

## **Cabinet**

**Date: 13<sup>th</sup> July 2020**

### **Subject: Financial Report 2019/20**

Lead officer: Roger Kershaw

Lead member: Mark Allison

#### **Recommendations:**

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

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

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

Section 2 – Summarises the outturn position of the Authority.

Section 3 – Reviews the detailed outturn position for service departments

Section 4 – Reviews the outturn position for corporate items

Section 5 – Provides other information

Section 6 – Provides information on Reserves

Section 7 - Provides information on the capital outturn

## Section 2 – REVENUE OUTTURN 2019/20

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

<b>NET FAVOURABLE OUTTURN BALANCE TRANSFERRED TO OCPB* RESERVE</b>	<b>1,716</b>
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**\* Outstanding Council Programme Board (OCPB)**

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

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

\*\* Covid grant received in advance in 19/20

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

Net service expenditure was a £147k favourable variance.

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

### Covid 19

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

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

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

### Impact of Covid 19

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

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

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

### DSG deficit

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

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

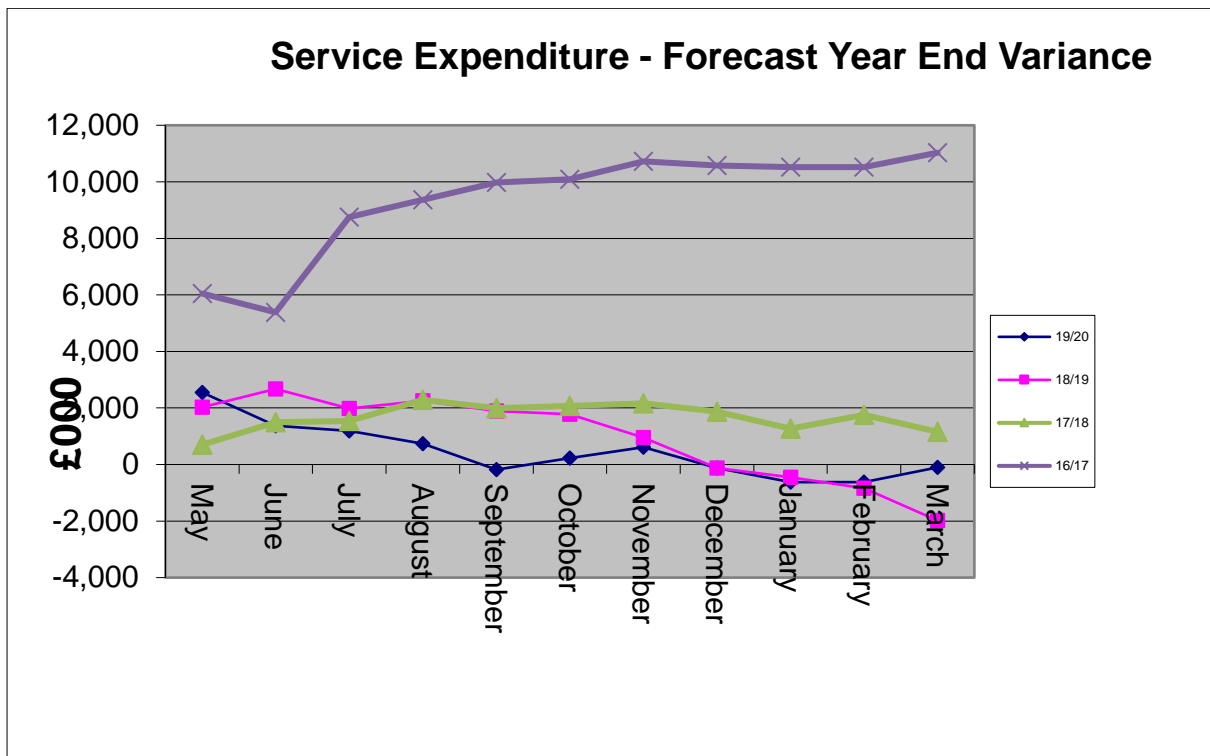
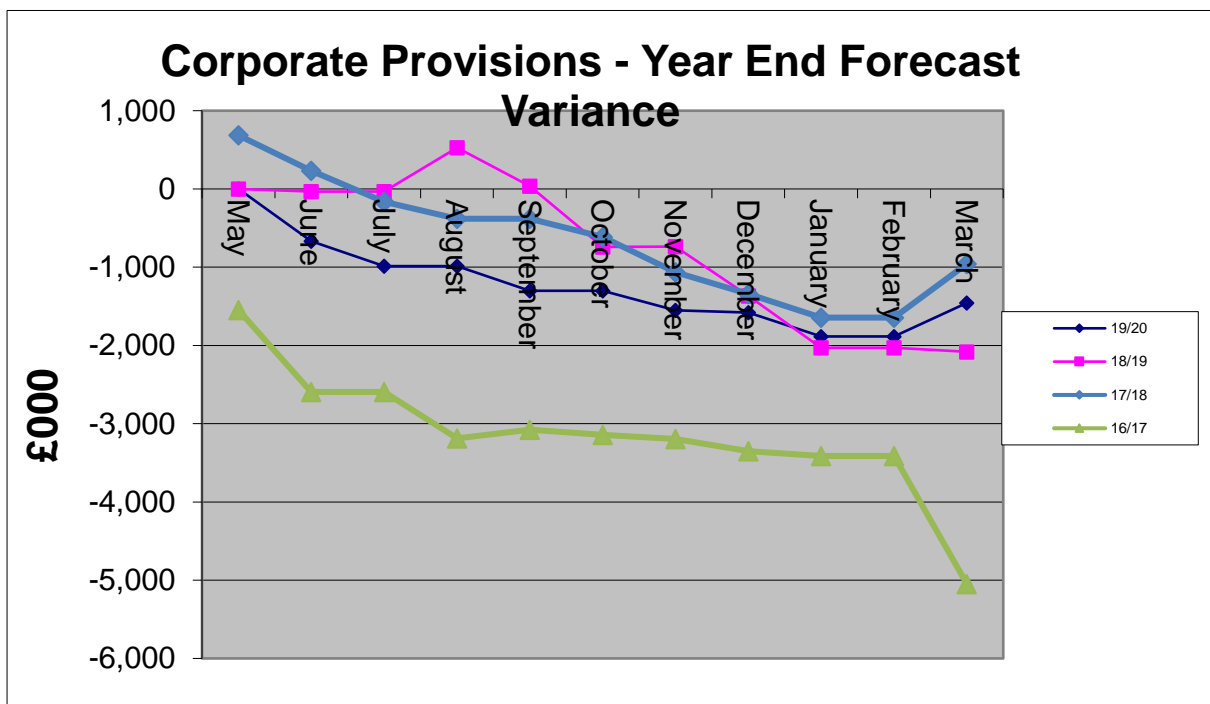


Chart 2 shows the forecast year end variance for corporate provisions with a comparison against prior years.



## Section 3 Detailed Service Spending

### Corporate Services

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

#### Overview

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

#### Customers, Policy and Improvement - £169k favourable

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

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

### **Infrastructure & Technology - £678k favourable variance**

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

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

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

### **Corporate Governance – £180k favourable variance**

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

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

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

### **Resources - £95k adverse variance**

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

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

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

### **Human Resources – £187k adverse variance**

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

The HR AD budget also has an adverse variance of £46k due to the interim cover of the Head of HR post and recruitment costs. Another significant budget pressure within HR is from the Transactions budget which has a £74k adverse variance. This is due to a £15k budget pressure on DBS recharges to clients, which no longer include an internal admin charge as the work is carried out by the London Borough of Kingston, and the remainder relates to the shared payroll system and iTrent client team charges, also by the London Borough of Kingston. Occupational Health also has an adverse variance (£16k) due to increased referrals, this will be closely monitored during the coming year as the service will be aiming to bring the waiting time down for appointments and monitor any impact of covid-19 and new working arrangements on the number of referrals.

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

### **Corporate Items - £255k adverse variance**

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

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

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

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

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

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

## **Environment & Regeneration**

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



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

### Overview

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

### Public Protection

#### **Parking Services adverse variance of £1,171k**

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

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

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

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

## **Public Space**

### **Leisure & Culture favourable variance of £334k**

The favourable variance is mainly as a result of the final year, under the previous contractual agreement, of the profit share arrangement with our service provider for the Leisure Centres Contract (£224k). Changes to this contract came into effect from 1<sup>st</sup> December 2018, which has resulted in future guaranteed annual income, now being built into the Medium Term budget. Due to this guaranteed income the likelihood of future profit shares is now unlikely.

