(106)	(359)	3,583	(330)

The forecast above is prepared on the basis of our current understanding of activity, spend and income to date. The COVID costs in the second last column of the table below are those reflected in the budget forecast.

In addition, the department is estimating £5.8m of one-off costs of COVID 19. Of this £5.8m, £3.9m has been committed to support care providers. ASC will also receive a separate £1.3m grant in two tranches to support infection control in care. The first tranche payments to care homes is currently in progress.

At present, we have achieved £607k of the £2.46m savings target for 2020/21. The Department continues to work towards achieving the outstanding savings and maintain a balanced budget this year. However, it is too early in an unprecedented year to be able to be confident that this position will be maintained.

Adult Social Care

The ASC underspend is partly a consequence of the sad loss of service users; this has been experienced across all boroughs as a result of Covid-19. In addition, most of the costs of discharges from hospital into care homes is currently being met by the NHS in line with national guidance and these cases will likely return to adult social care in the not too distant future. This is likely to continue for now but we have to plan to take over the care arrangements for some of those placed by health. We are tracking these cases and the ASC forecast reflects this. The forecast also reflects a fall in income of c£1.3m, due to loss of client contributions.

The net underspend of £667k reflects the reduction in care packages. We sadly lost 115 service users who died of various causes between April and June 2020, compared to 63 the same period last year. There were a number of other changes in care, with a number of packages of care suspended as families took over care during the period of lockdown.

With no precedent to follow, it is difficult to forecast the impact of any future surges in COVID-19. We will need to maintain our surge capacity in re-ablement, the hospital team, nursing beds and home care to cope with any future surges. The forecast is prepared on the basis of current activity levels, but it is not possible to know if this will be reflected throughout the rest of the year.

The service has not had to make use of the Care Act easements enabled by emergency legislation and continues to act in accordance with the Care Act 2014. The focus has naturally been on supporting borough residents and the NHS, as well as contributing to the cross-council work on shielding, the community hub and the food hub.

COVID 19 is having a major impact on the lives of families and communities, and this will inevitably impact on the needs and preferences for people who use social care services. As we move forward, we will need to re-evaluate our offer to ensure that they are aligned with the new patterns of demand.

The Shielding Programme is supporting over 7,200 of a small number will need ongoing regular support. We will need to work with these people and their families when the national shielding programme is paused (it may restart if there are further surges in the coming months) to ensure that they recover their independence. We will also work with mental health services to support those shielding to deal with the psychological impact of their isolation.

The COVID emergency is having a significant impact on the care sector, and care providers in particular. Providers are facing additional costs for PPE and staffing, and homes in particular are facing lower occupancy rates. The council is providing support in cash, in line with LGA/ADASS guidance, and in kind by supply of significant volumes of PPE. We have provided in excess of 500,000 fluid resistant face masks and 58,000 pairs of gloves, amongst a range of PPE supplied to support providers. The crisis is likely to have long term and significant consequences for the care sector, which the council will have to manage in line with its Care Act 2014 duties.

Library & Heritage Service

This service is currently forecasting an unfavourable variance of £240k which is due to the under achievability of income as a result of COVID-19 and business rates cost at the Colliers Wood library.

Whilst the physical buildings have been closed Merton's Library & Heritage Service has enhanced its online offer to provide improved resources including a much expanded e-book offer. In lockdown usage of the libraries online services has increased by 56%. Three libraries have opened on a Click & Collect basis so far.

Adult Learning

Adult Learning currently forecasting a breakeven position. The service is reporting a break even position. No physical courses have run since lockdown but providers have been innovative in their delivery of courses online and have amended their curriculum plans to respond to the current challenges. As all of the courses planned could not go ahead the GLA and ESFA, who fund the adult learning provision for the borough, have confirmed that they will provide the borough with the full funding allocation for the year and this will be paid proportionately across agreed spend levels to providers.

Housing General Fund

This service is currently forecasting an unfavourable variance of £322k which is due to a reduction in expected income from Housing Benefit and client contribution, and an increase in the numbers of individuals placed in temporary accommodation since lockdown

During the pandemic the supply of housing association homes to which the council has nomination rights reduced dramatically, although work is underway with partners to obtain access to those dwellings. However the lack of housing supply has been impacted by the lack of movement from temporary accommodation and the increase in numbers. There has been fewer moves out of temporary accommodation, including evictions from temporary accommodation for reasons such as rent arrears, anti-social behaviour and refusal to leave of accommodation.

As a result, as at the end of June 2020 there were 213 households in temporary accommodation, which is the highest number of cases accommodated in the last ten years.

This has been triggered by the need to protect individuals during the lockdown period and the requirement by government that everyone who is rough sleeping or at risk of rough sleeping is accommodated. This has included those individuals who would not normally be eligible for the provision of accommodation and therefore ineligible for housing which includes those who have no recourse to public funds and those who would not normally be vulnerable and therefore in priority need for accommodation under the Housing Act.

The housing service has continued to support all those individuals who were homeless or threatened with homelessness in accordance with the Homelessness Reduction Act 2017. This included the provision of appropriate advice to prevent homelessness and the procurement of temporary accommodation. Whilst there was a reduction in homelessness prevention activity early in the pandemic this work has since recovered.

During the pandemic the term homelessness has been used to reflect rough sleeping but it is important to mention that homelessness is a much bigger issue than rough sleeping and is far more complicated. As the service moves forward into a more business as usual phase it is important to think about other forms of homelessness and how they will impact upon the service as we move forward. Rough sleeping is one type of homelessness, but others include people who during the pandemic have ended up sofa surfing. This group has no security of tenure and as lockdown is eased and households seek to return to normality many may find themselves being asked to leave their accommodation as the host may no longer wish to accommodate them.

As lockdown eases landlords, both private and public sector will want to take their properties back. There continues to be a moratorium on evictions until the 24th August but after this time Landlords may seek to recover properties through the courts. No matter what the reason for this is, those households, if displaced, may seek advice, support and accommodation from the housing service.

Debt and financial hardship may lead to episodes of homelessness, whether it's a mortgage, rent, council tax and the recent pandemic may lead to households losing their homes. Exhausting support from family friends and the current downturn of the economy may trigger further demands upon the housing service

Households claiming welfare benefits, such as universal credit, may find it harder to manage their money and be worse off and as a consequence face episodes of debt and financial hardship and these people may fall into arrears and face eviction proceedings

Other reasons for homelessness will include those who have been in prison, or who have come back from service and have to re-join society. It might be very difficult for them to find accommodation and employment and as they struggle to get back into normality they may face homelessness and seek the housing services assistance

Domestic abuse is a cause of homelessness and is a main cause why individuals may flee their homes to escape a violent or emotionally abusive partner. These individuals may not be able to receive the correct support from family or friends and they may turn to the housing service for accommodation.

In summary homelessness can affect everyone and the recent pandemic may see more episodes in Merton than it has hitherto experienced.

During the pandemic the housing service has also managed to deal with those persons experiencing rough sleeping and at the height of the pandemic 52 individuals were being accommodated. Officers have been working hard to find suitable and sustainable solutions and as at the end of June the number of cases had reduced to 42. Work continues to find solutions for the remaining cases,

Analysis of Housing and Temporary Accommodation Expenditure

The table below shows the analysis of housing expenditure to June 2020

Housing	Budget 2020-21 £000	Forecast (Jun'20) £'000	Forecast Variances (Jun'20) £'000	Forecast Variances (May'20) £000	Outturn Variances (March'20) £000
Temporary Accommodation- Expenditure	2,403	3,865	1,462	1,467	1,002
Temporary Accommodation-Client Contribution	(140)	(453)	(313)	(362)	(321)
Temporary Accommodation-Housing Benefit Income	(2,005)	(2,718)	(713)	(911)	(535)
Temporary Accommodation-Subsidy Shortfall	322	1,299	978	961	793
Temporary Accommodation- Grant	0	(1,132)	(1,132)	(1,132)	(766)
Subtotal Temporary Accommodation	580	861	282	23	173
Housing Other Budgets- Over/(favourable)adverse	1,525	1,565	40	151	155
Total Controllable	2,105	2,426	322	174	328

The numbers in temporary accommodation has risen steadily as efforts to move people on has been hampered.

Temporary Accommodation	Numbers IN	Numbers OUT	Total for the Month	
Mar'17	-	-	186	
Mar'18	16	16	165	
Mar'19	15	11	174	
Mar'20	12	6	199	
			2020/21	2019/20
Apr'20	5	8	196	178
May'20	18	10	204	177
Jun'20	21	12	213	170

Public Health

Public is reporting a breakeven position.

The forecast is stated after accounting for £371k grant increase, which mitigate; PH salary and inflationary increases, additional sexual health costs due to revised tariffs, the NHS Agenda for Change pay award and pension increases for staff on commissioned contracts

The Public Health team, together with public protection, is leading on LBM's outbreak control plan. A ring-fenced grant has been allocated to LAs to support costs for outbreak control

DHSC recently announced £71k allocation for Sexual Health (HIV Pre-Exposure Prophylaxis) to cover routine testing as part of the commissioned service. The income and projected expenditure is not included in June monitoring but will be factored in July budget return. The Commissioner is still liaising with London Programme Board to ensure allocation is adequate to cover potential costs.

Corporate Items

The details comparing actual expenditure up to 30 June 2020 against budget are contained in Appendix 1. COVID-19 corporate expenditure is again shown on a separate line:-

Corporate Items	Current Budget 2020/21 £000s	Full Year Forecast (June) £000s	Forecast Variance at year end (June) £000s	Forecast Variance at year end (May) £000s	Outturn Variance 2019/20 £000s
Impact of Capital on revenue budget	11,190	11,171	(19)	0	(161)
Investment Income	(707)	(680)	27	0	(704)
Pension Fund	340	340	0	0	(104)
Pay and Price Inflation	4,181	4,831	650	650	(100)
Contingencies and provisions	20,978	20,978	0	0	(154)
Income Items	(1,963)	(1,963)	0	0	(343)
Appropriations/Transfers	(9,963)	(9,963)	0	0	0
Central Items	12,866	13,543	677	650	(1,405)
Levies	962	962	0	0	(1)
Depreciation and Impairment	(23,351)	(23,351)	0	0	0
TOTAL CORPORATE PROVISIONS	1,666	2,324	658	650	(1,567)
COVID-19 Emergency expenditure	0	9,272	9,272	9,210	176

The utilisation of corporate budgets is greatly influenced by the pressures and challenges that service departments face and the extent to which they require support from corporate contingency budgets. This is particularly the case in the current financial year with the devastating effect of COVID-19 being felt by many Council services.

Since May, the forecast has been updated for two small variations which increase the net forecast unfavourable variance by £8k, from £0.650m to £0.658m:-

- Capital financing costs have been updated following an update of the Capital Programme. This reflects changes arising from the outturn for 2019-20 and the impact of COVID-19 will continue to be monitored and any implications arising from further amendments will be advised in future monitoring reports throughout the year. Currently the impact of changes has resulted in a forecast favourable variance of £19k against budget in 2020/21 and there will be ongoing implications for future years.

- The first quarter's treasury forecast of investment income has resulted in a small adverse variance of £27k against the 2020/21 budget. This reflects the current very low interest rates and amounts invested.

