

Financial Monitoring Task Group

Date: 14 January 2020

Subject: Financial Report 2019/20 – September 2019

Lead officer: Roger Kershaw

Lead member: Mark Allison

Recommendations:

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

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

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

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

2. THE FINANCIAL REPORTING PROCESS

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

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

2.3 2019/20 FORECAST OUTTURN BASED UPON LATEST AVAILABLE DATA

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

Summary Position as at 30th September 2019

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

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

3. DEPARTMENTAL SUMMARY OF CURRENT POSITION

Corporate Services

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

Overview

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

Customers, Policy and Improvement - £139k under

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

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

Infrastructure & Technology - £269k over

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

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

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

Corporate Governance – £120k under

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

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

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

Resources - £245k under

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

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

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

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

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

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

Human Resources – £230k over

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

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

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

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

Corporate Items - £336k under

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

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

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

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

Environment & Regeneration

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

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

Overview

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

Public Protection

Parking Services underspend of £164k

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

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

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

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

Safer Merton & CCTV overspend of £129k

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

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

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

Public Space

Waste Services underspend of £239k

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

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

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

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

Leisure & Culture underspend of £253k

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

Senior Management & Support

Senior Management & Support overspend of £103k

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

Sustainable Communities

Property Management underspend of £234k

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

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

Development & Building Control underspend of £119k

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

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

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

Children Schools and Families

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

Overview

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

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

Local Authority Funded Services

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

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

Education Division

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

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

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

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

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

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

Children's Social Care and Youth Inclusion Division

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Dedicated Schools Grant (DSG)

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

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

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

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

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

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

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

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

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

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

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

Management action

Staffing report

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

Placements

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

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

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

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

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

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

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

Weekly cost 2019-20

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

Children with additional needs

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

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

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

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

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

New burdens

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

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

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

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

Other unfunded burdens include:

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

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

Community and Housing

Overview

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

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

Community and Housing Summary Outturn Position

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

Adult Social Care

Access & Assessment - £907k underspend

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

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

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

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

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

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

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

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

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

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

Direct Provision-£77k overspend

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

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

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

C&H-Other Services

Libraries-£72k overspend

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

Merton Adult Learning continues to forecast a breakeven position.

Housing - £16k underspend

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

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

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

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

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

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

Prevention Activities undertaken as part of the New Burdens for Housing

Activities undertaken to prevent homelessness:-

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

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

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

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

Analysis of Housing and Temporary Accommodation Expenditure

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

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

Temporary Accommodation (TA) movement to September 2019

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

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

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

Public Health - £12k overspend (No Change)

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

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

Corporate Items

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

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

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

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

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

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

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

4 Capital Programme 2019-23

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5. DELIVERY OF SAVINGS FOR 2019/20

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

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

Progress on savings 2018/19

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

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

Progress on savings 2017/18

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

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

6. CONSULTATION UNDERTAKEN OR PROPOSED

6.1 All relevant bodies have been consulted.

7. TIMETABLE

7.1 In accordance with current financial reporting timetables.

8. FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

8.1 All relevant implications have been addressed in the report.

9. LEGAL AND STATUTORY IMPLICATIONS

9.1 All relevant implications have been addressed in the report.

10. HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

10.1 Not applicable

11. CRIME AND DISORDER IMPLICATIONS

11.1 Not applicable

12. RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

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

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

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

14. BACKGROUND PAPERS

14.1 Budgetary Control files held in the Corporate Services department.

15. REPORT AUTHOR

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Summary Position as at 30th September 2019

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

Appendix 2

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

Pay and Price Inflation as at September 2019

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

Pay:

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

Prices:

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

Outlook for inflation:

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

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

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

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

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

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

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

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

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

Table 11: Forecasts for the UK Economy

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

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

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

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

Treasury Management: Outlook

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

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

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

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

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

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

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

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

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

Source: Bank of England Inflation Reports

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

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

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

Capital Budget Monitoring - September 2019

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

Capital Budget Monitoring - September 2019

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

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

Capital Budget Monitoring - September 2019

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

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

Capital Budget Monitoring - September 2019

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

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

Virement, Re-profiling and New Funding - September 2019

Appendix 5b

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

1) Requires Cabinet Approval

2) Requires Council Approval

Virement, Re-profiling and New Funding - September 2019

Appendix 5b

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

Capital Programme Funding Summary 2019/20

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

Capital Programme Funding Summary 2020/21

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

Capital Programme Funding Summary 2021/22

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

Capital Programme Funding Summary 2022/23

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

APPENDIX 6

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

DEPARTMENT: CORPORATE SERVICES - PROGRESS ON SAVINGS 19-20

Ref	Description of Saving	2019/20 Savings Required £000	2019/20 Savings Expected £000	Shortfall	19/20 RAG	2020/21 Savings Expected £000	2020/21 Expected Shortfall £000	20/21 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/underspend? Y/N
Customers, Policy & Improvement											
CS2016 -05	Increase income through translations	15	15	0	G	15	0	G	Sean Cunniffe		
CS2016 -07	Cash Collection Reduction	30	30	0	G	30	0	G	Sean Cunniffe		
2018-19 CS09	Reduction/rationalisation in running costs budgets across multiple budgets	35	35	0	G	35	0	G	Sean Cunniffe		
CS2016 -06	Merton Link - efficiency savings								Sean Cunniffe	Saving has been re-profiled to 20/21 as the efficiencies expected from the customer contact programme have not yet been realised. To offset this, a £30k saving on the Registrars service (2019-20 CS05) planned for 20/21 has been brought forward to 2019/20 (see below).	
2019-20 CS05	Registrars Reduction in staff	30	15	15	A	30	0	G	Sean Cunniffe	Saving brought forward from 20/21 to 19/20 to offset CS2016-06 reprofiled from 19/20 to 20/21. Staff reduction expected mid-year, with the shortfall being met from elsewhere in the division.	Y
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 is in the process of being implemented. Only a part-year impact in 19/20.	Y
2018-19 CS14	M3 support to Richmond/Wandsworth	20	0	20	R	20	0	A	Clive Cooke	This is dependent on agreement with RSSP, may be at risk if they don't migrate to M3 system.	Y
Corporate Governance											
CSREP 2019-20 (1)	Increase in income from Legal Services relating to S106, property and court fees	50	50	0	G	50	0	G	Fiona Thomsen		
CSREP 2019-20 (6)	Legal services - reduce employment and HR support by 50%	30	30	0	G	30	0	G	Fiona Thomsen		
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	0	30	R	Roger Kershaw	Saving will require replacement. For 19/20 the saving will be met by underspends elsewhere within the division.	Y
2018-19 CS10	Reduction in staffing	60	60	0	G	60	0	G	David Keppler		
2018-19 CS08	Increase in income from Enforcement Service	100	100	0	G	100	0	G	David Keppler		
2019-20 CS01	Amend discretionary rate relief policy	75	75	0	G	75	0	G	David Keppler		
CSREP 2019-20 (2)	Reduction in internal insurance fund contribution	250	250	0	G	250	0	G	Nemashe Sivayogan		
CSREP 2019-20 (3)	Increase in income from Enforcement service	50	50	0	G	50	0	G	David Keppler		
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		

DEPARTMENT: CORPORATE SERVICES - PROGRESS ON SAVINGS 19-20

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

DEPARTMENT: ENVIRONMENT & REGENERATION SAVINGS PROGRESS: 2019-20

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

DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2019/20										21/10/2019	APPENDIX 6
Ref	Description of Saving	2019/20 Savings Required £000	2019/20 Expected Savings £000	Shortfall £000	RAG	2020/21 Savings Expected £000	2020/21 Expected Shortfall £000	20/21 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Unders pend? Y/N
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	306	3	G	309	0	G	Steve Langley	Work to manage the budget has brought delivery close to the target and work is continuing to make up the small shortfall in year	Y
CH39	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
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.	40	40	0	G	40	0	G	John Morgan	Achieved through Forum. The plan is to enrol all major home providers on to the home monitoring system and only seek variations for when there is a need to utilise specialist providers as required.	Y
CH89	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	1,375	121		1,496	0				
Library & Heritage Service											
CH67	Merton Arts Space income	38	38	0	G	38	0	G	Anthony Hopkins	On track	Y
Total C & H Savings for 2019/20		1,534	1,413	121		1,534	0				