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

### **Greenspaces favourable variance of £111k**

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

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

## **Sustainable Communities**

### **Property Management favourable variance of £251k**

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

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

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

## Children Schools and Families

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

### Overview

At the end of March, Children Schools and Families reported a £240k favourable variance on local authority funded services, favourable movement of £931k from January's forecast. The movement is mainly due to the volatile nature of placement and SEN transport budgets, and the current volume of CSC activity and Education, Health and Care Plan (EHCP) requests.

Despite an increasing population, Merton has managed to hold steady our number of children in care through a combination of actions, which are detailed in the management action section below.

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

## Local Authority Funded Services

The table below details the significant budget variances identified:

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

### Education Division

The procurement and school organisation budget has reported a favourable variance of £306k 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 spend is £5.928m, circa £563k more than last year. The SEN transport budget has an adverse variance of £1.289m, however, this has decreased by £8k since January. To support the cost pressure in this area, the £500k growth allocated to the department in 2019/20 has been allocated against this budget. However, this has been insufficient to cover the full extent of the growth in this area

As part of management action to reduce the overall in-year departmental overspend, where possible in the Early Years' service, recruitment to vacancies had been delayed, hence the favourable variance of £314k.

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

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

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

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

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

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

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

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

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

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

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

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

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

At the end of March, we have a total of 74 USAC placements, 28 under 18 and 46 over 18. Of the 28 under 18 clients, 25 were placed in foster care and 3 in semi-independent accommodation. The administration's commitment (in line with other London Labour Councils) for Merton is to accommodate 37 unaccompanied asylum-seeking children (equivalent of 0.08% of the child population).

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

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

## Placements

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

Our ART Fostering Recruitment and Assessment team is continuing to recruit new foster carers who will offer locally based placements with a campaign targeted at attracting foster carers for teenagers and UASC young people. Changes in the fostering recruitment budget from the corporate communications team has reduced the range of recruitment activity.

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

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

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

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

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



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

Description	Weekly cost 2019-20										
	May	June	July	August	September	October	November	December	January	February	March
ART Independent Agency Fostering	£ 879	£ 854	£ 889	£ 898	£ 922	£ 910	£ 910	£ 908	£ 906	£ 913	£ 917
ART In-house Fostering	£ 438	£ 443	£ 430	£ 428	£ 441	£ 435	£ 431	£ 432	£ 433	£ 422	£ 423
UASC Independent Agency (Grant)	£ 822	£ 822	£ 821	£ 821	£ 819	£ 818	£ 831	£ 803	£ 803	£ 801	£ 839
UASC In house Fostering (Grant)	£ 410	£ 388	£ 452	£ 419	£ 450	£ 425	£ 506	£ 495	£ 493	£ 495	£ 562
UASC Independent Agency (Non-Grant)	£ 802	£ 802	£ 802	£ 802	£ 661	£ -	£ 560	£ 560	£ 516	£ 792	£ 792
UASC In house Fostering (Non-Grant)	£ 409	£ 417	£ 405	£ 426	£ 402	£ 420	£ 397	£ 417	£ 417	£ 413	£ 434
ART Residential Placements	£ 3,919	£ 3,887	£ 3,886	£ 3,916	£ 3,925	£ 3,870	£ 3,874	£ 3,865	£ 3,865	£ 3,858	£ 3,926
ART Secure Accommodation	£ 1,890	£ 1,890	£ 1,890	£ 2,457	£ 1,984	£ 1,804	£ 1,760	£ 1,760	£ 1,766	£ 1,680	£ 1,680
ART Govt Grant											
ART Mother & Baby Unit	£ 4,204	£ 4,204	£ 3,401	£ 3,401	£ 3,306	£ 3,405	£ 3,405	£ 3,405	£ 3,405	£ 3,405	£ 3,381
Supported Housing & Lodgings (Art 16+ Accommodation)	£ 611	£ 619	£ 627	£ 652	£ 683	£ 676	£ 750	£ 733	£ 726	£ 721	£ 719
Supported Housing & Lodgings (Hsng Benefit Income)											
Supported Housing & Lodgings - UASC (Grant)	£ 788	£ 736	£ 687	£ 687	£ 771	£ 708	£ 767	£ 656	£ 663	£ 655	£ 756
Supported Housing & Lodgings - UASC (Non-Grant)	£ 451	£ 410	£ 400	£ 427	£ 432	£ 428	£ 422	£ 420	£ 419	£ 414	£ 412

## Schools PFI

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

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

## Dedicated Schools Grant (DSG)

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

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

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

We are seeking to increase the number of local maintained special school places in the borough, in order to reduce these costs, but it will take time to bring these additional places on stream. At present the annual increase in the number of EHCPs significantly exceeds the number of additional special school places we are able to create in the borough. Based on the number of new EHCPs still being awarded following assessment, the cumulative DSG deficit at the end of 2019/20 is £12.750m.

Other adverse variances include £1,188k on EHCP allocations to Merton primary and secondary schools, £2.012m on EHCP allocations to out of borough maintained primary, secondary and special schools, and £1.489m on one-to-one support, OT/SLT and other therapies as well as alternative education.

The table below shows the increase in number of EHCPs over the past 5 years since the entitlement changed following the implementation of the Children and Families Act.

Type of Provision	Jan 2016 Total Statements and EHCPs		Jan 2017 Total Statements and EHCPs		Jan 2018 Total Statements and EHCPs		Jan 2019 Total Statements and EHCPs		Jan 2020 Total Statements and EHCPs	
	No	%	No	%	No	%	No	%	No	%
Early Years (incl. Private & Voluntary Settings)	0	0%	1	0%	7	0%	7	0%	7	0%
Mainstream Schools (incl. Academies, Free and Independent)	422	39%	461	37%	526	35%	584	34%	707	37%
Additional Resourced Provision	110	10%	111	9%	116	8%	125	7%	125	6%
State Funded Special Schools	358	33%	388	31%	416	27%	440	26%	474	25%
Independent Special Schools	132	12%	153	12%	176	12%	228	13%	280	15%
Post 16 College and traineeships	25	2%	93	7%	183	12%	212	12%	199	10%
Post 16 Specialist	10	1%	25	2%	44	3%	37	2%	35	2%

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

We continue to keep abreast of proposed changes to the National Funding Formula, especially in relation to risks associated with services currently funded by de-delegated elements of the DSG. We will continue to also work with other authorities on the deficit DSG issue.

The Early Years block of the DSG is normally adjusted in the July following the end of the financial year as it is based on January census information. The estimated additional grant is £335k, for 2018/19 the additional grant was £338k.

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

In addition to the pressures on the high needs block, which are clear from the outturn figures highlighted above and expected to continue into 2020/21 and beyond, some schools are also having trouble in setting balanced budgets with the funding provided to them through the funding formula. The Finance Service monitors this closely, and before any deficit budget is agreed, work is undertaken with the school to ensure they are maximising every opportunity to reduce costs and spend wisely. The number of schools setting deficit budgets has reduced from 14 in 2018/19 to 9 in 2019/20. There are various reasons for schools requiring to set deficit budgets including unfunded non-teacher pay increases, increased costs relating to children that require additional support but do not meet statutory thresholds for additional funding, reduction in pupil numbers and reduced levels of reserves that schools would previously have used to balance their budgets. Total school balances, including capital balances, did however increase last year.

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

## **Management action**

### Staffing report

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

### Placements

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

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

### Children with additional needs

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

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

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

To limit the increased costs to the DSG High Needs block of the increased number of children with EHCPs we have expanded existing specialist provision and have

approved a contract to expand Cricket Green special school. We have increased Additionally Resourced Provision (ARP) in Merton mainstream schools and have further plans for new ARP provision and expansion of existing bases. Additional local provision should also assist with minimising increases to transport costs.

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

## New burdens

There are a number of duties placed on the Local Authority that have not been fully funded or not funded at all through additional burdens funding from Central Government. The table below highlights the continued estimated overspends relating to these unfunded duties:

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

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

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

Other unfunded burdens include:

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

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

## Community and Housing

### Overview

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

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

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

### Community & Housing Summary Outturn Position

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

### Adult Social Care £717k Favourable Variance

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

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

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

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

### **Direct Provision-£189k Adverse Variance**

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

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

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

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

#### **Libraries-£70k Adverse Variance**

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

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

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



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

### **Housing - £328k – Adverse Variance**

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

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

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

### **Prevention Activities undertaken during 2019-20 as part of the New Burdens for Housing**

Activities undertaken to prevent homelessness: -

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

The table below shows the number of homelessness prevented for the financial year 2019-20.