In addition, in order to continue to make preparations to address the expected adverse variance at year end arising from COVID-19, it is proposed to transfer the following budgets to the COVID-19 Reserve to provide cover for the costs arising from addressing the pandemic:-

Contingencies and Provisions

The balance of Social Care Grant of £1.686m which was set aside whilst plans were made for it application will be appropriated to the COVID-19 Reserve. A large element of the COVID-19 costs are social-care related and it is an appropriate application of this funding

4 Capital Programme 2020-24

4.1 The Table below shows the movement in the 2020/24 corporate capital programme since the last monitoring report and summarises the initial review of the approved capital programme in response to Covid 19:

Depts	Current Budget 20/21	Variance	Revised Budget 20/21	Current Budget 21/22	Variance	Revised Budget 21/22	Original Budget 2022-23	Variance	Revised Budget 22/23	Original Budget 2023-24	Variance	Revised Budget 23/24
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Corporate Services	20,025	(1,363)	18,663	15,203	(433)	14,770	2,895	325	3,220	15,410	(736)	14,674
Community & Housing	1,709	(158)	1,551	1,680	148	1,828	1,429	0	1,429	425		425
Children Schools & Families	4,489	0	4,489	6,630	0	6,630	1,900	0	1,900	1,900		1,900
Environment and Regeneration	14,654	(610)	14,044	12,832	188	13,020	8,343	39	8,382	7,029	387	7,416
TOTAL	40,877	(2,131)	38,746	36,345	(97)	36,248	14,567	364	14,931	24,764	(349)	24,415

4.2 The table below summarises the position in respect of the 2020/21 Capital Programme as at June 2020. The detail is shown in Appendix 5.

Capital Budget Monitoring - June 2020

Department	Actuals	Budgeted Spend to Date	Variance to Date	Final Budget	Final Forecast 2020/21	Full Year Variance
Corporate Services	349,104	1,457,150	(1,108,046)	18,662,610	18,662,610	0
Community and Housing	65,747	150,360	(84,613)	1,551,000	1,550,166	(834)
Children Schools & Families	45,576	116,530	(70,954)	4,488,670	4,488,670	0
Environment and Regeneration	759,313	1,264,406	(505,092)	14,043,870	13,805,870	(238,000)
Total	1,219,740	2,988,446	(1,768,706)	38,746,150	38,507,316	(238,834)

a) Corporate Services – All budget managers are projecting a full spend against budget. The following adjustments have been made to the approved departmental programme this month:

Corporate Services		Budget 2020-21	Budget 2021-22	Budget 2022-23	Budget 2023-24	Narrative
		£	£	£	£	
Customer Contact Programme	(1)	(350,000)	(400,000)	0	0	Relinquished Budget
Capital Building Works	(1)	(175,420)	0	0	0	Relinquished Budget
Replacement Boilers	(1)	(267,200)	267,200	0	0	Re-profiled from 2020-21 to 2021-22
Civic Centre Lighting Upgrade	(1)		(300,000)	300,000	0	Re-profiled from 2021-22 to 2022-23
Environmental Asset Management		(10,600)	0	0	0	Relinquished Budget
Planning & Public Protection*	(1)	0	0	0	(550,000)	Relinquished Budget
School Admissions System	(1)	(125,000)	0	125,000	0	Re-profiled from 2020-21 to 2022-23
Parking System		(4,470)	0	0	0	Relinquished Budget
Youth Justice IT System	(1)	(100,000)	100,000	0	0	Re-profiled from 2020-21 to 2021-22
Multi Function Device	(1)	(330,000)	0	0	0	Relinquished Budget
IT Equipment	(1)	0	(100,000)	(100,000)	0	Relinquished Budget
Capital Bidding Fund	(1)	0	0	0	(186,400)	Relinquished Budget
Total		(1,362,690)	(432,800)	325,000	(736,400)	

Please note the £550k for Planning and Public Protection (*) has been reprofiled from 2023-24 into the indicative programme in 2024/25 and items with a (1) require Cabinet Approval.

b) Community and Housing – All budget managers are projecting a full year spend apart from the Library Self Service project which is projected to slightly underspend. The following adjustments have been made to the approved departmental programme this month:

Community and Housing		Budget 2020-21	Budget 2021-22	Budget 2022-23	Budget 2023-24	Narrative
		£	£	£	£	
Telehealth		(20,200)	10,200			£20.2k re-profiled and £10k relinquished
Learnin Disability Housing	(1)	(138,000)	138,000			Re-profiled from 2020-21 to to 2021-22
Total		(158,200)	(148,200)	0	0	

c) Children, Schools and Families – Officers are currently projecting a full spend against budget. The following adjustments have been made to the approved departmental programme this month:

Children, Schools and Families		Budget 2020-21	Budget 2021-22	Budget 2022-23	Budget 2023-24	Narrative
		£	£	£	£	
Wimbledon Chase - Capital Maintenance		30,000	0	0	0	Virement from the Unallocated Budget
Unallocated - Capital Maintenance		(30,000)	0	0	0	Virement to Wimbledon Chase
Total		0	0	0	0	

d) Environment and Regeneration – Officers are projecting full spend on all budgets apart from favourable variances on two schemes:

- Car Park Upgrades are currently showing a favourable variance of £125k. This projection only includes essential Fire Safety Works at St Georges Car Park, all other works as part of this scheme are under review
- Paddling Pools Option 2 are currently showing a favourable variance of £113k. The programme currently contains both options for Paddling Pools only one option will be progressed following a consultation process which is likely to commence over the Autumn of 2020.

The following adjustments have been made to the approved departmental programme this month:

Environment & Regeration		Budget 2020-21	Budget 2021-22	Budget 2022-23	Budget 2023-24	Narrative
		£	£	£	£	
Car Park Upgrades	(1)	(264,000)	264,000	0	0	Re-profiled from 2020-21 to to 2021-22
Replacement of Fleet Vehicles	(1)	(116,800)	116,800	0	0	Re-profiled from 2020-21 to to 2021-22
Alley Gating Scheme		(6,000)	(6,000)	(6,000)	(6,000)	Relinquished Budget
South London Waste Partnership		(9,610)	0	0	0	Relinquished Budget
Traffic Schemes		(50,000)	0	0	0	Relinquished Budget
Lamp Column Chargers		65,640	0	0	0	New TfL and Section 106 Funding
Active Travel Fund		90,480	0	0	0	New Dept. For Trans Funding
Surface Water Drainage		(9,000)	(9,000)	(9,000)	(9,000)	Relinquished Budget
Maintain Anti Skid & Coloured Surface		(15,000)	15,000	0	0	Re-profiled from 2020-21 to 2021-22
Highway Bridges and Structures	(1)	(150,000)	150,000	0	0	Re-profiled from 2020-21 to 2021-22
Morden Town Centre Regeneration	(1)	(50,000)	(460,000)	108,000	402,000	Re-profiled from 2020-21 onwards
Parks Investment		(63,000)	63,000	0	0	Re-profiled from 2020-21 to 2021-22
Cannons Parks for the People	(1)	178,770	(178,770)			Re-profiled from 2021-22 to to 2020-21
Merton Park Green Walks		21,810				New Section 106 Funding
Paddling Pool - Option 1		(45,000)	45,000	0	0	Re-profiled from 2020-21 to 2021-22
Paddling Pool - Option 2	(1)	(113,000)	113,000	0	0	Re-profiled from 2020-21 to 2021-22
Resurface Tennis Courts Wimb. Pk.		(75,000)	75,000	0	0	Re-profiled from 2020-21 to 2021-22
Mortuary Provision		0	0	(53,890)	0	Relinquished Budget
Total		(609,710)	188,030	39,110	387,000	

Please note the £6k reduction for Alley Gating and £9k reduction Surface Water Drainage will be refected throughout the whole indicative programme.

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

Depts.	Original Budget 20/21	Net Slippage 2020/21	Adjustments	New External Funding	New Internal Funding	Re-profiling	Revised Budget 20/21
Corporate Services	22,100	2,000	(870)			(4,567)	18,663
Community & Housing	2,004	189				(642)	1,551
Children Schools & Families	4,566	480		573		(1,130)	4,489
Environment and Regeneration	18,530	818	(1,612)	130	47	(3,870)	14,044
Total	47,199	3,487	(2,482)	703	47	(10,209)	38,746

4.4 The table below compares capital expenditure (£000s) to June 2020 to that in previous years':

Depts.	Spend To June 2017	Spend To June 2018	Spend to June 2019	Spend to June 2020	Variance 2017 to 2020	Variance 2018 to 2020	Variance 2019 to 2020
CS	195	652	275	349	154	(303)	74
C&H	98	176	146	66	(32)	(110)	(80)
CSF	367	548	1,550	46	(321)	(503)	(1,504)
E&R	1,625	2,300	300	759	(866)	(1,541)	460
Total Capital	2,285	3,677	2,270	1,220	(1,065)	(2,457)	(1,050)

Outturn £000s	32,230	31,424	26,960	
Budget £000s				38,746
Projected Spend June 2020 £000s				38,507
Percentage Spend to Budget				3.15%
% Spend to Outturn/Projection	7.09%	11.70%	8.42%	3.17%
Monthly Spend to Achieve Projected Outturn £000s				3,921

4.5 June is one quarter of the way into the financial year and departments have spent just over 3% of the budget. Spend to date lower than all three previous financial years shown and is in part due to the impact of Covid 19

Department	Spend To May 2020 £000s	Spend To June 2020 £000s	Increase £000s
CS	10	349	339
C&H	36	66	30
CSF	(80)	46	125
E&R	238	759	522
Total Capital	204	1,220	1,016

4.6 During June 2020 officers spent just over £1 million, to achieve year end spend officer would need to spend approximately £3.9 million each month to year end. Finance officers will continue to work with budget managers to re-profile and change the Capital Programme appropriately in the light of Covid 19 and the current financial challenges facing the Authority.

- 4.7 Appendix 5C summarises the impact of the changes to the Capital Programme on funding. The Table below compares the revenue impact from the original Medium Term Financial Strategy agreed in March 2020:

MTFS March 2020	2020/21 £000s	2021/22 £000s	2022/23 £000s	2023/24 £000s
MRP	4,875	5,635	6,950	7,704
Interest on Borrowing	6,315	6,315	6,110	6,082
Total Borrowing Costs	11,190	11,950	13,060	13,786
Interest on Investments	(285)	(137)	(6)	0
Interest on HC Loan	0	0	0	0
CCLA Investment Two Loans @ £10m	(322)	(322)	(322)	(322)
Total Borrowing Costs Net of Investment interest	10,583	11,491	12,733	13,464

Proposed Programme Business Plan 2020-24	2020/21 £000s	2021/22 £000s	2022/23 £000s	2023/24 £000s
MRP	4,855	5,644	6,597	7,343
Interest on Borrowing	6,316	6,316	6,111	5,981
Total Borrowing Costs	11,171	11,960	12,708	13,324
Interest on Investments	(357)	(365)	(322)	(130)
Interest on HC Loan	0	0	0	0
CCLA Investment Two Loans @ £10m	(323)	(323)	(323)	(323)
Total Borrowing Costs Net of Investment interest	10,491	11,272	12,063	12,871

Movement in Projected Costs	2020/21 £000s	2021/22 £000s	2022/23 £000s	2023/24 £000s
MRP	(19)	9	(353)	(361)
Interest on Borrowing	1	1	1	(101)
Total Borrowing Costs	(18)	10	(352)	(462)
Interest on Investments	(73)	(227)	(316)	(130)
Interest on HC Loan	0	0	0	0
CCLA Investment Two Loans @ £10m	(1)	(1)	(1)	(1)
Total Borrowing Costs Net of Investment interest	(92)	(218)	(670)	(593)

DELIVERY OF SAVINGS FOR 2020/21

Department	Target Savings 2020/21	Projected Savings 2020/21	Period 3 Forecast Shortfall	Period Forecast Shortfall (P3)	Period 2 Forecast Shortfall	2021/22 Expected Shortfall
	£000	£000	£000	%	£000	£000
Corporate Services	2,718	1,754	964	35.5%	871	595
Children Schools and Families	2,969	2,305	664	22.4%	664	300
Community and Housing	2,460	607	1,853	75.3%	1,853	100
Environment and Regeneration	3,927	936	2,991	76.2%	2,991	0
Total	12,074	5,602	6,472	53.6%	6,379	995

Appendix 6 details the progress on unachieved savings from 2020/21 by department and the impact on the current year and next year.