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

Ref	Description of Saving	2019/20 Savings Required £000	2019/20 Savings Expected £000	Shortfall	19/20 RAG	2020/21 Savings Expected £000	2020/21 Expected Shortfall £000	20/21 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Undersp end? Y/N
	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	R	45	0	R	El Mayhew	We expect to achieve the savings target as numbers of LAC are stable. The overall service will still overspen however because UASC costs have increased over the past few years and the growth received was not sufficient to offset this pressure. Placements are reviewed on an on-going basis and detailed analysis to back up movement caseloads and placement costs reported to DMT	Y
CSF2018-06	South London Family Drug and Alcohol Court commissioning	45	45	0	R	45	0	R	El Mayhew	We expect to achieve the savings target as numbers of LAC are stable. The overall service will still overspen however because UASC costs have increased over the past few years and the growth received was not sufficient to offset this pressure. Placements are reviewed on an on-going basis and detailed analysis to back up movement caseloads and placement costs reported to DMT	Y
CSF2018-12	Further reduction in staffing at Bond Road. This will include a FGC post and a contact worker.	71	71	0	G	71	0	G	El Mayhew		
	Total Children, Schools and Families Department Savings for 2019/20	572	572	0		572	0				

APPENDIX 7

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

DEPARTMENT: CORPORATE SERVICES - PROGRESS ON SAVINGS 18-19

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

DEPARTMENT: ENVIRONMENT & REGENERATION SAVINGS PROGRESS: 2018-19

APPENDIX 7

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

Updated 21/10/2019											APPENDIX 7
DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2018/19											
Ref	Description of Saving	2018/19 Savings Required £000	Shortfall £000	RAG	2019/20 Savings Expected £000	2019/20 Expected Shortfall £000	19/20 RAG	2020/21 Expected Shortfall £000	19/20 RAG	Responsible Officer	Comments
	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
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 Expected £000	2019/20 Expected Shortfall £000	19/20 RAG	2020/21 Expected Shortfall £000	19/20 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
Total Children, Schools and Families Department Savings for 2018/19		489	0			489	0		0				

There were no red savings for CSF

APPENDIX 8

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

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

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

DEPARTMENT: CORPORATE SERVICES - PROGRESS ON SAVINGS 17-18

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

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

DEPARTMENT: ENVIRONMENT & REGENERATION SAVINGS PROGRESS: 2017-18

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

Appendix 9

Subject: Miscellaneous Debt Update September 2019

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

- 1.1 A breakdown of departmental net miscellaneous debt arrears, as at 30 September 2019, is shown in column F of the table below.
- 1.2 Please note that on the 6 February 2017 the new financial computer system E5 went live and this included the raising and collection of invoices and the debt recovery system.

Sundry Debtors aged balance – 30 September 2019 – not including debt that is less than 30 days old (Please note the new system reports debt up to 30 days whereas previously we reported up to 39 days)

Department a	30 days to 6 months b	6 months to 1 year c	1 to 2 years d	Over 2 years e	Sept 19 arrears f	June 19 arrears f	Direction of travel
	£	£	£	£	£	£	
Env & Regeneration	1,497,949	274,170	700,886	334,724	2,807,729	2,254,705	
Corporate Services	619,994	41,270	25,156	125,688	812,108	489,012	
Housing Benefits	336,025	627,179	1,128,627	2,855,057	4,946,888	4,507,083	
Children, Schools & Families	198,984	424,801	223,389	518,697	1,365,871	1,302,351	
Community & Housing	933,532	901,846	1,212,209	1,961,700	5,009,288	5,317,259	
Chief Executive's					-	-	-
CHAS 2013	14,524	8,195	1,120	9,998	33,837	37,902	
Total	3,601,008	2,277,461	3,291,386	5,805,865	14,975,720	13,908,312	

- 1.3 Since the position was last reported on 30 June 2019, the net level of arrears, i.e. invoices over 30 days old, has increased by £1,067,408.
- 1.4 Since last reported at the end of June 2019 Environment and Regeneration department debt has increased by £553,000, due to over £674,000 recharge for the Regulatory service remaining unpaid.. Corporate Services debt has increased by £320,000 mainly due the recharges for the legal service remaining unpaid. Housing benefit debt has increased by £440,000 (detailed below in this report) and Community and Housing debt has reduced by £300,000..