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

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

### Analysis of Housing and Temporary Accommodation Outturn

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

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

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

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

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

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

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

### **Public Health –Breakeven Position**

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

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

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

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

## Section 4 Corporate Items

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

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

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

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

#### Capital Financing Costs (Favourable variance £0.161m)

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

#### Investment income (Favourable variance £0.704m)

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

#### Pension Fund (Favourable variance £0.100m)

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

#### Provision for Excess Inflation (Favourable variance £0.100m)

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

#### Contingencies and Provisions (Favourable variance £0.155m)

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

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

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

#### Income items (Favourable variance £0.343m)

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

#### Funding

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

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

## Coronavirus Pandemic: COVID-19

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

The details are summarised below:

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

## Section 5 - Other Information

### Progress on Savings 2019/20

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

Details are provided in Appendix 3

## **Progress on Savings 2018/19**

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

Details are provided in Appendix 3A

### **Debt Report**

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

### **Quality of forecasting**

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

## Section 6 Reserves Position

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

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



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

## Section 7 CAPITAL

### Outturn and Budget Management

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

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

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

### **Movement in the Funding of the 2019/20 Capital Programme**

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

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

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

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

### **Movement in the 2019/20 Original Approved Programme**

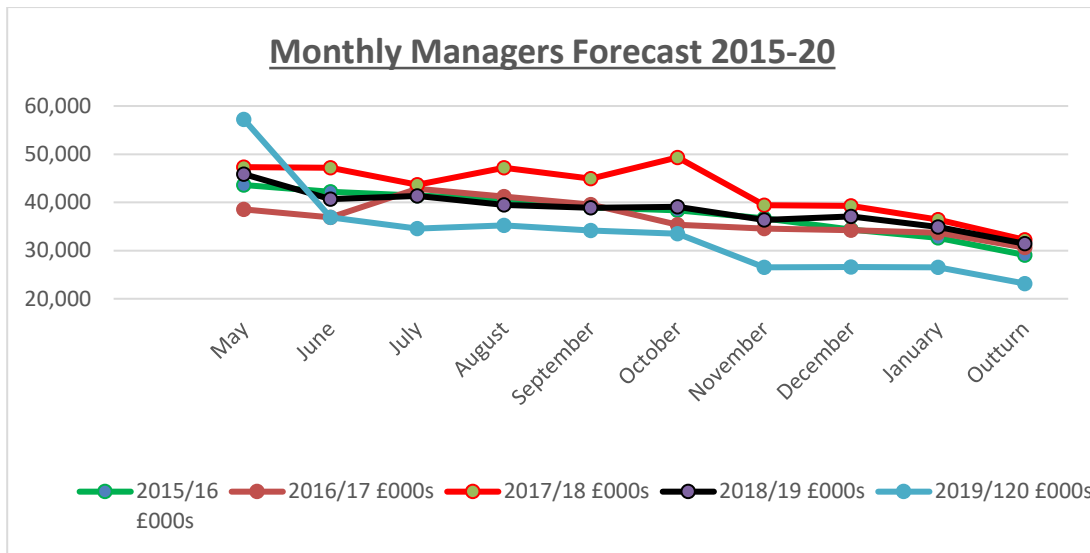
The Capital Programme for 2019/20 as approved in March 2019 was £53.5 million. Subsequently, slippage from 2018/19 of £2.9 million was added, and new funding of £1.5 million giving an effective opening programme of £57.9 million. However, during the financial year there was a net reduction in the overall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

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

\* Reprofiling includes Housing Company £21.6m

### **Capital - Monthly Managers Forecast Spend to Outturn**

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



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

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

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

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

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

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

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

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

**Capital Programme Budget 2020-21**

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

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

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

**Capital Programme Budget 2021-24**

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

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

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

**Funding the Budgeted Capital Programme 2020-24**

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

\*Subject to further clarification from TfL

## **8 CONSULTATION UNDERTAKEN OR PROPOSED**

8.1 All relevant bodies have been consulted.

## **9 TIMETABLE**

9.1 In accordance with current financial reporting timetables.

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

10.1 All relevant implications have been addressed in the report.

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

11.1 All relevant implications have been addressed in the report.

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

12.1 Not applicable

## **13 CRIME AND DISORDER IMPLICATIONS**

13.1 Not applicable

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

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

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

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

## **16 BACKGROUND PAPERS**

16.1 Budgetary Control files held in the Corporate Services department.

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**APPENDIX 1**

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



## Capital Outturn Position 2019-20

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

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

## Capital Outturn Position 2019-20

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

## Capital Outturn Position 2019-20

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

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

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

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

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

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

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

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

**Capital Programme Budget 2020-21**

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

Corporate S	Corporate Services	Budget 2020-21	Slippage	Reprofiled into 2021-22	New 2020-21	Virement	TfL 2019-20	Clawback	Relinquished	Revised Budget 2020-21	Description
00000006	Customer Contact Programme	1,350,000	0							1,350,000	A new c
00000627	Capital Building Works	650,000	227,110							877,110	Essentia
00001606	Replacement Boilers	0	267,200							267,200	Essentia
00000019	Civic Centre Boilers	201,480	0							201,480	Essentia
00000021	Civic Centre Staff Entrance	0	7,200							7,200	Invoic
00001575	Civic Centre Cycle Parking	60,000	0							60,000	Options
00000000	Invest to Save	400,000	0							400,000	Essentia
00000022	Photovoltaics & Energy Conserv	0	75,000							75,000	Specific
00000008	Environmental Asset Management	0	17,800							17,800	Essentia
00000009	Revenue & Benefits	400,000	0	(400,000)						0	Re-Proi
00000010	Capita Housing	100,000	0							100,000	Current
00000013	ePayments Project	157,050	0							157,050	Current
00000053	Children's Safeguarding	125,000	0							125,000	
00000698	Planning&Public Protection Sys	199,950	140,760							340,710	Current
00000763	Spectrum Spatial Analyst Repla	165,000	64,220							229,220	Current
00001376	Regulatory System	0	28,640							28,640	Current
00001377	Parking System	0	22,350							22,350	Current
00001506	Youth Justice IT Systems	85,000	15,000							100,000	Starting
00001078	Mosaic Group Work Revenue	0	26,680							26,680	Require
00001084	EHCP Hub	0	11,310							11,310	Require
00001085	SEN Case Management System	0	234,880							234,880	Require
00000000	Planned Replacement Programme	390,000	0							390,000	Essentia
00000020	Data Centre Support Equipment	150,000	42,650							192,650	Comple
00000032	PABX Replacement		192,850							192,850	Essentia
00000046	Network Switch Upgrade		200,000							200,000	Essentia
00000629	IT Equipment	120,000	0							120,000	Essentia
00001504	Office 365		421,420							421,420	Essentia
00000000	Multi Functioning Device	600,000	0							600,000	Current
00000000	Westminster Ccl Coroners Court	455,000	5,000							460,000	
00000000	Housing Company	16,491,220	0							16,491,220	
71	<b>Corporate Services</b>	<b>22,099,700</b>	<b>2,000,070</b>	<b>(400,000)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>23,699,770</b>	

**Capital Programme Budget 2020-21**

Community	Community and Housing	Budget 2020-21	Slippage	Reprofiled into 2021-22	New 2020-21	Virement	TfL 2019-20	Clawback	Relinquished	Revised Budget 2020-21	Description
00000031	Telehealth	38,750	1,650	(20,200)						20,200	Purchas
00000000	Disabled Facilities Grant	927,100	163,030	(263,130)						827,000	Grant F
00000000	Supported Living	488,000	0							488,000	
00000038	West Barnes Library Re-Fit	200,000	0	(200,000)						0	Scheme
00000040	Library Self Service	350,000	0							350,000	Contract
00000039	Library Management System		24,000							24,000	Second
72	<b>Community and Housing</b>	<b>2,003,850</b>	<b>188,680</b>	<b>(483,330)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,709,200</b>	