Progress on savings 2019/20

Department	Savings Target 2019/20	Shortfall 2019/20	Projected Shortfall 2020/21	Projected Shortfall 2021/22
	£000	£000	£000	£000
Corporate Services	1,484	100	70	0
Children Schools and Families	572	0	0	0
Community and Housing	1,534	118	0	0
Environment and Regeneration	2,449	837	2,065	0
Total	6,039	1,055	2,135	0

Appendix 7 details the progress on unachieved savings from 2019/20 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 2019/20; 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 Corporate Items table
Appendix 2 –	Pay and Price Inflation
Appendix 3 –	Treasury Management: Outlook
Appendix 5A –	Current Capital Programme
Appendix 5B -	Detail of Virements
Appendix 5C -	Summary of Capital Programme Funding
Appendix 6 –	Progress on savings 2020/21
Appendix 7 –	Progress on savings 2019/20
Appendix 8 -	Debt Report
Appendix 9 -	Establishment Control Report Q1 2020-21

14. BACKGROUND PAPERS

14.1 Budgetary Control files held in the Corporate Services department.

15. REPORT AUTHOR

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APPENDIX 1

3E.Corporate Items	Council 2020/21 £000s	Original Budget 2020/21 £000s	Current Budget 2020/21 £000s	Year to Date Budget (June) £000s	Year to Date Actual (June) £000s	Full Year Forecast (June) £000s	Forecast Variance at year end (June) £000s	Forecast Variance at year end (May) £000s	Outturn Variance 2019/20 £000s
Cost of Borrowing	11,190	11,190	11,190	1,579	759	11,171	(19)	0	(161)
Impact of Capital on revenue budget	11,190	11,190	11,190	1,579	759	11,171	(19)	0	(161)
Investment Income	(707)	(707)	(707)	(177)	(184)	(680)	27	0	(704)
Pension Fund	340	340	340	85	0	340	0	0	(104)
Corporate Provision for Pay Award	2,231	2,231	2,231	558	0	2,881	650	0	0
Corporate Provision for National Minimum Wage	1,500	1,500	1,500	375	0	1,500	0	0	0
Provision for excess inflation	450	450	450	113	0	450	0	0	(100)
Pay and Price Inflation	4,181	4,181	4,181	1,045	0	4,831	650	0	(100)
Contingency	1,500	1,500	500	125	0	500	0	0	(500)
Single Status/Equal Pay	100	100	100	25	0	100	0	0	0
Bad Debt Provision	500	500	500	125	0	500	0	0	1,304
Loss of income arising from P3/P4	400	400	0	0	0	0	0	0	(100)
Loss of HB Admin grant	34	34	34	9	0	34	0	0	(34)
Apprenticeship Levy	450	450	450	113	35	450	0	0	(22)
Revenuisation and miscellaneous	3,384	3,384	3,384	846	122	3,384		0	(802)
Growth - Provision against DSG	16,009	16,009	16,009	4,002	0	16,009	0	0	0
Contingencies and provisions	22,378	22,378	20,978	5,245	157	20,978	0	0	(154)
Other income	0	0	0	0	(3)	0	0	0	(186)
CHAS IP/Dividend	(1,963)	(1,963)	(1,963)	(491)	(60)	(1,963)	0	0	(157)
Income items	(1,963)	(1,963)	(1,963)	(491)	(63)	(1,963)	0	0	(343)
Appropriations: CS	(908)	(908)	(908)	(227)	0	(908)	0	0	0
Appropriations: E&R	(317)	(317)	(317)	(79)	0	(317)	0	0	0
Appropriations: CSF	(360)	(360)	(448)	(112)	(88)	(448)	0	0	0
Appropriations: C&H	(104)	(104)	(104)	(26)	0	(104)	0	0	0
Appropriations:Public Health	(1,200)	(1,200)	(1,200)	(300)	0	(1,200)	0	0	0
Appropriations:Corporate	(8,386)	(8,386)	(6,986)	(1,747)	(6,986)	(6,986)	0	0	0
Appropriations/Transfers	(11,275)	(11,275)	(9,963)	(2,491)	(7,074)	(9,963)	0	0	0
Depreciation and Impairment	(23,351)	(23,351)	(23,351)	0	0	(23,351)	0	0	0
Central Items	793	793	705	4,795	(6,406)	1,363	658	0	(1,566)
Levies	962	962	962	240	314	962	0	0	(1)
TOTAL CORPORATE PROVISIONS	1,754	1,754	1,666	5,036	(6,091)	2,324	658	0	(1,567)
COVID-19 Emergency expenditure						9,272	9,272	9,210	176
COVID-19 Expenditure	0	0	0	0	1,691	9,272	9,272	9,210	176

Pay and Price Inflation as at June 2020

In 2020/21, the budget includes 2.0% 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 0.8% and RPI at 1.5% and the Council's overall revenue budget under extreme pressure, this budget will be retained as cover and only released in exceptional circumstances.

Pay:

The local government pay award for 2020/21 has not yet been agreed. On 16 April 2020, the National Employers made an improved, final pay offer to the unions representing the main local government NJC workforce as follows:

- With effect from 1 April 2020, an increase of 2.75 per cent on all NJC pay points 1 and above
- With effect from 1 April 2020, an increase of one day to the minimum annual leave entitlement. This increase would apply just to those employees whose leave entitlement at 1 April 2020 is twenty one days (plus extra statutory and public holidays)
- joint work on mental health.

UNISON's national joint council (NJC) committee met on 5 June, to consider feedback from regions and decide on next steps in the NJC pay negotiation process.

The Local Government Association has made it clear that it will not approach the UK government to request any further money for local government pay. UNISON will send a full consultation pack to branches in the week of 22 June, and branches will then send key information to members and ask them to vote on whether they accept or reject the pay offer. They will have around six weeks to make up their mind and discuss the offer with fellow members.

The impact of a 2.75% pay increase on the Council's budget will increase employee costs by c.£0.650m for which additional budget would be required. The cost of additional leave has not yet been costed.

Prices:

The latest statistic have been affected by COVID-19. As a result of the ongoing coronavirus (COVID-19) pandemic, the ONS identified 67 CPIH items that were unavailable to UK consumers in June. These account for 13.5% of the CPIH basket by weight and made a downward contribution of 0.02 percentage points to the change in the CPIH 12-month rate; the number of unavailable items is down from 74 in May and 90 in April; for June, the ONS have collected a weighted total of 84.0% (excluding unavailable items) of the number of price quotes collected for February (the most recent "normal" collection).

The Consumer Prices Index (CPI) 12-month rate was 0.6% in June 2020, up from 0.5% in May.

Rising prices for games and clothing resulted in the largest upward contributions to the change in the CPI 12-month inflation rate between May and June 2020.

Falling prices for food resulted in a partially offsetting downward contribution to the change.

The Consumer Prices Index including owner occupiers' housing costs (CPIH) 12-month inflation rate was 0.8% in June 2020, up from 0.7% in May 2020.

The RPI rate for June 2020 was 1.1%, which is up from 1.0% in May 2020.

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. Previously at a special meeting on 19 March 2020, the Monetary Policy Committee (MPC) unanimously voted to cut interest rates from 0.25% to 0.1% and to increase holdings of UK government and corporate bonds by £200bn in response to the COVID-19 crisis.

At its meeting ending on 17 June 2020, the MPC voted unanimously to maintain Bank Rate at 0.1%. The Committee voted unanimously for the Bank of England to continue with the programme of £200 billion of UK government bond and sterling non-financial investment-grade corporate bond purchases, financed by the issuance of central bank reserves, to take the total stock of these purchases to £645 billion. The Committee voted by a majority of 8-1 to increase the target for the stock of asset purchases by an additional £100 billion at this meeting.

In the minutes to the meeting the MPC note that "Recent data outturns suggest that the fall in global GDP in 2020 Q2 will be less severe than expected at the time of the May Monetary Policy Report. There are signs of consumer spending and services output picking up, following the easing of Covid-related restrictions on economic activity. Recent additional announcements of easier monetary and fiscal policy will help to support the recovery. Downside risks to the global outlook remain, however, including from the spread of Covid-19 within emerging market economies and from a return to a higher rate of infection in advanced economies. UK GDP contracted by around 20% in April, following a 6% fall in March. Evidence from more timely indicators suggests that GDP started to recover thereafter. Payments data are consistent with a recovery in consumer spending in May and June, and housing activity has started to pick up recently."

In terms of the outlook for inflation the MPC minutes summarise the uncertainty caused by the pandemic and state that "current below-target rates of CPI inflation can in large part be accounted for by the effects of the pandemic. The collapse in global oil prices has had direct effects on inflation, via the prices of motor fuels, and indirect effects by reducing input costs in other sectors of the economy. The sharp drop in domestic activity is also adding to downward pressure on inflation through increased spare capacity in most sectors of the economy. The unprecedented situation means that the outlook for the UK and global economies is unusually uncertain. It will depend critically on the evolution of the pandemic, measures taken to protect public health, and how governments, households and businesses respond to these factors."

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 (July 2020)			
	Lowest %	Highest %	Average %
2020 (Quarter 4)			
CPI	0.0	2.5	0.7
RPI	0.4	6.7	1.5
LFS Unemployment Rate	5.9	10.8	8.1
2021 (Quarter 4)			
CPI	0.5	3.2	1.7
RPI	1.1	6.7	2.8
LFS Unemployment Rate	4.0	9.4	6.4

Note the wide range between highest and lowest forecasts which reflects the volatility and uncertainty arising from COVID-19 and the difficulty of forecasting how the situation will evolve. 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 2020 to 2024 are summarised in the following table:-

Source: HM Treasury - Forecasts for the UK Economy (May 2020)					
	2020	2021	2022	2023	2024
	%	%	%	%	%
CPI	1.0	1.4	1.7	1.8	1.8
RPI	1.6	2.0	2.5	2.8	2.8
LFS Unemployment Rate	7.0	6.8	6.1	5.5	5.0

Treasury Management: Outlook

At its meeting ending on 17 June 2020, the MPC voted unanimously to maintain Bank Rate at 0.1%. The Committee voted unanimously for the Bank of England to continue with the programme of £200 billion of UK government bond and sterling non-financial investment-grade corporate bond purchases, financed by the issuance of central bank reserves, to take the total stock of these purchases to £645 billion. The Committee voted by a majority of 8-1 to increase the target for the stock of asset purchases by an additional £100 billion at this meeting.

The MPC has published the May 2020 Monetary Policy Report in the context that “the unprecedented situation due to COVID-19 means that the outlook for the UK and global economies is unusually uncertain. It will depend critically on the evolution of the pandemic, and how governments, households and businesses respond to it. “ To illustrate the potential future implications has constructed a plausible illustrative economic scenario based on a set of stylised assumptions about the pandemic and the responses of governments, households and businesses, and, as usual, on the prevailing levels of asset prices and the market path for interest rates.

In an accompanying interim Financial Stability Report, the Financial Policy Committee (FPC) assessed the risks to UK financial stability and the resilience of the UK financial system to the economic and market shocks associated with Covid-19. The MPC has statutory objectives to maintain price stability and, subject to that, to support the economic policy of the Government including its objectives for growth and employment. In the current circumstances, and consistent with the MPC’s remit, monetary policy is aimed at supporting businesses and households through the crisis, and limiting any lasting damage to the economy.

The MPC note that “the illustrative scenario incorporates a very sharp fall in UK GDP in 2020 H1 and a substantial increase in unemployment. The fall in activity should be temporary, and GDP should pick up relatively rapidly as social distancing measures are relaxed. Nonetheless, because a degree of precautionary behaviour by households and businesses is assumed to persist beyond that point, the economy takes some time to recover towards its previous path, with risks skewed to the downside. In the near term, CPI inflation is likely to fall significantly below the MPC’s 2% target, given falling energy prices and the weakness of demand. It rises to around the 2% target further out.”