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

2 THE PROCESS FOR COLLECTION OF MISCELLANEOUS DEBT

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

The process for collecting debt

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

3. ACTION BEING TAKEN TO COLLECT OUTSTANDING DEBT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3.31 Debt Written Off

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

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

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

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

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

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

4. SUNDRY DEBT COLLECTED

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

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

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

5. PROVISION FOR BAD AND DOUBTFUL DEBTS

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

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

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

Provision for Bad and Doubtful Debts

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

6. TOTAL DEBT DUE TO MERTON

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

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

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

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

Note 2 Council tax debt now includes unpaid council tax for 2018/19 in March 19 figures hence the increase.

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

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

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

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

Car Parking Aged Debtors – 30 September 2019

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

Total June 2019 £4,535,876 29, 038

Increase/-decrease £686,961- 2,470-

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

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

Committee: Financial monitoring scrutiny task group

Date: 14 January 2020

Agenda item:

Wards:

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

Lead officer: Liz Hammond – interim HR lead

Lead member: Councillor Mark Allison

Contact officer: Liz Hammond ext 3152

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

2 DETAILS

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

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

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

3 ALTERNATIVE OPTIONS

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

4 CONSULTATION UNDERTAKEN OR PROPOSED

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

5 TIMETABLE

- 5.1. Subject to the timing of committee dates updates are provided to this committee quarterly, based on data as at 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 10A-10F: establishment analysis including FTE agency workers and vacancies as at 30 September 2019

12 BACKGROUND PAPERS

12.1 Previous quarterly reports to Financial Management Task Group

Column	Explanatory Notes
	The tables have been simplified to focus on FTE establishment, FTE employees and agency workers and FTE vacancies - with the aim of making them easier to read and understand. The data excludes Schools and Apprentices
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