**Capital Programme Budget 2020-21**

Children S	Children Schools & Families	Budget 2020-21	Slippage	Reprofiled into 2021-22	New 2020-21	Virement	TIL 2019-20	Clawback	Relinquished	Revised Budget 2020-21	Description
00000880	West Wimbledon - Schools Capital maintenance		39,350							39,350	Grant F
00000880	Hatfield - Schools Capital maintenance		8,910		10,000	25,000				43,910	Grant F
00000880	Hillcross - Schools Capital maintenance		290		10,000	73,000				83,290	Grant F
00000880	Dundonald - Schools Capital maintenance				10,000	69,500				79,500	Grant F
00000880	Garfield - Schools Capital maintenance		42,620							42,620	Grant F
00000880	Poplar - Schools Capital maintenance		3,510		5,000	15,500				24,010	Grant F
00000880	Wimbledon Chase - Schools Capital maintenance		6,990		10,000	35,000				51,990	Grant F
00000880	Wimbledon Park - Schools Capital maintenance				10,000	30,000				40,000	Grant F
00000880	Abbotsbury - Schools Capital maintenance		57,200		10,000	70,000				137,200	Grant F
00000880	Malmesbury - Schools Capital maintenance				10,000	25,000				35,000	Grant F
00000880	Bond - Schools Capital maintenance		6,030							6,030	Grant F
00000880	Cranmer - Schools Capital maintenance				10,000	24,000				34,000	Grant F
00000880	Gorringe Park - Schools Capital maintenance		14,650		20,000	52,000				86,650	Grant F
00000880	Liberty - Schools Capital maintenance		7,640		7,000	19,000				33,640	Grant F
00000880	Links - Schools Capital maintenance				10,000	210,000				220,000	Grant F
00000880	St Mark's - Schools Capital maintenance				10,000	155,000				165,000	Grant F
00000880	Lonesome - Schools Capital maintenance		36,740		10,000					46,740	Grant F
00000880	Sherwood - Schools Capital maintenance		4,200		10,000	187,000				201,200	Grant F
00000880	William Morris - Schools Capital maintenance		3,200							3,200	Grant F
00000880	Unallocated - Schools Capital maintenance	1,900,000	0		15,500	(1,400,000)				515,500	Grant F
00000044	Harris Academy Merton		34,170							34,170	Final ph
00000880	Raynes Park Schools Capital maintenance		5,590							5,590	Grant F
00000880	Richards Lodge - Schools Capital maintenance		5,580							5,580	Grant F
00000880	Rutlish - Schools Capital maintenance		14,550		4,450					19,000	Grant F
00000048	Harris Academy Wimbledon	300,000	45,670	(150,000)						195,670	Remaini
00000880	Perseid - Schools Capital maintenance	7,720	29,120		5,000	215,000				256,840	Grant F
01800042	Perseid School Expansion		29,130							29,130	Final ph
00000880	Cricket Green - Schools Capital maintenance		41,050		46,140	195,000				282,190	Grant F
01790042	Cricket Green School Expansion	100,000	0					(16,040)		83,960	Final ph
00001371	Melrose - Healthy Schools	30,000	3,980							33,980	order pl
00001500	Melrose Primary SEMH Annex 16 Pl	1,150,000	36,610	(350,000)						836,610	Plannin
00001574	Melrose S'dary SEMH 14 Places	200,000	0							200,000	Covid-1
01530051	Harris Morden Sec Autism Unit	160,000	0	(110,000)						50,000	Covid-1
00000697	Further SEN Provision	288,020	0	(250,000)				(2,070)		35,950	Covid-1
00001501	Primary ASD base 1-20 places	100,000	0					(31,740)		68,260	Final pa
00000880	Melbury College - Schools Capital maintenance		13,340							13,340	Grant F
00001503	New ASD Provision	250,000	20,000	(220,000)						50,000	Covid-1
00001502	Secondary SEMH/medical PRU	80,000	20,000	(50,000)						50,000	Covid-1
00000631	Devolved Formula Capital		0		349,570					349,570	Budget t
<b>73</b>	<b>Children Schools &amp; Families</b>	<b>4,565,740</b>	<b>530,120</b>	<b>(1,130,000)</b>	<b>572,660</b>	<b>0</b>	<b>0</b>	<b>(49,850)</b>	<b>0</b>	<b>4,488,670</b>	



**Capital Programme Budget 2020-21**

Environment	Environment and Regeneration	Budget 2020-21	Slippage	Reprofiled into 2021-22	New 2020-21	Virement	TfL 2019-20	Clawback	Relinquished	Revised Budget 2020-21	Description
0000056	Pay and Display Machines	500,000	0	(400,000)						100,000	Consult
00001579	Car Park Upgrades	464,000	0							464,000	Some E
00000644	CCTV (match funding)		10,340							10,340	Essentia
00000997	Parking CCTV	140,000	0							140,000	Half of
00000643	Replacement of Fleet Vehicles	584,000	0							584,000	Agreed
00001580	Mechanical Street Washer	75,000	0							75,000	Part of
00000000	Alley Gating Scheme	30,000	0							30,000	Merton
00000000	SLWP	48,040	0							48,040	Phase C
00000642	Street Tree Programme	60,000	16,000							76,000	Merton
00001598	New Street Tree Planting Programme	50,000	0							50,000	SCIL
00001374	Raynes Park Station Pub Realm		26,110							26,110	SI06 Sc
00000101	Street Lighting Replacement Pr	290,000	0							290,000	Merton
00000103	Accessibility Programme	110,000	0				(82,350)			27,650	TfL Sch
00000105	Casualty Reduction & Schools	254,000	0				(248,430)			5,570	TfL Sch
00000117	Traffic Schemes	350,000	11,540				(100,000)			261,540	Merton
00000144	Surface Water Drainage	69,000	0							69,000	Merton
00000149	20mph Zone - TFL	101,000	0				(58,000)			43,000	TfL Sch
00000634	Repairs to Footways	1,000,000	0							1,000,000	Merton
00000638	Maintain AntiSkid and Coloured	70,000	0							70,000	Merton
00000639	Borough Roads Maintenance	1,200,000	0							1,200,000	Merton
00000645	Highways bridges & structures	480,000	154,670							634,670	Merton
00000917	Safer Walking Routes/Streets	92,000	0				(31,230)			60,770	TfL Sch
00000918	School part time road closure	60,000	67,110				(60,000)			67,110	Merton
00001509	Culverts Upgrade	250,000	122,120							372,120	SCIL fo
00001510	Schools Superzones Proj	37,000	0				(37,000)			0	TfL Sch
00001526	Bishopsford Bridge	2,000,000	0					(223,120)		1,776,880	Merton
00000104	Cycle access/parking	28,000	0				(28,000)			0	TfL Sch
00000686	Beddington Lane Cycle Route		60,000							60,000	SI06 Sc
00000916	Cycle Improve Residential Stre	166,000	0				(93,610)			72,390	TfL Sch
00000113	Mitcham Town Centre	382,000	10,570						(372,570)	20,000	SCIL fo
01860000	Figges Marsh	92,000	0				(15,390)			76,610	TfL Sch
00000685	Unallocated TFL	395,000	0				(395,000)			0	Adjustm
00001566	Colliers Wood - Wandle Waymark		15,000							15,000	SI06 Sc
00000689	Canons - Parks for People	2,244,290	33,940							2,278,230	HLF/SC
00000999	Mitcham Cricket Green Improvem	0	9,320							9,320	NCIL fo
00001372	Crowded Places-Hostile Vehicl	268,000	20,300							288,300	SCIL/SI
00001572	Wimbledon Public Realm Imps	500,000	0							500,000	SCIL fo
00001573	Morden TC Regen Match Funding	2,000,000	0	(1,750,000)						250,000	Merton
00000093	Wandle Project		15,640							15,640	SI06 Sc
00000102	Shop Front Improvement		23,410							23,410	SI06/NC
00001335	XMAS Lighting	95,000	0							95,000	Merton
00001444	Haydons Rd Shop Front Impr	204,000	20,000							224,000	NCIL fo
00001145	Merton Lost Rivers	100,000	0							100,000	Merton
00001445	Bramcote Parade Improvements		50,000							50,000	NCIL fo