However, in the MPC’s minutes to the meeting ending on 17 June 2020, it is stated that “the emerging evidence suggests that the fall in global and UK GDP in 2020 Q2 will be less severe than set out in the May Report. Although stronger than expected, it is difficult to make a clear inference from that about the recovery thereafter. There is a risk of higher and more persistent unemployment in the United Kingdom. Even with the relaxation of some Covid-related restrictions on economic activity, a degree of precautionary behaviour by households and businesses is likely to persist. The economy, and especially the labour market, will therefore take some time to recover towards its previous path. CPI inflation is well below the 2% target and is expected to fall further below it in coming quarters, largely reflecting the weakness of demand. At this meeting, the MPC judges that a further easing of monetary policy is warranted to meet its statutory objectives. The Committee agreed to increase the target stock of purchased UK government bonds by an additional £100 billion in order to meet the inflation target in the medium term. The Committee expects that programme to be completed, and the total stock of asset purchases to reach £745 billion, around the turn of the year. The MPC will continue to monitor the situation closely and, consistent with its remit, stands ready to take further action as necessary to support the economy and ensure a sustained return of inflation to the 2% target. The Committee will keep the asset purchase programme under review.”

Higher and more persistent unemployment is seen as a major risk and the economy will take some time to recover towards its previous path. The MPC minutes say that “more generally, there were risks to the recovery from ongoing high uncertainty, weaker balance sheets, particularly in the corporate sector, and increased risk aversion.”

Although, they are unable to indicate what their approach in the coming months will be, the MPC emphasise that they will have an important role in the coming months, “a persistent margin of spare capacity, in large part reflecting slack in the labour market, would weigh on inflation. Existing fiscal support provided to workers and to companies was likely to continue to play a key role in preventing a larger fall in spending and widespread business failures. Looser monetary policy also had a role to play by supporting cashflows, demand, and financial conditions. In an environment of heightened uncertainty, some members in this group also envisaged a role for monetary policy in seeking to mitigate the potential impact of more adverse economic scenarios, including those in which there were higher rates of Covid-19 infection going forward. Some members noted that risk management considerations favoured a prompt response to downside risks at present in order to ensure a sustained return of inflation to the target.”

Capital Budget monitoring- June 2020

	Actuals	Budgeted Spend to Date	Variance to Date	Final Budget	Final Year Forecast 2020/21	Full Year Variance
Capital	1,219,740	2,988,446	(1,768,706)	38,746,150	38,507,316	(238,834)
Corporate Services	349,104	1,457,150	(1,108,046)	18,662,610	18,662,610	0
Customer, Policy and Improvmen	103,780	0	103,780	1,000,000	1,000,000	0
Customer Contact Programme	103,780	0	103,780	1,000,000	1,000,000	0
Facilities Management Total	61,040	357,555	(296,515)	1,445,370	1,445,370	0
Works to other buildings	70,968	245,355	(174,387)	903,170	902,870	(300)
Civic Centre	(3,753)	37,200	(40,953)	67,200	67,500	300
Invest to Save schemes	(6,175)	75,000	(81,175)	475,000	475,000	0
Infrastructure & Transactions	184,284	599,595	(415,311)	2,670,490	2,670,490	0
Business Systems	13,233	151,745	(138,512)	880,700	880,700	0
Social Care IT System	0	68,220	(68,220)	272,870	272,870	0
Planned Replacement Programme	171,051	379,630	(208,579)	1,516,920	1,516,920	0
Corporate Items	0	500,000	(500,000)	13,546,750	13,546,750	0
Multi Functioning Device (MFD)	0	0	0	270,000	270,000	0
Westminster Ccl Coroners Court	0	0	0	460,000	460,000	0
Housing Company	0	500,000	(500,000)	12,816,750	12,816,750	0
Community and Housing	65,747	150,360	(84,613)	1,551,000	1,550,166	(834)
Housing	66,598	150,360	(83,762)	1,177,000	1,177,000	0
Disabled Facilities Grant	66,598	150,360	(83,762)	827,000	827,000	0
Major Projects - Social Care H	0	0	0	350,000	350,000	0
Libraries	(851)	0	(851)	374,000	373,166	(834)
Library Enhancement Works	(851)	0	(851)	0	0	0
Major Library Projects	0	0	0	350,000	349,166	(834)
Libraries IT	0	0	0	24,000	24,000	0

Capital Budget Monitoring- June 2020

	Actuals	Budgeted Spend to Date	Variance to Date	Final Budget	Final Year Forecast 2020/21	Full Year Variance
Children Schools & Families	45,576	116,530	(70,954)	4,488,670	4,488,670	0
Primary Schools	84,694	0	84,694	1,888,830	1,888,830	0
Hollymount	(356)	0	(356)	0	0	0
West Wimbledon	(901)	0	(901)	39,350	39,350	0
Hatfeild	7,258	0	7,258	43,910	43,910	0
Hillcross	(5,227)	0	(5,227)	83,290	83,290	0
Dundonald	0	0	0	79,500	79,500	0
Garfield	29,680	0	29,680	42,620	42,620	0
Merton Abbey	(530)	0	(530)	0	0	0
Poplar	(4,824)	0	(4,824)	24,010	24,010	0
Wimbledon Chase	0	0	0	81,990	81,990	0
Wimbledon Park	0	0	0	40,000	40,000	0
Abbotsbury	32,930	0	32,930	137,200	137,200	0
Malmesbury	0	0	0	35,000	35,000	0
Morden	(2,219)	0	(2,219)	0	0	0
Bond	0	0	0	6,030	6,030	0
Cranmer	0	0	0	34,000	34,000	0
Gorringe Park	0	0	0	86,650	86,650	0
Haslemere	(795)	0	(795)	0	0	0
Liberty	(487)	0	(487)	33,640	33,640	0
Links	(690)	0	(690)	220,000	220,000	0
St Marks	0	0	0	165,000	165,000	0
Lonesome	33,680	0	33,680	46,740	46,740	0
Sherwood	(1,059)	0	(1,059)	201,200	201,200	0
Stanford	(1,768)	0	(1,768)	0	0	0
William Morris	0	0	0	3,200	3,200	0
Unlocated Primary School Proj	0	0	0	485,500	485,500	0

Capital Budget Monitoring- June 2020

	Actuals	Budgeted Spend to Date	Variance to Date	Final Budget	Final Year Forecast 2020/21	Full Year Variance
Secondary School	(43,243)	0	(43,243)	260,010	260,010	0
Harris Academy Merton	0	0	0	34,170	34,170	0
Raynes Park	0	0	0	5,590	5,590	0
Ricards Lodge	0	0	0	5,580	5,580	0
Rutlish	0	0	0	19,000	19,000	0
Harris Academy Wimbledon	(43,243)	0	(43,243)	195,670	195,670	0
SEN	(81,913)	0	(81,913)	1,990,260	1,990,260	0
Perseid	(16,241)	0	(16,241)	285,970	285,970	0
Cricket Green	(90,267)	0	(90,267)	366,150	366,150	0
Melrose	40,644	0	40,644	1,070,590	1,070,590	0
Secondary School Autism Unit	0	0	0	50,000	50,000	0
Unlocated SEN	(16,048)	0	(16,048)	204,210	204,210	0
Melbury College - Smart Centre	0	0	0	13,340	13,340	0
CSF Schemes	86,037	116,530	(30,493)	349,570	349,570	0
CSF IT Schemes	(1,353)	0	(1,353)	0	0	0
Devolved Formula Capital	87,390	116,530	(29,140)	349,570	349,570	0

Capital Budget Monitoring- June 2020

	Actuals	Budgeted Spend to Date	Variance to Date	Final Budget	Final Year Forecast 2020/21	Full Year Variance
Environment and Regeneration	759,313	1,264,406	(505,092)	14,043,870	13,805,870	(238,000)
Public Protection and Developm	0	71,434	(71,434)	450,340	325,340	(125,000)
On Street Parking - P&D	0	10,000	(10,000)	100,000	100,000	0
Off Street Parking - P&D	0	46,400	(46,400)	200,000	75,000	(125,000)
CCTV Investment	0	15,034	(15,034)	150,340	150,340	0
Public Protection and Developm	0	0	0	0	0	0
Street Scene & Waste	(117,973)	110,500	(228,473)	604,630	604,630	0
Fleet Vehicles	0	107,500	(107,500)	542,200	542,200	0
Alley Gating Scheme	1,200	3,000	(1,800)	24,000	24,000	0
Waste SLWP	(119,173)	0	(119,173)	38,430	38,430	0
Sustainable Communities	877,286	1,082,472	(205,185)	12,988,900	12,875,900	(113,000)
Street Trees	(4,500)	6,600	(11,100)	126,000	126,000	0
Raynes Park Area Roads	0	2,611	(2,611)	26,110	26,110	0
Highways & Footways	702,916	405,843	297,073	5,810,430	5,810,430	0
Cycle Route Improvements	99,878	13,239	86,639	132,390	132,390	0
Mitcham Transport Improvements	705	9,661	(8,956)	96,610	96,610	0
Unallocated TfI	0	0	0	0	0	0
Colliers Wood Area Regeneratio	2,050	1,500	550	15,000	15,000	0
Mitcham Area Regeneration	1,747	228,755	(227,008)	2,287,550	2,287,550	0
Wimbledon Area Regeneration	70,000	78,830	(8,830)	788,300	788,300	0
Morden Area Regeneration	0	25,000	(25,000)	200,000	200,000	0
Borough Regeneration	1,987	58,305	(56,318)	583,050	583,050	0
Morden Leisure Centre	0	14,170	(14,170)	55,000	55,000	0
Wimbledon Park Lake and Waters	1,475	19,000	(17,525)	329,500	329,500	0
Sports Facilities	22,836	30,000	(7,164)	308,840	308,840	0
Parks	(21,806)	188,958	(210,764)	2,230,120	2,117,120	(113,000)

Virement, Re-profiling and New Funding - June 2020

Appendix 5B

		2019/20 Budget	Virements	Funding Adjustments	Reprofiling	Revised 2019/20 Budget	2020/21 Budget	Movement	Revised 2020/21 Budget	Narrative
		£	£		£	£	£		£	
Corporate Services										
Customer Contact Programme	(1)	1,350,000		(350,000)		1,000,000	1,900,000	(400,000)	1,500,000	Relinquished Budget
Capital Building Works	(1)	877,110		(175,420)		701,690	600,000	0	600,000	Relinquished Budget
Replacement Boilers	(1)	468,680			(267,200)	201,480	0	267,200	267,200	Re-profiled to 2022-23
Civic Centre Lighting Upgrade	(1)	0				0	300,000	(300,000)	0	Re-profiled to 2022-23
Environmental Asset Management		17,800		(10,600)		7,200	0	0	0	Relinquished Budget
School Admissions System	(1)	125,000			(125,000)	0	0	0	0	Re-profiled to 2022-23
Parking System		22,350		(4,470)		17,880	0	0	0	Relinquished Budget
Youth Justice IT System	(1)	100,000			(100,000)	0	0	100,000	100,000	Re-profiled from 2020-21 to to 2021-22
Multi Function Device	(1)	600,000		(330,000)		270,000	0	0	0	Relinquished Budget
IT Equipment	(1)	120,000				120,000	100,000	(100,000)	0	Relinquished Budget
Community and Housing										
Telehealth		20,200			(20,200)	0	20,200	10,200	30,400	£20.2k re-profiled and £10k relinquished
Learnin Disability Housing	(1)	488,000			(138,000)	350,000	633,000	138,000	771,000	Re-profiled from 2020-21 to to 2021-22
Children, Schools and Families										
Wimbledon Chase - Capital Maintenance		51,990	30,000			81,990	0	0	0	Virement from the Unallocated Budget
Unallocated - Capital Maintenance		515,500	(30,000)			485,500	1,900,000	0	1,900,000	Virement to Wimbledon Chase
Environment and Regeneration										
Car Park Upgrades	(1)	464,000			(264,000)	200,000	520,000	264,000	784,000	Re-profiled from 2020-21 to to 2021-22
Replacement of Fleet Vehicles	(1)	584,000			(116,800)	467,200	300,000	116,800	416,800	Re-profiled from 2020-21 to to 2021-22
Alley Gating Scheme		30,000		(6,000)		24,000	30,000	(6,000)	24,000	Relinquished Budget
South London Waste Partnership		48,040		(9,610)		38,430	0	0	0	Relinquished Budget
Traffic Schemes		261,540		(50,000)		211,540	150,000	0	150,000	Relinquished Budget
Lamp Column Chargers		0		65,640		65,640	0		0	New TIL and Section 106 Funding
Active Travel Fund		0		90,480		90,480	0		0	New Dept. For Trans Funding
Surface Water Drainage		69,000		(9,000)		60,000	69,000	(9,000)	60,000	Relinquished Budget
Maintain Anti Skid & Coloured Surface		70,000			(15,000)	55,000	70,000	15,000	85,000	Re-profiled from 2020-21 to to 2021-22
Highway Bridges and Structures	(1)	634,670			(150,000)	484,670	260,000	150,000	410,000	Re-profiled from 2020-21 to to 2021-22
Morden Town Centre Regeneration		250,000			(50,000)	200,000	2,500,000	(460,000)	2,040,000	Re-profiled across approved programme
Parks Investment		315,670			(63,000)	252,670	300,000	63,000	363,000	Re-profiled from 2020-21 to to 2021-22
Cannons Parks for the People	(1)	1,199,680			178,770	1,378,450	178,770	(178,770)	0	Re-profiled from 2021-22 to to 2020-21
Merton Park Green Walks		38,000		21,810		59,810	0		0	New Section 106 Funding
Paddling Pool - Option 1		90,000			(45,000)	45,000	90,000	45,000	135,000	Re-profiled from 2020-21 to to 2021-22
Paddling Pool - Option 2	(1)	226,000			(113,000)	113,000	0	113,000	113,000	Re-profiled from 2020-21 to to 2021-22
Resurface Tennis Courts Wimb. Pk.		150,440			(75,000)	75,440	0	75,000	75,000	Re-profiled from 2020-21 to to 2021-22
Total		9,187,670	0	(767,170)	(1,363,430)	7,057,070	9,920,970	(96,570)	9,824,400	