OVERALL SUMMARY

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

As at 30 September 2019

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

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	-1.39	419.99	343.01	76.98	23.60	53.38
Environment and Regeneration	306.31	131.74	438.05	330.73	107.32	56.17	51.15
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 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	12.44	1.26	0.00	1.26
Electoral Services		4.50	0.08	4.58	4.00	0.58	1.00	-0.42
Information		10.73	0.00	10.73	9.87	0.86	0.00	0.86
South London Legal Partnership		110.50	3.14	113.64	83.15	30.49	29.99	0.50
Management		1.00	0.00	1.00	1.00	0.00	0.00	0.00
Corporate Governance Total		140.43	3.22	143.65	110.46	33.19	30.99	2.20
Customers, Policy and Improvement								
Communications		5.00	1.00	6.00	2.80	3.20	1.00	2.20
	Community Engagement	1.50	0.00	1.50	1.50	0.00	0.00	0.00
Continuous Improvement		4.00	1.00	5.00	4.00	1.00	0.00	1.00
Customer Contact	Reception - Contact Centre & Cash Office	17.08	1.95	19.03	17.89	1.14	2.00	-0.86
	Registrars	7.40	2.90	10.30	4.50	5.80	0.00	5.80
	Translation	2.00	0.00	2.00	1.60	0.40	0.00	0.40
	Web Team	2.00	0.00	2.00	2.00	0.00	0.00	0.00
	Management	1.00	0.00	1.00	1.00	0.00	0.00	0.00
Customer Contact Programme		0.00	3.00	3.00	1.00	2.00	2.00	0.00
Policy Strategy & Partnerships		5.60	0.00	5.60	5.60	0.00	1.00	-1.00
Management		3.00	0.00	3.00	2.00	1.00	0.00	1.00
Customers, Policy and Improvement Total		48.58	9.85	58.43	43.89	14.54	6.00	8.54
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	7.11	1.39	0.00	1.39
	HR Processing and Report	7.00	0.00	7.00	5.80	1.20	0.00	1.20
	Organisational Development & HR Strategy	15.00	-2.22	12.78	11.78	1.00	3.00	-2.00
	Staff Side - Merton	2.54	1.00	3.54	3.54	0.00	0.00	0.00
	Management	1.00	0.00	1.00	0.00	1.00	0.00	1.00
HR Total		32.54	0.28	32.82	28.23	4.59	3.00	1.59
Infrastructure & Technology								
Business Systems Team		25.20	3.00	28.20	22.20	6.00	4.00	2.00
Client Financial Affairs Team		6.00	-0.29	5.71	4.80	0.91	0.00	0.91
Commercial Services		9.00	0.00	9.00	7.00	2.00	0.00	2.00
Facilities Management	Compliance and Maintenance	9.20	-0.10	9.10	8.56	0.54	0.00	0.54
	Energy and Sustainability	3.00	-1.00	2.00	2.00	0.00	0.00	0.00
	Facilities	5.60	0.00	5.60	5.60	0.00	0.00	0.00
	Major Projects	3.00	0.00	3.00	1.00	2.00	3.00	-1.00
	Post & Print	12.43	0.00	12.43	10.57	1.86	1.00	0.86
	Management	1.00	0.00	1.00	1.00	0.00	0.00	0.00
IT Service Delivery	Business Development and Projects	3.00	0.00	3.00	3.00	0.00	0.00	0.00
	IT Customer Support & Services	12.00	0.00	12.00	11.00	1.00	1.00	0.00
	IT Operations	11.00	3.00	14.00	10.00	4.00	1.00	3.00
	Management	2.00	3.00	5.00	2.00	3.00	2.00	1.00
Safety Services		4.00	1.00	5.00	4.00	1.00	0.00	1.00
Transactional Services	Trans Services (Accounts)	8.00	0.00	8.00	8.00	0.00	0.00	0.00
	Trans Services (Care First)	2.60	0.00	2.60	2.60	0.00	0.00	0.00
	Vendor Maintenance Officer	1.71	0.00	1.71	1.00	0.71	0.00	0.71
	Management	1.00	0.00	1.00	1.00	0.00	0.00	0.00
Management		2.00	0.00	2.00	2.00	0.00	0.00	0.00
Infrastructure & Technology Total		121.74	8.61	130.35	107.33	23.02	12.00	11.02
Resources								
Accountancy	Budget Team	14.60	1.60	16.20	11.00	5.20	4.00	1.20
	Corporate Accountancy	5.60	3.40	9.00	7.00	2.00	1.00	1.00
	Service Financial Adviser CSF	4.53	1.00	5.53	5.33	0.20	0.00	0.20
	Management	1.00	0.00	1.00	1.00	0.00	0.00	0.00
Financial Strategy and Capital		9.00	0.80	9.80	8.00	1.80	0.00	1.80
Revenues and Benefits	Bailiffs	18.60	0.00	18.60	18.39	0.21	0.00	0.21
	Council Tax Incl R&B	1.00	0.00	1.00	1.00	0.00	0.00	0.00
	Council Tax Incl R&B Team 2	22.39	0.03	22.42	20.79	1.63	0.00	1.63
	HB Support	10.00	0.00	10.00	9.80	0.20	0.00	0.20
	Housing Benefits Incl Appeals	35.36	1.00	36.36	32.56	3.80	0.00	3.80
	Income Collection C Tax Recovery	11.80	0.17	11.97	11.80	0.17	0.00	0.17
	Management & Support	2.00	0.00	2.00	2.00	0.00	0.00	0.00
Treasury & Insurance		4.65	0.25	4.90	4.00	0.90	1.00	-0.10
Management	Management	2.00	0.00	2.00	2.00	0.00	0.00	0.00
Resources Total		142.53	8.25	150.78	134.67	16.11	6.00	10.11
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	30.21	520.03	428.58	91.45	57.99	33.46