**Capital Programme Budget 2020-21**

Environment	Environment and Regeneration	Budget 2020-21	Slippage	Reprofiled into 2021-22	New 2020-21	Virement	TfL 2019-20	Clawback	Relinquished	Revised Budget 2020-21	Description
00001512	42 Graham Road		50,000							50,000	Merton Generat
00001513	Vacant Premises Upgrade	25,000	0							25,000	Merton
00810081	Morden Leisure Centre		70,370						(15,370)	55,000	Merton S
00000099	Wimbledon Park Lake Safety	1,318,160	18,790	(1,007,450)						329,500	SCIL fo
00000640	Leisure Centre Plant & Machine	250,000	58,840							308,840	Merton
00000635	Parks Investment	300,000	15,670							315,670	Merton
00000689	Canons - Parks for People	1,188,300	11,380							1,199,680	HLF/SC
04240000	Abbey Recreation Ground	39,750	0							39,750	S106 Sc
00001157	Merton Park Green Walks	38,000	0							38,000	S106/N
00001571	New Water Play Feature Wimb Pk	226,000	0							226,000	SCIL fo
00001576	Wimb Pk Surface Car Park Op 2	40,000	0							40,000	Revenu
00001577	Paddling Pool Option 1	90,000	0							90,000	SCIL fo
00001578	Paddling Pool Option 2	226,000	0							226,000	SCIL fo
00001567	Resurface Tennis Courts		150,440							150,440	Ringfen
74	<b>Environment and Regeneration</b>	<b>18,529,540</b>	<b>1,041,560</b>	<b>(3,157,450)</b>	<b>0</b>	<b>0</b>	<b>(1,149,010)</b>	<b>(223,120)</b>	<b>(387,940)</b>	<b>14,653,580</b>	
7	<b>Capital</b>	<b>47,198,830</b>	<b>3,760,430</b>	<b>(5,170,780)</b>	<b>572,660</b>	<b>0</b>	<b>(1,149,010)</b>	<b>(272,970)</b>	<b>(387,940)</b>	<b>44,551,220</b>	

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

**Capital Programme Budget 2021-24**

	Summary	Budget 2021-22	Adjustment	Revised Budget 2021-22	Budget 2022-23	Adjustment	Revised Budget 2022-23	Budget 2023-24	Adjustment	Revised Budget 2023-24
71	<b>Corporate Services</b>	11,128,220	400,000	11,528,220	2,895,000	0	2,895,000	15,410,480	0	15,410,480
72	<b>Community and Housing</b>	913,000	767,200	1,680,200	882,000	547,000	1,429,000	425,000	0	425,000
73	<b>Children Schools &amp; Families</b>	5,500,000	1,130,000	6,630,000	1,900,000	0	1,900,000	1,900,000	0	1,900,000
74	<b>Environment and Regeneration</b>	11,424,790	1,407,450	12,832,240	8,342,890	0	8,342,890	5,279,000	1,750,000	7,029,000
	<b>Total</b>	<b>28,966,010</b>	<b>3,704,650</b>	<b>32,670,660</b>	<b>14,019,890</b>	<b>547,000</b>	<b>14,566,890</b>	<b>23,014,480</b>	<b>1,750,000</b>	<b>24,764,480</b>
	Corporate Services	Budget 2021-22	Adjustment	Revised Budget 2021-22	Budget 2022-23	Adjustment	Revised Budget 2022-23	Budget 2023-24	Adjustment	Revised Budget 2023-24
00000006	Customer Contact Programme	1,900,000	0	1,900,000	0	0	0	0	0	0
00000627	Capital Building Works	650,000	0	650,000	650,000	0	650,000	650,000	0	650,000
00000023	Civic Centre Lighting Upgrade	300,000	0	300,000	0	0	0	0	0	0
00001595	Combined Heat and Power (CHP) Sys	0	0	0	0	0	0	450,000	0	450,000
00001596	Absorption Chiller Replacement	0	0	0	0	0	0	275,000	0	275,000
00000000	Invest to Save	300,000	0	300,000	300,000	0	300,000	300,000	0	300,000
00000008	Environmental Asset Management	0	0	0	240,000	0	240,000	0	0	0
00000009	Revenue & Benefits	0	400,000	400,000	0	0	0	0	0	0
00000005	Aligned Assets	75,000	0	75,000	0	0	0	0	0	0
00001505	Ancillary IT Systems	50,000	0	50,000	0	0	0	0	0	0
00000698	Planning&Public Protection Sys	0	0	0	0	0	0	550,000	0	550,000
00000011	Replacement SC System	0	0	0	0	0	0	2,100,000	0	2,100,000
00000000	Planned Replacement Programme	870,000	0	870,000	705,000	0	705,000	770,000	0	770,000
00000046	Network Switch Upgrade	0	0	0	200,000	0	200,000	0	0	0
00000629	IT Equipment	100,000	0	100,000	100,000	0	100,000	0	0	0
00001370	e5.5 Project	0	0	0	700,000	0	700,000	0	0	0
00000000	Acquisitions Budget	0	0	0	0	0	0	6,985,180	0	6,985,180
00000000	Capital Bidding Fund	0	0	0	0	0	0	1,186,400	0	1,186,400
00000000	Corporate Capital Contingency	0	0	0	0	0	0	2,143,900	0	2,143,900
00000000	Housing Company	6,883,220	0	6,883,220	0	0	0	0	0	0
71	<b>Corporate Services</b>	<b>11,128,220</b>	<b>400,000</b>	<b>11,528,220</b>	<b>2,895,000</b>	<b>0</b>	<b>2,895,000</b>	<b>15,410,480</b>	<b>0</b>	<b>15,410,480</b>
	Community and Housing	Budget 2021-22	Adjustment	Revised Budget 2021-22	Budget 2022-23	Adjustment	Revised Budget 2022-23	Budget 2023-24	Adjustment	Revised Budget 2023-24
00000031	Telehealth	0	20,200	20,200	0	0	0	0	0	0
00000000	Disabled Facilities Grant	280,000	547,000	827,000	280,000	547,000	827,000	280,000	0	280,000
00000000	LD Housing	633,000	0	633,000	462,000	0	462,000	145,000	0	145,000
00000038	West Barnes Library Re-Fit	0	200,000	200,000	0	0	0	0	0	0
00000039	Library Management System	0	0	0	140,000	0	140,000	0	0	0
72	<b>Community and Housing</b>	<b>913,000</b>	<b>767,200</b>	<b>1,680,200</b>	<b>882,000</b>	<b>547,000</b>	<b>1,429,000</b>	<b>425,000</b>	<b>0</b>	<b>425,000</b>
	Children Schools & Families	Budget 2021-22	Adjustment	Revised Budget 2021-22	Budget 2022-23	Adjustment	Revised Budget 2022-23	Budget 2023-24	Adjustment	Revised Budget 2023-24
00000880	Schools Capital maintenance	1,900,000	0	1,900,000	1,900,000	0	1,900,000	1,900,000	0	1,900,000
00000048	Harris Academy Wimbledon	0	150,000	150,000	0	0	0	0	0	0
00001574	Melrose Sdary SEMH 14 Places	750,000	0	750,000	0	0	0	0	0	0
00001500	Melrose Primary SEMH annexe 16	400,000	350,000	750,000	0	0	0	0	0	0
01530051	Harris Morden Sec Autism Unit	1,200,000	110,000	1,310,000	0	0	0	0	0	0
00001503	New ASD Provision	0	220,000	220,000	0	0	0	0	0	0
00000697	Further SEN Provision	0	250,000	250,000	0	0	0	0	0	0
00001502	Secondary SEMH/medical PRU	1,250,000	50,000	1,300,000	0	0	0	0	0	0
73	<b>Children Schools &amp; Families</b>	<b>5,500,000</b>	<b>1,130,000</b>	<b>6,630,000</b>	<b>1,900,000</b>	<b>0</b>	<b>1,900,000</b>	<b>1,900,000</b>	<b>0</b>	<b>1,900,000</b>