(1) Requires Cabinet Approval

Virement, Re-profiling and New Funding - June 2020

Appendix 5B

		2022/23 Budget	Movement	Revised 2022/23 Budget	2023/24 Budget	Movement	Revised 2023/24 Budget	Narrative
		£	£	£	£		£	
Corporate Services								
Civic Centre Lighting Upgrade	(1)	0	300,000	300,000	0	0	0	Re-profiled from 2021-22
School Admissions System	(1)	0	125,000	125,000	0	0	0	Re-profiled from 2020-21
IT Equipment	(1)	100,000	(100,000)	0	0	0	0	Relinquished Budget
Planning and Public Protection	(1)	0	0	0	550,000	(550,000)	0	Re-profiled to 24-25 Indicative Budget
Capital Bidding Fund	(1)	0	0	0	1,186,400	(186,400)	1,000,000	Relinquished Budget
Environment and Regeneration								
Alley Gating Scheme		30,000	(6,000)	24,000	30,000	(6,000)	24,000	
Surface Water Drainage		69,000	(9,000)	60,000	30,000	(9,000)	21,000	
Morden Town Centre Regeneration	(1)	1,500,000	108,000	1,608,000	1,750,000	402,000	2,152,000	
Mortuary Provision		53,890	(53,890)	0	0	0	0	
Total		1,752,890	364,110	2,117,000	3,546,400	(349,400)	3,197,000	

(1) Requires Cabinet Approval

Capital Programme Funding Summary 2020/21

	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
Approved Capital Programme 4-3-20	39,388	7,811	47,199
Outturn Adjustments	(2,234)	(414)	(2,648)
Approved Capital Programme Outturn	37,154	7,397	44,551
<u>Corporate Services</u>			
Housing Company	(3,674)	0	(3,674)
Approved May Monitoring	33,479	7,397	40,877
<u>Corporate Services</u>			
Customer Contact Programme	(350)	0	(350)
Capital Building Works	(175)	0	(175)
Replacement Boilers	(267)	0	(267)
Civic Centre Lighting Upgrade	0	0	0
Environmental Asset Management	(11)	0	(11)
School Admissions System	(125)	0	(125)
Parking System	(4)	0	(4)
Youth Justice IT System	(100)	0	(100)
Multi Function Device	(330)	0	(330)
IT Equipment	0	0	0
<u>Community and Housing</u>			
Telehealth	(20)	0	(20)
Learnin Disability Housing	(138)	0	(138)
<u>Environment and Regeneration</u>			
Car Park Upgrades	(264)	0	(264)
Replacement of Fleet Vehicles	(117)	0	(117)
Alley Gating Scheme	(6)	0	(6)
South London Waste Partnership	(10)	0	(10)
Traffic Schemes	(50)	0	(50)
Lamp Column Chargers	26	40	66
Active Travel Fund	0	90	90
Surface Water Drainage	(9)	0	(9)
Maintain Anti Skid & Coloured Surface	(15)	0	(15)
Highway Bridges and Structures	(150)	0	(150)
Morden Town Centre Regeneration	(50)	0	(50)
Parks Investment	(63)	0	(63)
Canons Parks for the People	0	179	179
Merton Park Green Walks	22	0	22
Paddling Pool - Option 1	(45)	0	(45)
Paddling Pool - Option 2	(113)	0	(113)
Resurface Tennis Courts Wimb. Pk.	(75)	0	(75)
Proposed June Monitoring	31,040	7,707	38,746

Capital Programme Funding Summary 2021/22

	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
Approved Capital Programme 4-3-20	24,774	4,192	28,966
Outturn Adjustments	3,158	547	3,705
Current Approved Programme	27,932	4,739	32,671
<u>Corporate Services</u>			
Housing Company	3,674	0	3,674
Approved May Monitoring	31,606	4,739	36,345
<u>Corporate Services</u>			
Customer Contact Programme	(400)	0	(400)
Replacement Boilers	267	0	267
Civic Centre Lighting Upgrade	(300)	0	(300)
Youth Justice IT System	100	0	100
IT Equipment	(100)	0	(100)
<u>Community and Housing</u>			
Telehealth	10	0	10
Learnin Disability Housing	138	0	138
<u>Environment and Regeneration</u>			
Car Park Upgrades	264	0	264
Replacement of Fleet Vehicles	117	0	117
Alley Gating Scheme	(6)	0	(6)
Surface Water Drainage	(9)	0	(9)
Maintain Anti Skid & Coloured Surface	15	0	15
Highway Bridges and Structures	150	0	150
Morden Town Centre Regeneration	(460)	0	(460)
Parks Investment	63	0	63
Canons Parks for the People	0	(179)	(179)
Paddling Pool - Option 1	45	0	45
Paddling Pool - Option 2	113	0	113
Resurface Tennis Courts Wimb. Pk.	75	0	75
Proposed June Monitoring	31,689	4,560	36,249

Capital Programme Funding Summary 2022/23

	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
Approved Capital Programme 4-3-20	10,540	3,480	14,020
Outturn Adjustments	269	278	547
Approved May Monitoring	10,809	3,758	14,567
<u>Corporate Services</u>			
Civic Centre Lighting Upgrade	300	0	300
School Admissions System	125	0	125
IT Equipment	(100)	0	(100)
<u>Environment and Regeneration</u>			
Alley Gating Scheme	(6)	0	(6)
Surface Water Drainage	(9)	0	(9)
Morden Town Centre Regeneration	108	0	108
Mortuary Provision	(54)	0	(54)
Proposed June Monitoring	11,173	3,758	14,931

Capital Programme Funding Summary 2023/24

	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
Approved Capital Programme 4-3-20	19,534	3,200	22,734
Outturn Adjustments	2,030	0	2,030
Current Approved Budget	21,564	3,200	24,764
<u>Corporate Services</u>			
Planning and Public Protection	(550)	0	(550)
Capital Bidding Fund	(186)	0	(186)
<u>Environment and Regeneration</u>			
Alley Gating Scheme	(6)	0	(6)
Surface Water Drainage	(9)	0	(9)
Morden Town Centre Regeneration	402	0	402
Proposed June Monitoring	21,215	3,200	24,415

APPENDIX 6

Department	Target Savings 2020/21	Projected Savings 2020/21	Period 3 Forecast Shortfall	Period Forecast Shortfall (P3)	Period 2 Forecast Shortfall	2021/22 Expected Shortfall
	£000	£000	£000	%	£000	£000
Corporate Services	2,718	1,754	964	35.5%	871	595
Children Schools and Families	2,969	2,305	664	22.4%	664	300
Community and Housing	2,460	607	1,853	75.3%	1,853	100
Environment and Regeneration	3,927	936	2,991	76.2%	2,991	0
Total	12,074	5,602	6,472	53.6%	6,379	995

	Updated for June 2020										APPENDIX 6	
DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2020/21												
Ref	Description of Saving	2020/21 Savings Required £000	2020/21 Savings Achieved £000	Shortfall	RAG	2021/22 Savings Expected £000	2021/22 Expected Shortfall £000	21/22 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N	
	Adult Social Care											
CH72	Deferred Savings - Transport	100	100	0	G	100	0	G	John Morgan	Although the implementation of the review has been delayed, there has been a drop in transport activity, particularly taxis, due to C19. There is also a projected underspend on concessionary fares		
CH76	OPMH Staffing	100	0	100	R	0	100	R	John Morgan	We need to review the demand for MH services with the trust due to C19. We are expecting demand to rise making this saving no longer achievable		
CH87	Mascot Income	100	0	100	R	100	0	A	Andy Ottaway-Searle	Income from MASCOT is currently down by £25k due to a net loss of 57 customers. LGA Peer Challenge delayed. Other options to make savings are being explored.		
CH88	Home Care Monitoring System: -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.	78	0	78	A	78	0	G	Phil Howell	The project has been delayed by actions necessary due to C19. We are currently paying on commissioned hours. The system provider has delayed roll out to		
CH82, 83 / 90	Out of Area Placements	1,100	0	1,100	A	1,100	0	A	John Morgan	The project has been delayed by actions necessary due to C19. A desktop review linked to London wide research is underway to re-start the work. We also need to		
CH91	Supported Living / Residential review	400	0	400	R	400	0	A	John Morgan	The project has been delayed by actions necessary due to C19. The work will be linked to London wide research that is being commissioned by ADASS. We		
CH92	Mobile Working	50	7	43	A	50	0	G	John Morgan	C19 has prompted a major move towards mobile working. Public transport costs are down £7k, other recharges awaited		
CH96	Home Care Monitoring	32	0	32	R	32	0	G	John Morgan	The project has been delayed by actions necessary due to C19		
CH99	Placements	500	500	0	G	500	0	G	John Morgan	There has been a reduction in gross costs of care forecast as at period 2..Placements are subject to continued senior management scrutiny		

	Updated for June 2020										<u>APPENDIX 6</u>	
DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2020/21												
Ref	Description of Saving	2020/21 Savings Required £000	2020/21 Savings Achieved £000	Shortfall	RAG		2021/22 Savings Expected £000	2021/22 Expected Shortfall £000	21/22 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Unders pend? Y/N
	Subtotal Adult Social Care	2,460	607	1,853		0	2,360	100				
	Total C & H Savings for 2020/21	2,460	607	1,853			2,360	100				