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

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

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	66.21	18.29	13.00	5.29
Regulatory Services Partne	Administration and Finance	17.50	-14.50	3.00	2.00	1.00	1.00	0.00
	Business Development	1.00	0.00	1.00	0.00	1.00	1.00	0.00
	Commercial Services	3.00	2.00	5.00	2.00	3.00	0.00	3.00
	Environmental Health (Commercial)	17.48	-7.00	10.48	5.00	5.48	0.00	5.48
	Environmental Health (Pollution)	6.34	6.66	13.00	10.44	2.56	4.00	-1.44
	Licensing	10.00	1.00	11.00	3.90	7.10	3.00	4.10
	Residential & Pollution Services	18.31	-8.31	10.00	6.40	3.60	0.00	3.60
	Trading Standards	13.29	-2.19	11.10	9.29	1.81	0.00	1.81
	Wandsworth Regulatory Services Team Management	23.50	36.57	60.07	46.47	13.60	4.89	8.71
Safer Merton	CCTV	9.00	0.00	9.00	8.00	1.00	0.00	1.00
		8.49	0.37	8.86	7.63	1.23	0.00	1.23
Management	Management	1.40	0.00	1.40	0.40	1.00	1.00	0.00
Public Protection total		203.81	25.60	229.41	168.74	60.67	27.89	32.78
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	7.00	0.00	0.00	0.00
	Management	1.00	0.00	1.00	1.00	0.00	0.00	0.00
Leisure & Culture Greensp	Arboricultural	2.00	0.00	2.00	2.00	0.00	0.00	0.00
	Events	1.00	0.40	1.40	0.00	1.40	0.00	1.40
	Greenspaces Development	5.90	0.40	6.30	6.10	0.20	0.00	0.20
	Mitcham Common	0.00	2.00	2.00	2.00	0.00	0.00	0.00
	Management	0.00	1.00	1.00	1.00	0.00	0.00	0.00
Strategic Partnership Team		1.00	0.00	1.00	1.00	0.00	0.00	0.00
Waste Engagement & Enfo	Community Waste Partnerships	2.00	0.00	2.00	1.00	1.00	0.00	1.00
	Enforcement and Inspection	1.50	4.50	6.00	4.40	1.60	0.00	1.60
		0.00	1.00	1.00	0.60	0.40	0.00	0.40
Waste Services	Finance & Administration Support	2.00	0.00	2.00	2.00	0.00	0.00	0.00
	Finance and Performance	3.00	0.00	3.00	1.61	1.39	1.00	0.39
	Service Development & Strategy	2.69	2.00	4.69	2.29	2.40	0.00	2.40
	Training and Road Safety	1.00	0.00	1.00	0.50	0.50	0.00	0.50
	Transport and Operations	39.36	5.99	45.35	42.27	3.08	0.00	3.08
	Management	1.00	1.00	2.00	2.00	0.00	0.00	0.00
Management	Management	5.40	2.63	8.03	4.71	3.32	1.00	2.32
Public Realm Contracting and Commissioning		76.65	23.92	100.57	85.28	15.29	2.00	13.29
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	10.00	1.00	3.00	-2.00
	Planning Wimbledon	5.50	0.50	6.00	4.00	2.00	2.00	0.00
	Management	1.00	0.00	1.00	1.00	0.00	0.00	0.00
futureMerton	Commissioning	8.44	8.31	16.75	6.43	10.32	7.00	3.32
	Economy	4.46	1.54	6.00	4.34	1.66	0.00	1.66
	Infrastructure	24.00	5.50	29.50	22.30	7.20	8.00	-0.80
	Programming	13.00	5.00	18.00	10.00	8.00	6.00	2.00
	Management	1.00	0.00	1.00	1.00	0.00	0.00	0.00
Property Management	Estates (Property Management)	3.00	0.00	3.00	2.00	1.00	0.00	1.00
	Finance & Admin (Property Management)	1.60	0.00	1.60	1.00	0.60	0.00	0.60
	Management -	0.00	1.00	1.00	1.00	0.00	0.00	0.00
Management	Management	2.00	0.00	2.00	1.60	0.40	0.00	0.40
Sustainable Communities Total		90.75	30.78	121.53	78.17	43.36	31.00	12.36
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	80.30	453.51	334.19	119.32	60.89	58.43

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