**Capital Programme Budget 2021-24**

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

**Funding the Budgeted Capital Programme 2020-21**

**Appendix 2D**

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

**Funding the Budgeted Capital Programme 2021-22**

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

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

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

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

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

**APPENDIX 3**

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

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

Ref	Description of Saving	2019/20 Savings Required £000	2019/20 Savings Achieved £000	Shortfall	RAG	2020/21 Savings Expected £000	2020/21 Expected Shortfall £000	20/21 RAG	Responsible Officer	Comments
<b>Customers, Policy &amp; Improvement</b>										
CS2016 -05	Increase income through translations	15	15	0	G	15	0	A	Sean Cunniffe	20/21 will see the outsourcing of Translation Services so income streams will be removed as a result. Efficiencies will be made organisationally as a result of reduced administrative costs associated with maintaining the in-house service.
CS2016 -07	Cash Collection Reduction	30	30	0	G	30	0	G	Sean 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 came into effect mid-year, with the shortfall being met from elsewhere in the service
<b>Infrastructure &amp; Technology</b>										
CS2016-08	Potential income derived from letting two floors of vacant office space within the Civic Centre to external/partner organisations.	190	190	0	G	190	0	G	Edwin O'Donnell	
2018-19 CS01	Revenue saving associated with current MFD contract	150	150	0	G	150	0	G	Richard Warren	
2018-19 CS02	Reduction in the level of building repairs and maintenance undertaken on the corporate buildings	100	100	0	G	100	0	G	Edwin O'Donnell	
2018-19 CS04	Delete or full cost recovery of one post within FM	36	18	18	A	31	5	A	Edwin O'Donnell	Energy team restructure mid-year, therefore only a part-year saving achieved in 19/20.
2018-19 CS14	M3 support to Richmond/Wandsworth	20	0	20	R	20	0	A	Clive Cooke	This is dependent on agreement with RSP, may be at risk if they don't migrate to M3 system.
<b>Corporate Governance</b>										
CSREP 2019-20 (1)	Increase in income from Legal Services relating to S106, property and court fees	50	46	4	A	50	0	G	Louise Round	The small shortfall in 2019/20 is offset in year by underspends on LBM legal services expenditure
CSREP 2019-20 (6)	Legal services - reduce employment and HR support by 50%	30	11	19	A	30	0	G	Louise Round	Underachievement offset by underspends elsewhere on legal support
<b>Resources</b>										
CS2016-02	Restructure of HB section to roll out universal credit	66	66	0	G	66	0	G	David Keppler	
2018-19 CS05	Reduction in permanent staffing	30	0	30	R	30	-		Roger Kershaw	Saving replaced from 2020/21.
2018-19 CS10	Reduction in staffing	60	60	0	G	60	0	G	David Keppler	
2018-19 CS08	Increase in income from Enforcement Service	100	31	69	A	0	100	R	David Keppler	Overspend of £119k across LBM and LBS bailiff services, shortfall in saving is shown split across 2018-19 CS08 and CSREP 2019-20 (3). 20/21 will be kept under review but the service is not currently operational in light of the covid-19 circumstances so will not meet the savings target in 20/21.

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

Ref	Description of Saving	2019/20 Savings Required £000	2019/20 Savings Achieved £000	Shortfall	RAG	2020/21 Savings Expected £000	2020/21 Expected Shortfall £000	20/21 RAG	Responsible Officer	Comments
2019-20 CS01	Amend discretionary rate relief policy	75	75	0	G	75	0	G	David Keppler	
CSREP 2019-20 (2)	Reduction in internal insurance fund contribution	250	250	0	G	250	0	G	Nemashe Sivayogan	
CSREP 2019-20 (3)	Increase in income from Enforcement service	50	0	50	R	0	50	R	David Keppler	Overspend of £119k across LBM and LBS bailiff services, shortfall in saving is shown split across 2018-19 CS08 and CSREP 2019-20 (3). 20/21 will be kept under review but the service is not currently operational in light of the covid-19 circumstances so will not meet the savings target in 20/21.
	<b>Corporate</b>									
2019-20 CS12	Increase in Empty Homes Premium for long term empty properties	97	97	0	G	97	0	G	David Keppler	
CSREP 2019-20 (4)	Increase in investment income	30	30	0	G	30	0	G	Nemashe Sivayogan	
CSREP 2019-20 (5)	CHAS dividend	40	40	0	G	40	0	G	Ian McKinnon	
	<b>Total Corporate Services Department Savings for 2019/20</b>	<b>1,484</b>	<b>1,259</b>	<b>225</b>		<b>1,329</b>	<b>155</b>			

DEPARTMENT: ENVIRONMENT & REGENERATION SAVINGS PROGRESS: 2019-20

Ref	Description of Saving	2019/20 Savings Required £000	2019/20 Savings Achieved £000	Shortfall	RAG	2020/21 Savings Expected £000	2020/21 Expected Shortfall £000	2020/21 RAG	Responsible Officer	Comments	R / A Included in Forecast Over/Underspend? Y/N
<b>SUSTAINABLE COMMUNITIES</b>											
E4	Income from Merantun Development Limited for services provided to the company by LBM	100	94	6	A	100	0	G	James McGinlay		Y
ENV1819-05	Highways advertising income through re-procurement of the advertising contract for the public highway. New contract due to be in place by last quarter of 2019/20.	55	10	45	R	48	7	R	James McGinlay	Covid-19 estimated to impact on saving, due to JC Decaux requesting to remove Q2 guaranteed income payment due to LBM.	Y
<b>PUBLIC PROTECTION</b>											
ENR1	Further expansion of the shared service.	100	100	0	G	100	0	G	Cathryn James		Y
E1	Investigate potential commercial opportunities to generate income from provision of business advice. This follows on from the expansion of the RSP to include Wandsworth from November 2017, and increased resilience.	60	0	60	R	60	0	A	Cathryn James	This saving is conditional on income being generated from chargeable business advice/consultancy. A new income generating Business Development team has been established as part of the Regulatory Services Partnership restructure, which will now look to deliver these savings. However, this wasn't possible this financial year.	Y
ENR4	Charge local business' for monitoring of their CCTV	100	0	100	R				Cathryn James	Alternative saving has been agreed for 2020/21.	Y
ENV1819-03	The objective of the proposal is to support the delivery of key strategic council priorities including public health, air quality and sustainable transportation, in addition to managing parking, kerbside demand and congestion. Whilst implementation of the proposals will have the incidental effect of generating additional revenue, it is difficult to assess the level of change in customer behaviour and any subsequent financial impact arising from the changes. This will be monitored after implementation and any resulting impacts will be considered during the future years' budget planning cycles. The above will be subject to the outcome of the consultation process in 2019.	1,900	662	1,238	R	1900	0	A	Cathryn James	Saving was designed to influence motorists behaviour and reduce the use of the motor car. It is too early to tell exactly how behaviour has been affected. Covid-19 has affected parking revenue across the board including ANPR, PCNs as well as on and off street charges income. Further work is underway to fully understand the short and longer term impact of this.	Y
ALT2	Reduction of 2fte from the Parking establishment in administrative/processing roles as a result of the impending new permit system.	57	57	0	G	57	0	G	Cathryn James		Y
ALT3	Reduction in the number of pay & display machines required.	14	0	14	R	14	0	A	Cathryn James		Y
<b>PUBLIC SPACE</b>											
ENR9	Increase level of Enforcement activities of internal team ensuring the operational service is cost neutral	200	165	35	R				John Bosley	Alternative saving has been agreed for 2020/21.	Y
E2	Thermal Treatment of wood waste from HRRC	30	0	30	R				John Bosley	Saving rejected by members due to impact on recycling rate and reputational damage. Thermal treatment of wood is no longer an option due to impact on carbon and the Council's commitment to be Carbon neutral.  This saving will be replaced from 2020/21 by the underspend in residual waste disposal costs following the October 2018 service change.	Y
EV08	Increased recycling rate by 3% following education and communications activity funded by WCSS. This will be driven by the incentivisation and education programme due to commence in March 2014.	250	250	0	G	250	0	G	John Bosley		N
ALT4	Environmental Enforcement - Maintain a payment rate of 70% for all FPN issued.	54	54	0	G	54	0	G	John Bosley		N
E5	Letting of remaining vacant facilities in Greenspaces	50	0	50	R	50	0	A	John Bosley	One vacant property recently let	Y
E6	Increased tenancy income in Greenspaces	40	0	40	R				John Bosley	Alternative saving has been agreed for 2020/21.	Y
ENR10	MLC opens and Five year extension of the GLL contract	300	300	0	G	90	210	R	John Bosley	Guaranteed income reduced to zero for all months centres closed as a minimum, currently estimated until the end of June. This may be extended should the close out be extended.	N
ENV1819-01	Five year extension of the GLL contract	60	60	0	G	60	0	G	John Bosley		N
<b>Total Environment and Regeneration Savings 2018/19</b>		<b>3,370</b>	<b>1,752</b>	<b>1,618</b>		<b>2,783</b>	<b>217</b>				