DEPARTMENT: CORPORATE SERVICES SAVINGS PROGRESS 2020/21

Ref	Description of Saving	2020/21 Savings Required £000	2020/21 Savings Forecast £000	Shortfall	RAG	2021/22 Savings Expected £000	2021/22 Expected Shortfall £000	21/22 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Under spend? Y/N
Customers, Policy & Improvement											
CS2016 -06	Merton Link - efficiency savings	30	30	0	G	30	0	G	Sean Cunniffe		
2019-20 CS02	Charge for Blue Badges	15	0	15	R	15	0	A	Sean Cunniffe	Charges not yet in place - to be reviewed.	Y
2019-20 CS28	cash collection reduction	12	12	0	G	12	0	G	Sean Cunniffe		
2020-21 CS5	Reduction in various running costs across the division	20	20	0	G	20	0	G	CPI AD		
2020-21 CS6	Community engagement - reduction in running costs	8	8	0	G	8	0	G	Kris Witherington		
Resources											
2018-19 CS06	Miscellaneous budgets within Resources	17	17	0	G	17	0	G	Resources Senior Management		
2018-19 CS07	Retender of insurance contract	50	0	50	R	13	37	A	Nemashe Sivayogan	New contract comes into place mid 2020/21. Insurance premiums cost will be reduced but variance remains adverse due to historic budget pressure. This will be offset in part during 2020/21 and fully during 2021/22 by an overachievement on income	Y
2018-19 CS08	Increase in income from Enforcement Service	20	0	20	R	20	0	A	David Keppler	Not achievable in light of covid-19 circumstances. Bailiff service is currently not operational.	Y
2019-20 CS06	Revs and Bens reduction in staffing	146	146	0	G	146	0	G	David Keppler		
2019-20 CS07	Treasury - increase in investment income	20	20	0	G	20	0	G	Nemashe Sivayogan		
2019-20 CS08	Insurance reduction in staffing	15	15	0	G	15	0	G	Nemashe Sivayogan		
2020-21 CS1	Right sizing charge to Pension Fund for Pension Manager time	24	24	0	G	24	0	G	Nemashe Sivayogan		
2020-21 CS2	Savings in Insurance Fund top up budget	70	70	0	G	70	0	G	Nemashe Sivayogan		
2020-21 CS3	Increase in Investment Income	100	100	0	G	100	0	G	Nemashe Sivayogan		
2020-21 CS15	Miscellaneous savings (eg. Subscriptions)	39	39	0	G	10	0	G	Resources Senior Management	Part of this is a one-off saving - there is only £10k saving built in for 2021/22	
2020-21 CS16	Saving in Consultancy costs	20	20	0	G	20	0	G	Resources Senior Management		
CSREP 2020-21 (1)	Savings in Insurance Fund top up budget	30	30	0	G	30	0	G	Nemashe Sivayogan		
Corporate Governance											
2018-19 CS12	SLLp - reduction in legal demand	50	0	50	A	50	0	A	Louise Round	Saving to to reviewed to determine level of achieveability and if replacement may be required	Y
2019-20 CS14	impose criminal litigation cap at 20k	20	0	20	A	20	0	A	Louise Round	Saving to to reviewed to determine level of achieveability and if replacement may be required	Y
2019-20 CS15	reduce civil litigation legal support by 50%	45	0	45	A	45	0	A	Louise Round	Saving to to reviewed to determine level of achieveability and if replacement may be required	Y
2019-20 CS27	merge democracy services and electoral services	70	38	32	A	70	0	G	Louise Round	Post holder retiring mid-year, shortfall in year offsets with other underspends within the services	Y
2020-21 CS13	Corp Gov AD - Running Costs	24	24	0	G	24	0	G	Louise Round		

DEPARTMENT: CORPORATE SERVICES SAVINGS PROGRESS 2020/21

Ref	Description of Saving	2020/21 Savings Required £000	2020/21 Savings Forecast £000	Shortfall	RAG	2021/22 Savings Expected £000	2021/22 Expected Shortfall £000	21/22 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Under spend? Y/N
2020-21 CS14	Information governance - reduction in consultancy spend	10	10	0	A	10	0	G	Karin Lane	Expected to be achieved but will be dependent upon the number of complaints	N
	Human Resources										
2019-20 CS24	Realignment/redesign of HR services to provide services to the organisation and mitigate associated risks	50	47	3	A	47	3	A	Liz Hammond	Restructure of HR staffing completed to reduce staffing structure cost by £47k	Y
2019-20 CS25	Charge for voluntary sector payroll	7	7	0	G	7	0	G	Liz Hammond		
	Infrastructure & Technology										
2019-20 CS19	Reduction in the Repairs and Maintenance budgets for the corporate buildings.	100	17	83	A	100	0	G	Edwin O'Donnell	Worked carried out to buildings in light of covid-19	Y
2019-20 CS20	Reduction in the energy 'Invest to Save' budget for the corporate buildings.	100	100	0	G	100	0	G	Edwin O'Donnell		
2019-20 CS22	Reduction in the frequency of the cleaning within the corporate buildings	25	0	25	R	0	25	A	Edwin O'Donnell	Not achievable in light of covid-19 circumstances	Y
CSD7	Restructure Post & Print section and delete 2 FTE posts	47	47	0	G	47	0	G	Keith Bartlett		
CS2015-03	Review of Transactional Services team	100	100	0	G	100	0	G	Pamela Lamb		
2018-19 CS03	Adjust current Local Authority Liaison Officer (LALO) arrangements to require Assistant Directors to undertake the duties as part of their job description.	33	33	0	G	33	0	G	Adam Viccari	Nil shortfall as this has effectively been replaced by growth added to the safety services budget from 2020/21	
2020-21 CS8	A further £100k reduction of the repairs and maintenance budget for corporate buildings.	100	100	0	G	100	0	G	Edwin O'Donnell		
2020-21 CS9	Reduction in the frequency of the cleaning within the Councils corporate buildings.	30	0	30	R	0	30	A	Edwin O'Donnell	Not achievable in light of covid-19 circumstances	Y
2020-21 CS12	Cancel lease on two Council vans	5	0	5	R	5	0	A	Edwin O'Donnell/ Richard Warren	To be reviewed but may not be achievable in light of covid-19 circumstances	Y
	Corporate										
2019-20 CS09	CHAS dividend	460	460	0	G	460	0	G	Ian McKinnon	CHAS revenue is being maintained at a good level so far during the covid-19 pandemic which would allow for this dividend payment	
2019-20 CS10	Recharges to Merantun Developments	75	71	4	A	75	0	G		Overheads set at £71k for 2020/21	Y
2019-20 CS11	Amend discretionary rate relief policy	75	75	0	G	75	0	G	David Keppler		
2019-20 CS12	Increase in Empty Homes Premium for long term empty properties	36	36	0	G	36	0	G	David Keppler		
2019-20 CS13	Improved collection of HB overpayments and reduce Bad Debt Provision	500	0	500	R	0	500	A	David Keppler	Not achievable due to covid-19	Y
2020-21 CS4	Housing benefit written off debt recovery (one off)	120	38	82	A			N/A	David Keppler	Reduced recovery due to covid-19. One-off saving not built in for 2021/22	Y
	Total CS Savings for 2020/21	2718	1754	964		1974	595	0			

DEPARTMENT: ENVIRONMENT & REGENERATION SAVINGS PROGRESS: 2020-21

Ref	Description of Saving	2020/21 Savings Required £000	2020/21 Savings Achieved £000	Shortfall	RAG	2021/22 Savings Expected £000	2021/22 Expected Shortfall £000	2021/22 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Unders pend? Y/N
SUSTAINABLE COMMUNITIES											
ENV1920-03	Property Management: Realign rental income budgets to better reflect current levels of income being achieved from conducting rent reviews in line with tenancy agreements	300	300	0	A	300	0	G	James McGinlay	Currently expecting to achieve saving, but it remains to be seen how C-19 will impact the viability of businesses.	N
ENV1920-06	Future Merton: Highways advertising income through re-procurement of the advertising contract for the public highway.	40	0	40	R	40	0	G	James McGinlay	Covid-19 estimated to impact on saving, due to JC Decaux requesting to remove Q2 guaranteed income payment due to LBM.	Y
ALT1920-01	Property Management: Increased income already being achieved from conducting rent reviews in line with tenancy agreements	70	70	0	A	70	0	G	James McGinlay	Currently expecting to achieve saving, but it remains to be seen how C-19 will impact the viability of businesses.	N
PUBLIC PROTECTION											
ENV1819 - 02	Parking: Operational efficiencies. Parking services manage a high level of transactional applications, for PCN, Permit and general enquiries. Through improved use of technology and a review of practices, including the development of self service transactions by customers opposed to back office staff processing, efficiency savings can be made.	57	57	0	G	57	0	G	Cathryn James		N
ENV1819-03	Parking: The objective of the proposal is to support the delivery of key strategic council priorities including public health, air quality and sustainable transportation, in addition to managing parking, kerbside demand and congestion. Whilst implementation of the proposals will have the incidental effect of generating additional revenue, it is difficult to assess the level of change in customer behaviour and any subsequent financial impact arising from the changes. This will be monitored after implementation and any resulting impacts will be considered during the future years' budget planning cycles. The above will be subject to the outcome of the consultation process in 2019.	1,900	0	1,900	R	1900	0	A	Cathryn James	The new charges were implemented on 14th January 2020. Early analysis shows a reduction in sales of Permits, including scratch cards, and a greater number of 6 month permits being sold than 12 month permits against historic trends, which is even more evident in the case of diesel cars Permits. Unfortunately Covid 19 began only approximately 2 months after the introduction of the new charges, resulting in a significant change in Permit sales, which has made projections very difficult. Following the introduction of On Street charges, data showed expected income was being achieved, but off street showed a slight under recovery on estimated. Unfortunately, Covid 19 began only approximately 2 months after the introduction of the new charges, resulting in a reduction in parking activity, which makes analysis against budget projection near on impossible.	Y
ENV1819 - 04	Parking: Reduction in the number of pay & display machines required.	13	13	0	A	13	0	G	Cathryn James		N
ENV1920-01	Parking: Application to change Merton's PCN charge band from band B to band A. To effect this a full business case will need to be presented to Full Council. Following this, an application will be made to the London Councils Transport, and Environment Committee. Depending on the outcome at the Committee, the Mayor will also be required to ratify the application and the Secretary of State has final sign off. This 'saving' reflects the impact on estimated revenue until motorist compliance takes full effect. The objective is to reduce non-compliance but if the band change is implemented it is likely that there will be a short term increase in revenue. The purpose of PCN parking charges is to dissuade motorists from breaking parking restrictions and charges must be proportionate. The income from charges must only be used in accordance with the Road Traffic Regulation Act 1984. These purposes are contained within the Council's traffic management and other policy objectives.	340	0	340	R	340	0	A	Cathryn James	This saving will not be achieved in 2020/21. The consultation process has been extended to 28th June 2020 to allow further time for responses to be received due to the Covid 19 emergency. It is expected that, If the finding is to approve the policy, the application will be put before London Council in the summer. However, due to Covid 19 it is unknown when this application will be heard. Awaiting confirmation from London Councils. If approved at London councils, and by Secretary of State thereafter, an April/May 2021 may be possible. Any delay in statutory body approval will result in a delayed implementation. Or if the application is rejected this saving will not be met.	Y
ENV1920-02	Compliance rates for ANPR Moving Traffic Offences have not decreased significantly or as estimated since the implementation of the ANPR cameras and as a consequence the PCN revenue remains above original estimations. This 'saving' recognises revenue currently being received by the Council rather than any estimated increase. The purpose of PCN parking charges is to dissuade motorists from breaking parking restrictions and charges must be proportionate. The income from charges must only be used in accordance with the Road Traffic Regulation Act 1984. These purposes are contained within the Council's traffic management and other policy objectives.	300	0	300	R	300	0	A	Cathryn James	Since mid-March 2020 there has been an unprecedented reduction in traffic on our roads. This has resulted in the number of PCNs being issued by ANPR to drop to less than 10% of normal activity for April/May 2020. Although numbers are starting to increase, due to this change in activity as a result of Covid 19, this saving projection will not be met in 2020/21, whilst the longer term impact is being analysed.	Y

DEPARTMENT: ENVIRONMENT & REGENERATION SAVINGS PROGRESS: 2020-21

Ref	Description of Saving	2020/21 Savings Required £000	2020/21 Savings Achieved £000	Shortfall	RAG	2021/22 Savings Expected £000	2021/22 Expected Shortfall £000	2021/22 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Unders pend? Y/N
ALT1920-02	Parking: The use of ANPR to enforce moving traffic contraventions has been operational since July 2016. The number of cameras has increased and the locations varied over this period and the number of PCNs remains above initial estimates.	337	0	337	R	337	0	A	Cathryn James		
	PUBLIC SPACE										
E3	Leisure: Polka Theatre Grant Reduction	30	30	0	G	30	0	G	John Bosley	Polka are aware of this revenue saving, however are delayed in opening their theatre which in turn increases financial pressures on their business.	N
ENV1920-04	Waste: The service change in October 2018 has had a significant impact on waste arisings and recycling levels. Residual waste volume has reduced by c12% whilst recycling levels have increased from c34% to c45% . Whilst we have already built £250k into the MTFS we believe that this can be added to.	250	250	0	A	250	0	G	John Bosley	The service has maintained a high recycling rate in 2019/20 and recycled 43% of all domestic waste and delivered significant (above target) savings in the disposal cost . This budget is now under pressure due to the sudden growth in domestic waste following the National impact of COVID 19 and residents now self isolating and working from home.	N
ENV1920-05	Waste: The Kingdom environment enforcement contract is due for reprourement and renewal in Spring 2020. This provides an opportunity for it to be broadened and also to ensure that its operation is as effective as possible for the Council .	50	50	0	A	50	0	G	John Bosley	In quarter 1 of 2020 the service as been redeployed to support enforcement activities in our Parks and Green spaces along with weekly support to the Mobile Testing Unit (MTU) in Morden for Covid 19. As such the level of FPNs issued has reduced impacting on the level of income recieved.	N
ALT1920-03	Leisure: Increased income from Leisure Centres Management Contract	10	0	10	R	10	0	G	John Bosley	This amount is already included in the income target for this year and going forward, but with Covid 19 changing the uses of leisure centres this will not be achieved this year	Y
ALT1920-04	Waste Services: Increase level of Environmental Enforcement activities of both internal team & service provider - ensuring the operational service is cost neutral	150	150	0	A	150	0	G	John Bosley	This is subject to the commissioning and procurement of a new enforcement contract along with the wider Public Space restructure scheduled for 20/21	N
ALT1920-05	Waste Services: Reduction in external training budget.	6	6	0	G	6	0	G	John Bosley	Completed - all new training and development requirement will be assessed and managed in line with the corporate L&D team.	N
ALT1920-06	Greenspaces: Reduction in grant to Deen City farm as part of agreement involving capital investment	10	10	0	G	10	0	G	John Bosley		N
ALT1920-07	Greenspaces: Realign budgets to better reflect current levels of income from outdoor events.	64	0	64	R	64	0	G	John Bosley	Many events due for 2020/21 have been cancelled due to Covid-19.	Y
	Total Environment and Regeneration Savings 2018/19	3,927	936	2,991		3,927	0				

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

Ref	Description of Saving	2020/21 Savings Required £000	2020/21 Savings Expected £000	Shortfall	20/21 RAG	2021/22 Savings Expected £000	2021/22 Expected Shortfall £000	20/21 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Undersp end? Y/N
	<u>Education</u>										
CSF2017-07	Review schools trade offer, raise charges or consider ceasing services from 2020.	60	60	0		60	0		Jane McSherry	Delivered in Full	
CSF2018-08	Review Early Years service: radically reduce some services and/or consider withdrawing the Early Years offer.	150	150	0		150	0		Jane McSherry	Delivered in Full	
CSF2019-08	Review of school premises and contracts staffing structure	45	45	0		45	0		Jane McSherry	Delivered in Full	
CSF2019-09	Repurposing of some posts in education inclusion service	150	150	0		150	0		Jane McSherry	Delivered in Full	
CSF2019-10	Reduced contribution towards the MSCB	44	10	34		44	0		Jane McSherry	Won't be able to do reorganisation until Council policy is for reorganisations to be resumed. Won't be able to deliver more than approx £10k if reorganisation is undertaken in 3rd quarter.	
CSF2019-21	Review and reshaping of Short Break provision across CWD	200	60	140		200	0		Jane McSherry	This is progressing, but slowly (discussion with parent reps 20/5). Need to engage with parents and providers of short breaks. Hard to do during Covid. Won't secure full year effect. Currently paying for commissioned services not being delivered in line with government advice. There may, in due course, be additional expenses as a result. Increased provision for shielded children. Maximum of £60k deliverable, and only if it's possible to initiate the consultation in 3rd quarter. (May be able to secure some savings against this line by coding some additional activity against the Covid Budget).	
CSF2019-22	SEND Travel	50	0	50		50	0		Jane McSherry	Likely to have to spend more against this budget because of Covid-related distancing requirements in our transport options. Will also need to delay the start of this review because of the consultation requirements.	
CSF2019-20	Revenue costs of capital projects	200	200	0		200	0		Jane McSherry	Delivered in Full	
CSF2019-03	Early help re-design	100	100	0		100	0		Jane McSherry	Delivered in Full	
CSF2019-21	Legal Hard Charging	75	75	0		75	0		Jane McSherry	Delivered in Full	
	<u>Children Social Care & Youth Inclusion</u>										
CSF2017-03	Delivery of preventative services through the Social Impact Bond	45	45	0		45	0		El Mayhew		
CSF2017-05											

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

Ref	Description of Saving	2020/21 Savings Required £000	2020/21 Savings Expected £000	Shortfall	20/21 RAG	2021/22 Savings Expected £000	2021/22 Expected Shortfall £000	20/21 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Undersp end? Y/N
CSF2019-15	South London Family Drug and Alcohol Court commissioning	45	15	30		45	30		El Mayhew	Part of wider CSC reorganisation. Won't be able to do reorganisation until Council policy is for reorganisations to be resumed. Will deliver no more than £15k (if and only only if not impacted by DfE withdrawal), if consultation can take place in 3rd quarter of financial year.	
CSF2019-02	Establish more cost effective Merton independent living provision	400	200	200		400	200		El Mayhew	Work currently being undertaken by David Michael with support from Jacob (graduate trainee). This has been significantly impacted by Covid-19 (and also by grad trainee focusing on Ofsted. Will need to be discussion with colleagues in C&H and Tom. Conversations afoot to consider extending Jacob's placement. Could be an opportunity if that's extended and Jacob agreed to stay. Do we think the whole £400k is written off? Delay be likely to be half a year. Not likely to be able to deliver more than e.g. £200k	
CSF2019-04	Deliver the 14+ leaving care service through personal advisors rather than social workers	60	20	40		60	0		El Mayhew	Part of wider CSC reorganisation. Won't be able to do reorganisation until Council policy is for reorganisations to be resumed. Will deliver no more than £20k, if consultation can take place in 3rd quarter of financial year.	
CSF2019-05	Full year effect of transfer of adoption service to Adopt London South	30	30	0		30	0		El Mayhew	More costs emerging, than anticipated in relation to both retained function, and costs of service delivery passed on by ALS. (But currently our financial contribution is greater than our demand and use).	
CSF2019-06	Review of safeguarding and social work training budgets	60	60	0		60	0		El Mayhew	Delivered in full	
CSF2019-07	Reduction of Central recruitment cost budget	30	30	0		30	0		El Mayhew	Delivered in full	
CSF2019-13	Review of current Adolescent and Family service	100	30	70		100	70		El Mayhew	Part of wider CSC reorganisation. Won't be able to do reorganisation until Council policy is for reorganisations to be resumed. Will deliver no more than £30k, if consultation can take place in 3rd quarter of financial year. Some mitigating activity - vacancies being held and only recruited to on a fixed term basis.	

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

Ref	Description of Saving	2020/21 Savings Required £000	2020/21 Savings Expected £000	Shortfall	20/21 RAG	2021/22 Savings Expected £000	2021/22 Expected Shortfall £000	20/21 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Undersp end? Y/N
CSF2019-15	Development of Family Network Co-Ordinators Service	45	15	30		45	0		El Mayhew	Part of wider CSC reorganisation. Won't be able to do reorganisation until Council policy is for reorganisations to be resumed. Will deliver no more than £15k (if and only only if not impacted by DfE withdrawal), if consultation can take place in 3rd quarter of financial year.	
CSF2019-17	Culture change and clarification of financial support entitlement for care leavers	50	0	50		50	0		El Mayhew	Have had to increase financial payments to care leavers - some of this will be set against the Covid-19, and it's currently not possible to have the required discussion re: funding care leavers differently in the current situation.	
CSF2019-18	Implementation of the DfE National Minimum rate	20	0	20		20	0		El Mayhew	Not started this piece of work yet (other than initial scoping). This could challenge our retention of carers and we can't risk reducing capacity at this time. Might well shunt everything back by a year. Will depend on how long the Covid arrangements run.	
CSF2019-19	Increased use of in-house foster carers	20	20	0		20	0		El Mayhew	Making use of a special focus fostering recruitment campaign. Making use of Covid-funding to progress this. Scope to use relaxed regs if we need to in order to increase approvals.	
CSF2019-01	Review of CSF admin structure	200	200	0		200	0		El Mayhew	Broadly this has been achieved in CSC&YI because of the restructure. Restructure was not fully clear about which posts would be lost. The HoS has been retained	
	<u>Commissioning</u>			0							
				0							
				0							
CSF2019-11	Review of centralised commissioning budgets	90	90	0		90	0			Delivered in full	
	<u>CSF Other</u>			0		0	0				
				0		0	0				
CSF2019-22	PFI Unitary charges	400	400	0		400	0				
CSF2019-23	Pension and Redundancies charges	300	300	0		300	0				
	Total Children, Schools and Families Department Savings for 2020/21	2,969	2,305	664		2,969	300				

Department	Savings Target 2019/20	Shortfall 2019/20	Projected Shortfall 2020/21
	£000	£000	£000
Corporate Services	1,484	100	70
Children Schools and Families	572	0	0
Community and Housing	1,534	118	0
Environment and Regeneration	2,449	837	2,065
Total	6,039	1,055	2,135

APPENDIX 7

DEPARTMENT: CORPORATE SERVICES - PROGRESS ON SAVINGS 19-20

Ref	Description of Saving	2019/20 Savings Required £000	2019/20 Savings Achieved £000	Shortfall	RAG	2020/21 Expected Shortfall £000	20/21 RAG	2021/22 Expected Shortfall £000	21/22 RAG	Responsible Officer	Comments
	Infrastructure & Technology										
2018-19 CS14	M3 support to Richmond/Wandsworth	20	0	20	R	20	A	0	A	Clive Cooke	This is dependent on agreement with RSP, may be at risk if they don't migrate to M3 system.
	Resources										
2018-19 CS05	Reduction in permanent staffing	30	0	30	R					Roger Kershaw	Saving replaced from 2020/21.
CSREP 2019-20 (3)	Increase in income from Enforcement service	50	0	50	R	50	R	0	A	David Keppler	The service is not currently operational in light of the covid-19 circumstances.
	Total Corporate Services Department Savings for 2019/20	100	0	100		70		0			