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

Ref	Description of Saving	2019/20 Savings Required £000	2019/20 Savings Achieved £000	Shortfall	RAG	2020/21 Savings Expected £000	2020/21 Expected Shortfall £000	20/21 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
	<b>Education</b>										
CSF2018-03	Review Early Years : raise income or cease some services in preparation for 2020 where we'd consider withdrawing from direct provision of a childcare offer.	49	49	0	G	49	0	G	Jane McSherry		
CSF2018-04	Review schools trade offer, raise charges or consider ceasing services from 2020.	30	30	0	G	30	0	G	Jane McSherry		
CSF2018-07	Reorganisation of Admissions, My Futures and School Improvement Teams and reduction in contribution to the MSCB (Safeguarding Partnership)	100	100	0	G	100	0	G	Jane McSherry		
CSF2018-11	Reduction of SENDIS early intervention service and reduction in spend associated with the introduction of the web based EHCP Hub	72	72	0	G	72	0	G	Jane McSherry		
	<b>Children Social Care &amp; Youth Inclusion</b>										
CSF2018-01	Reduced costs/offer through the national centralised adoption initiative	30	30	0	G	30	0	G	EI 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	EI Mayhew		
CSF2018-05	Delivery of preventative services through the Social Impact Bond	45	45	0	G	45	0	G	EI Mayhew		Y
CSF2018-06	South London Family Drug and Alcohol Court commissioning	45	45	0	G	45	0	G	EI Mayhew		Y
CSF2018-12	Further reduction in staffing at Bond Road. This will include a FGC post and a contact worker.	71	71	0	G	71	0	G	EI Mayhew		
	<b>Total Children, Schools and Families Department Savings for 2019/20</b>	<b>572</b>	<b>572</b>	<b>0</b>		<b>572</b>	<b>0</b>				

DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2019/20											APPENDIX 3
Ref	Description of Saving	2019/20 Savings Required £000	2019/20 Savings Achieved £000	Shortfall	RAG	2020/21 Savings Expected £000	2020/21 Expected Shortfall £000	20/21 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Unders pend? Y/N
<b>Adult Social Care</b>											
CH35/36/52	<b>Housing Related Support:</b> -The purpose of the project is to review existing service provision linked to original SP funding, identify gaps and utilise the data to inform a new set of contract specifications to support the re-procurement of services aligned with the Council's Community and Housing strategic priorities. The objective of the project is to deliver successful procurement of contracted services that demonstrate effective outcomes for service users, effective performance management framework and value for money services.	309	309	0	G	309	0	G	Steve Langley	Achieved	Y
CH39	<b>Extra Care Contracts:</b> -This reduced savings of £57k is targeted on contract efficiencies and non-statutory support hours; eligible social care needs will not be affected. Providers will seek alternative resources to provide this support. Service will ensure that new specification requires providers to seek other support for residents. Impact will be reviewed as part of each service users annual review.	57	57	0	G	57	0	G	John Morgan	Achieved	Y
CH55	<b>Promoting Independence:</b> -The aim of this proposal has been to support people to remain independent and well. To support them to achieve their desired outcomes by enabling them to remain in their own homes, close to their friends, families, support networks and local communities.	553	553	0	G	553	0	G	John Morgan	Achieved	Y
CH70	<b>Home Care:</b> -The aim of this proposal is to maximise the benefit of the new home care contract arrangements. The new arrangements were implemented from February 2018. With a year to get established, it is planned to start to transfer cases with legacy providers who are not on the new contract as either prime or back-up providers. Some of these contracts are at higher hourly rates, so the transfer will generate a saving with no reduction in care. New care providers will be required to use a care visit monitoring system, which should increase the reliability of care.	301	301	0	G	301	0	G	John Morgan	Achieved	Y
CH88	<b>Home Care Monitoring System:</b> -The aim of this proposal is to roll out a home care monitoring system for all home care providers to ensure that we can monitor the delivery of home care visits.	40	40	0	G	40	0	G	John Morgan	Achieved through Forum. The plan is to enrol all major home providers on to the home monitoring system and only seek variations for when there is a need to utilise specialist providers as required. This is due to the low volume of hours taken on by the specialist providers, they may only support one customer thus not economically viable to be enrolled on to home monitoring system.	Y
CH89	<b>Older People Day Care Activities:</b> -As less people are choosing to attend these formal day centre we currently having increasingly vacancies within these provisions which are not been utilised. The proposal seeks to assess and analyse the demand and supply of activity aimed at supporting older people to access community activity. This will objectively look at the supply of building based and non-building based activity, its utilisation and the limitations on providing what people expect and need within the current model. It is envisaged that this will include a rationalisation and reduction of the current level of building based 'day centre' activity. This is based on current demand statistics and will include consideration of the effect of 2018/19 reductions in contracted day centre services; which is covered in a separate EIA for that specific proposal.	236	118	118	R	236	0	G	Richard Ellis	Engagement with the new owner has established an agreed timeline that means that the majority of savings will not be achieved until the new year. The work is underway to ensure that delivery	Y
<b>Subtotal Adult Social Care</b>		1,496	1,378	118		1,496	0				
<b>Library &amp; Heritage Service</b>											

DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2019/20											APPENDIX 3
Ref	Description of Saving	2019/20 Savings Required £000	2019/20 Savings Achieved £000	Shortfall	RAG	2020/21 Savings Expected £000	2020/21 Expected Shortfall £000	20/21 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Under spend? Y/N
CH67	Merton Arts Space income	38	38	0	G	38	0	G	Anthony Hopkins	On track, rental income has increased above budget by £9.4k	Y
Total C & H Savings for 2019/20		1,534	1,416	118		1,534	0				

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

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

Ref	Description of Saving	2018/19 Savings Required £000	2018/19 Shortfall	18/19 RAG	2019/20 Shortfall £000	19/20 RAG	2020/21 Expected Shortfall £000	20/21 RAG	Responsible Officer	Comments
	<b>Infrastructure &amp; transactions</b>									
CS2015-10	FM - Energy invest to save	465	465	R	365	A	110	A	Richard Neal	The capital spend to achieve this was slipped and hence the saving was delayed with £100k achieved in 19/20 and £355k in 20/21. In 19/20 the unachieved saving has been met from the Corporate Services reserve.
CSREP 2018-19 (13)	Business Improvement - Business Systems maintenance and support reduction	10	10	R	10	R	10	R	Clive Cooke	Saving to be reviewed to identify if this can be met or if a replacement saving is required.
CSREP 2018-19 (14)	M3 support to Richmond/Wandsworth	20	20	R	20	R	0	A	Clive Cooke	This is dependent on agreement with RSP, may be at risk if they don't migrate to M3 system.
	<b>Corporate Governance</b>									
CSD43	Share FOI and information governance policy with another Council	10	10	R					Karin Lane	Replacement saving identified. From 19/20 this saving has been replaced by a reduction to the Corporate Governance AD's budget
	<b>Total Corporate Services Department Savings for 2018/19</b>	<b>505</b>	<b>505</b>		<b>395</b>		<b>120</b>			

DEPARTMENT: ENVIRONMENT & REGENERATION SAVINGS PROGRESS: 2018-19

APPENDIX 3A

Ref	Description of Saving	2018/19 Savings Required £000	2018/19 Savings Expected £000	Shortfall	18/19 RAG	2019/20 Savings Achieved£000	2019/20 Shortfall £000	19/20 RAG	2020/21 Expected Shortfall £000	20/21 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
<b>SUSTAINABLE COMMUNITIES</b>													
ENV20	D&BC: Increased income from building control services.	35	0	35	R						James McGinlay	Alternative saving has been agreed and implemented for 2019/20.	N
<b>PUBLIC PROTECTION</b>													
ENV07	Parking: Reduction in supplies & services/third party payment budgets.	60	13	47	R	13	47	R			Cathryn James	Alternative saving has been agreed for 2020/21.	Y
ENV08	Regulatory Services: Funding of EH FTE by public health subsidy. As agreed between DPH and Head of PP .	40	0	40	R						Cathryn James	Alternative saving has been agreed and implemented for 2019/20.	N
ENV09	Regulatory Services: Investigate potential commercial opportunities to generate income	50	0	50	R	0	50	R	0	A	Cathryn James	This saving is conditional on income being generated from chargeable business advice/consultancy. A new income generating Business Development team has been established as part of the Regulatory Services Partnership restructure, which will now look to deliver these savings.	Y
ENR2	Parking & CCTV: Pay & Display Bays (On and off street)	44	0	44	R	44	0	G	0	G	Cathryn James		N
ENR3	Parking & CCTV: Increase the cost of existing Town Centre Season Tickets in Morden, Mitcham and Wimbledon.	17	0	17	R	17	0	G	0	G	Cathryn James		N
ALT1	Parking: The further development of the emissions based charging policy by way of increased charges applicable to resident/business permits as a means of continuing to tackle the significant and ongoing issue of poor air quality in the borough.	440	390	50	R	440	0	G	0	G	Cathryn James		N
<b>PUBLIC SPACE</b>													
ENV32	Transport: Review of Business Support requirements	30	0	30	R						John Bosley	Alternative saving has been agreed and implemented for 2019/20.	N
ENR6	Waste: Wider Department restructure in Waste Services	200	0	200	R	91	109	R	50	A	John Bosley	This was not delivered in 2018. Review of the current wider Public Space structure is being assessed and business needs along with resource gap being identified. Scheduled. The restructure is now scheduled for the first quarter 2020/21	Y
ENR7	Transport Services: Shared Fleet services function with LB Sutton	10	0	10	R						John Bosley	Alternative saving has been agreed and implemented for 2019/20.	N
<b>Total Environment and Regeneration Savings 2018/19</b>		<b>926</b>	<b>403</b>	<b>523</b>		<b>605</b>	<b>206</b>		<b>50</b>				