DEPARTMENT: ENVIRONMENT & REGENERATION SAVINGS PROGRESS: 2019-20

Ref	Description of Saving	2019/20 Savings Required £000	2019/20 Savings Achieved £000	Shortfall	RAG	2020/21 Savings Expected £000	2020/21 Expected Shortfall £000	2020/21 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
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	10	45	R	0	55	R	James McGinlay	Covid-19 estimated to impact on saving, due to JC Decaux requesting to remove Q2 guaranteed income payment due to LBM.	Y
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	0	60	R	Cathryn James	This saving is conditional on income being generated from chargeable business advice/consultancy. The focus for the financial year 2019/20 needed to refocus from income generation to service improvement including a major IT project and restructure of the service. Key projects and staff vacancies has meant it has not been possible to achieve the savings targets set for this financial year.	Y
ENR4	Charge local business' for monitoring of their CCTV	100	0	100	R				Cathryn James	Alternative saving has been agreed for 2020/21.	N
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	662	1,238	R	0	1900	R	Cathryn James	The new charges were implemented on 14th January 2020. Early analysis shows a reduction in sales of Permits, including scratch cards, and a greater number of 6 month permits being sold than 12 month permits against historic trends, which is even more evident in the case of diesel cars Permits. Unfortunately Covid 19 began only approximately 2 months after the introduction of the new charges, resulting in a significant change in Permit sales, which has made projections very difficult. Following the introduction of On Street charges, data showed expected income was being achieved, but off street showed a slight under recovery on estimated. Unfortunately, Covid 19 began only approximately 2 months after the introduction of the new charges, resulting in a reduction in parking activity, which makes analysis against budget projection near on impossible.	Y
ALT3	Reduction in the number of pay & display machines required.	14	0	14	R	14	0	A	Cathryn James		N
ENR9	Increase level of Enforcement activities of internal team ensuring the operational service is cost neutral	200	165	35	R				John Bosley	Alternative saving has been agreed for 2020/21.	N
E2	Thermal Treatment of wood waste from HRRC	30	0	30	R				John Bosley	This saving was replaced from 2020/21 by the underspend in residual waste disposal costs following the October 2018 service change.	N
E5	Letting of remaining vacant facilities in Greenspaces	50	0	50	R	0	50	R	John Bosley	One vacant property recently let, but saving impacted by C-19.	Y
E6	Increased tenancy income in Greenspaces	40	0	40	R				John Bosley	Alternative saving has been agreed for 2020/21.	Y
Total Environment and Regeneration Savings 2018/19		2,449	837	1,612		14	2,065				

Updated to June 2020											
DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2019/20											
Ref	Description of Saving	2019/20 Savings Required £000	2019/20 Savings Achieved £000	Shortfall	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
	Adult Social Care										
CH89	Older People Day Care Activities:- 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
	Subtotal Adult Social Care	236	118	118		236	0				

Appendix 8

Subject: Miscellaneous Debt Update June 2020

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

- 1.1 A breakdown of departmental net miscellaneous debt arrears, as at 30 June 2020, 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 June 2020 – 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	June 20 arrears f	March 20 arrears g	Direction of travel
	£	£	£	£	£	£	
Env & Regeneration	1,451,921	1,626,669	263,977	584,920	3,927,486	3,121,258	↑
Corporate Services	1,314,410	47,665	56,970	138,875	1,557,920	400,155	↑
Housing Benefits	492,892	566,882	925,224	3,155,973	5,140,971	5,089,938	↑
Children, Schools & Families	792,826	131,444	183,709	387,551	1,495,531	827,376	↑
Community & Housing	2,593,840	594,230	1,025,685	2,373,239	6,586,994	4,831,085	↑
Chief Executive's CHAS 2013	0	785	-1,457	0	-	-	-
Total	6,707,825	2,967,674	2,454,108	6,640,559	18,770,166	14,294,330	↑

- 1.3 Since the position was last reported on 31 March 2020, the net level of arrears, i.e. invoices over 30 days old, has increased by £4,475,836.
- 1.4 Since last reported at the end of March, Environmental and Regeneration has increased by £806,228. Commercial rents debt has increased by over £500,000 and Community Infrastructure debt by £250,000. Corporate Service debt has increased by £1,157,765. Legal Services debt has increased by over £1 million.

Children Schools and Families debt has increased by £668,155. Debt for the nursery education has increased by over £500,000. Community and Housing debt has increased by £1,755,909. Service Accountancy recharges debt has increased by £1.4 million and MASCOT debt increased by over £300,000.

- 1.5 Measured action to recover these debts has been on going and already the legal service, nursery education and MASCOT debts have reduced considerably. Officers in service departments have been consulted and are helping with recovery.

2 IMPACT OF COVID19

- 2.1 Towards the end of March 20, all recovery action for council tax, business rates, sundry debt, parking PCN's and enforcement work ceased.
- 2.2 The new year's council tax and business rates bills had already been distributed to residents and businesses in the borough.
- 2.3 **Council Tax**
- 2.4 From early April residents who contacted the service were offered advice on claiming welfare benefits and deferral of council tax instalments to June or July. The yearly debt was not reduced but the amount due spread over the remaining months of the year. Approximately 2,700 residents have had instalments deferred.
- 2.5 In May 20, Councillors agreed to a gradual re-commencement of recovery action. They agreed to council tax reminders being issued. In May, 2,000 SMS messages and just over 4,000 paper reminders issued to residents who had not paid April and May's instalments.
- 2.6 At the end of May, the forecasted shortfall in council tax income for the year was £7.2 million, Merton's share of this shortfall would be £5.06 million.
- 2.7 In June 20, 2,400 paper reminders were issued to residents who had received a reminder in May and still had not paid.
- 2.8 At the end of June, the forecasted shortfall in council tax income for the year had reduced to £3.88 million, Merton's share of this shortfall would be £3.06 million.
- 2.9 The Magistrate Courts are still closed and the council cannot progress cases to the court to obtain Liability Orders. The Courts service have stated that they will not be able to re-open whilst social distancing is in place. They have advised council's they will participate in remote hearings where the council provided a video link to the court and

enables any residents to appear before the Magistrates remotely. The service are is looking at the practicalities of this.

2.10 Business Rates

- 2.11 From early April businesses who contacted the service were offered advice on government support and grants and offered the deferral of business rates instalments to June or July. The yearly debt was not reduced but the amount due spread over the remaining months of the year. Approximately 750 businesses have had instalments deferred
- 2.12 At the end of May, the forecasted shortfall in business rates for the year was £13.3 million, Merton's share of this shortfall would be £3.99 million.
- 2.13 The government introduced new reliefs for many businesses. Over £44 million in expanded retail, hospitality and leisure relief has been granted to businesses. In addition, a further £829,000 relief has been awarded to nurseries.
- 2.14 At the beginning of the year the net debt for all business rates was £95 million. Following the award of the reliefs mentioned above the net debt now being collected is £49 million.
- 2.15 At the end of June, the forecasted shortfall in business rates for the year had reduced to £10.333 million, Merton's share of this shortfall would be £3.1 million.
- 2.16 An analysis of outstanding debt shows many businesses that should be able to pay their rates have still not paid. This includes large supermarket retailers, delivery companies and large institutions. There are also many businesses that would not be in a position to pay due to the impact of covid19. A proposal to re-commence the issuing of reminders is being considered.

2.17 Sundry Debt

- 2.18 Invoices have continued to be issued since April. Commercial rent clients have had their first quarter invoice deferred and payments spread across the remainder of the year.
- 2.19 Issuing of letters for non-payment was recommenced in early June although not for Commercial rent clients.
- 2.20 As detailed in the table above in 2.2, debt older than 30 days for all departments has increased since March 20.
- 2.21 Recovery action has continued on existing long term cases although the team have not been able to undertake visits and the legal service recovery has been affected with reduced court access.

2.22 Housing Benefit Overpayments

- 2.23 Invoices have continued to be issued for new debts but no other recovery action has re-commenced.
- 2.24 The external company undertaking the work on the old debt have also stopped engaging with clients and as a result the monthly payments received from them has reduced.

2.25 Parking Debts

- 2.26 Where parking enforcement has continued the service have progressed cases to Charge Certificate stage.
- 2.27 There are currently 4,500 cases waiting to be progressed to Debt Registration stage and then progressed to the enforcement team where the debts remain unpaid.

2.28 Enforcement service (bailiffs)

- 2.29 Enforcement agents ceased visits in March before the government formally announced a stop to enforcement work.
- 2.30 In May 20, Councillors agreed to re-engagement by letter and text with existing debtors with a more customer focused approach offering welfare advice and longer term arrangements.
- 2.31 In June 20, the enforcement admin team were furloughed by agreement of the Shared Enforcement Service Board.
- 2.32 Re-engagement letters were therefore not issued by the in-house team although the two external companies used did re-commence this approach.
- 2.33 Plans to issue re-engagement letters for the in-house team in August have been made. The admin team currently furloughed will return to work on a part time basis to undertake this work.
- 2.34 The government have confirmed that enforcement visits can re-commence from 24 August. A plan to re-commence enforcement visits will be drafted and presented to Councillors within the next month.

3. TOTAL DEBT DUE TO MERTON

The total amount due to Merton as at 30 June 2020 is detailed in the table below.

Total debt outstanding as at 30 June 2020 and compared with previous periods over the past 15 months

	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20
	£	£	£	£	£	£
Miscellaneous sundry debt Note 1	17,532,710	16,803,235	16,459,168	12,584,544	15,997,460	18,485,599
Housing Benefit debt	7,926,508	7,893,055	7,823,641	7,653,539	7,644,804	7,758,894
Parking Services	4,508,378	4,535,378	3,848,876	4,183,930	3,489,345	3,645,037
Council Tax Note 2	8,157,533	7,215,847	6,825,605	6,496,094	8,755,512	8,182,271
Business Rates Note 3	2,979,843	2,586,876	2,474,270	1,941,014	3,661,859	3,725,128
Total	41,104,972	39,034,391	37,431,560	32,859,121	39,548,980	41,796,929

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 2019/20 in March 20 figures hence the increase.

Note 3 Business rates debt now includes unpaid business rates for 2019/20 in March 20 figure hence the increase.

- 3.1 The overall debt outstanding has increased by £2,247,949 since last reported at the end of March 2020. There are increases in all debts apart from council tax.
- 3.2 A more relevant comparison is between June 2019 and June 2020. The changes in outstanding debt are as follows

Overall £2,762,000 increase
Sundry debt £1,682,000 increase
Housing Benefit £135,000 decrease
Council Tax £967,000 increase
Parking £890,000 decrease
Business Rates 1,139,000 increase

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

Car Parking Aged Debtors – 30 June 2020
(They show the impact of Covid19)

Age of Debt	Outstanding £	Number of PCNs	Average Value £
0-3 months	£704,705	7,602	£92
3-6 months	£683,857	4,207	£162
6-9 months	£658,521	3,845	£171
9-12 months	£498,988	2,907	£171
12-15 months	£403,495	2,251	£179
Older than 15 months	£695,470	3,889	£179
Total	£3,645,037	24,701	£147

Total May 2020 £3,489,345 22,558

Increase/-decrease £155,692 2,147-

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Committee: Overview and Scrutiny Commission – Financial Monitoring Task Group

Date: 15 September 2020

Subject: Proposed work programme for 2020/21

Lead officer: Rosie Mckeever, Scrutiny Officer

Lead member: Councillor Peter Southgate, Chair, Overview and Scrutiny Commission

Recommendations:

- A. That, in order to assist the Overview and Scrutiny Commission to make a decision on task group activity for 2020/21, the task group discuss and identify potential work that it would undertake
-

1 TERMS OF REFERENCE

- 1.1. To date, the terms of reference of the financial monitoring task group have been:
- I. To carry out scrutiny of the council's financial monitoring information on behalf of the Overview and Scrutiny Commission;
 - II. To advise on other agenda items as requested by the Overview and Scrutiny Commission;
 - III. To report minutes of its meetings back to the Overview and Scrutiny Commission;
 - IV. To send via the Commission any recommendations or references to Cabinet, Council or other decision making bodies.
- 1.2. The meetings of the task group have been held in public and the agenda and minutes are published on the Council's website.

2 TASK GROUP MEETING DATES AND WORK PROGRAMME 2020/21

- 2.1. The task group's future meeting dates and work programme for 2020/21 is set out overleaf.

Date	Financial monitoring reports	Other work
15 September 2020	Outturn report 2019/20 And Quarter 1 2020/21	Work programme
17 November 2020	Quarter 2 2020/21	TBC
16 February 2021	Quarter 3 2020/21	TBC
20 July 2021	Quarter 4 2020/21	TBC

3 CONSIDERATION OF 2020/21 WORK PROGRAMME ITEMS

- 3.1. Task group members are requested to reflect on what was achieved in 2019/20 and what it would like to achieve in 2020/21.
- 3.2. Members are asked to make suggestions for deep dive items that the task group could consider and it will be able to discuss and shape its work programme at its first meeting of the new municipal year.