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

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

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

There were no red savings for CSF



## Appendix 4

### Subject: Miscellaneous Debt Update March 2020

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

1.1 A breakdown of departmental net miscellaneous debt arrears, as at 31 March 2020, is shown in column F of the table below.

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

Sundry Debtors aged balance – 31 March 2020 – not including debt that is less than 30 days old (Please note the new system reports debt up to 30 days whereas previously we reported up to 39 days)

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

1.3 Since the position was last reported on 31 December 2019, the net level of arrears, i.e. invoices over 30 days old, has increased by £236,902.

1.4 Since last reported at the end of December Environmental and Regeneration has increased by £798,283. There was an increase of £1.1 million in CIL debt over 30 day. One invoice of over £820,000 which was raised in December 2019 is still unpaid and is with the legal team to undertake legal proceedings. Housing benefit debt has increased by £88,434 (detailed below in this report).

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

## 2 THE PROCESS FOR COLLECTION OF MISCELLANEOUS DEBT

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

### The process for collecting debt

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

## 3. ACTION BEING TAKEN TO COLLECT OUTSTANDING DEBT

- 3.1 Adult Social Care Debt
- 3.2 One of the two largest debts owed to the council is for Adult Social Care debt and the current level of this debt is £4.648 million, a reduction of £45,000 since last reported in December 2019.
- 3.3 Over the past few year's council staff have been working closely and following new processes to manage this debt. This work involves regular joint meetings between the financial assessments, social services, client financial affairs and debt recovery teams to review the debts of individual clients and establish action plans for each one.
- 3.4 These actions include, but are not limited to: early intervention from social workers to prevent debts from getting out of control and to

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

- 3.5 A new working group chaired by the Director of Community and Housing has been set up to monitor Community Care debt and to work across departments to improve processes and ensure best practice is in place to maximise collection of debts at all stages.
- 3.6 The Financial Assessments team have been reviewing their clients to ensure that the assessments are accurate and correct. They have reviewed over 600 clients who had previously been assessed as not contributing but now, due to change of their circumstances they have started to charge 137 of these with contributions. The team have also helped these clients claim additional benefits which has resulted in these reassessments
- 3.7 The team have also reviewed clients that have been previously fully costed and in particular where the assessment was made due to the client or their representative not engaging with the process. This will include contacting family members and ensuring all benefits are being claimed by clients.
- 3.8 These projects are time consuming and have required additional resource but will ensure, where possible, clients are making the correct contribution at an earlier stage towards their care, which should reduce large bills coming through at a later stage. It will also ensure that clients are claiming correct benefits and will reduce the council's funding.
- 3.9 An initiative was commenced in April 2019 to issue communication with all non direct debit payer invoices encourage the take up of direct debit payment method. In April we issued 471 non direct debit emails and managed to increase take up by 62 accounts signing up for direct debit. This exercise was repeated in October.

- 3.10 A further 42 clients signed up for payment by direct debit in October/November 2019. The overall percentage of clients now paying by direct debit is 45.2% (347 out of 767).
- 3.11 In February 2018 agreement was reached with a specialist Adult Social Care debt collection company to collect some of our larger debts and debts for deceased debtors for a one year trial. As at the 31 December 2019 we had passed 34 cases totalling £1.8 million. Of these cases 8 totalling £238,000 were returned as uncollectable after investigations. Another 6 cases totalling £322,000 were paid in full.
- 3.12 As at the end of March 2020 only a further £7,800 has been collected. They currently have 18 live cases and they have identified 10 (£651,000) as 70% to 100% prospect of payment, 6 (£408,000) as 50% to 69% prospect of collection, 2 (£168,000) less than 50% prospect of collection. At the end of December 2019 they indicated that of the debt outstanding they indicated that £803,000 could be paid within six months. Progress since December 2019 up to the end of May 2020 has not been very good and this will be followed up and reported in the June 2020 report.
- 3.13 Agreement was reached for the Shared Legal Service to undertake legal work for an initial trial period of six months for all debts and this commenced in July 2019. Currently they have 10 cases with a total value of £172,000. Progress has been made on all cases and action commenced, including some legal proceedings. This has obviously slowed since the covid19 crisis. Work is being undertaken on the reporting of progress and a detailed update will be reported in the June 2020 report.
- 3.14 Cases for all debts types are still being passed to the Shared Legal Service and quarterly progress meetings take place to review processes and collection.
- 3.15 Housing Benefit Overpayments
- 3.16 The largest area of debt owed to the council is for housing benefit overpayments with the total level of debt being £7.644 million, which is a reduction of £9,000 since last reported at the end of December 2019.
- 3.17 The Department of Work and Pensions commenced a "Real Time" Information initiative at the end of September 2014 which was aimed at ensuring that earnings and pensions data within the housing benefit system matched that held by HMRC. At the same time they also commenced another initiative to identify fraud and error.
- 3.18 The DWP have provided additional funding to the council to undertake this work and up until March 2017 granted additional income based on targets met.

- 3.19 The Real Time information initiative continued throughout 2018/19 and will again run in 2019/20 under Verification of Earnings and Pension (VEP) initiative. The council receives notifications every week for cases where the DWP suggests we check earnings details using the real time information.
- 3.20 Since the start of the Real Time information initiative over £5.4 million of overpayments have been identified. Where possible these overpayments are being recovered from on-going benefit payments. We are entitled to deduct between £10.95 and £23.35 per week from on-going housing benefit dependant on circumstances. Where the change has resulted in housing benefit being cancelled or nil entitlement we can contact the claimants employer and are paid a percentage deduction of their salary each month.
- 3.21 Although the overall housing benefit debt has increased over the years there has also been an increase in the amount of debt either being recovered from on-going benefit or on arrangements, with £2.6 million being recovered from on going benefit by reducing current housing benefit payments. Just over £5.6 million is on a payment arrangement or recovery from on going benefit
- 3.22 The table below shows breakdown of all housing benefit overpayments by recovery action.

Total Housing Benefit Debt by recovery action from June 2018 to December 2019 by quarter

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

- 3.23 We have continued to review and target all housing benefit debt. We have tried to improve the procedures at the beginning of the process when a debt is first identified by ensuring that invoices are raised as

soon as possible to give the best chance of recovery, we are targeting debtors who are now in work and we will be applying to recover the overpayments from their employers and we are looking at the oldest debts to consider if they are still collectable. However, it should be noted that a lot of the housing benefit debt is very difficult to recover as the Council's powers of recovery are very limited unless the debtor works or owns their own property.

3.24 We commenced another DWP initiative to assist with the collection of unpaid overpayments. On a monthly basis we provide a list of debts to the DWP who will compare it to HMRC data and highlight where customers are now working so that we can apply for an attachment to their earnings. This commenced in May 2018 and since then we have applied for in excess of 291 new attachment to earnings. We currently have £754,000 set to recover by this method. We have also been provided with up to date contact details of debtors which has enabled us to make contact and secure further payment arrangements and payments.

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

Year	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
<b>Overpayments raised</b>	<b>4.67</b>	<b>4.56</b>	<b>3.66</b>	<b>3.74</b>	<b>3.10</b>	<b>2.61</b>
<b>Overpayments collected</b>	<b>2.22</b>	<b>2.88</b>	<b>2.75</b>	<b>2.92</b>	<b>3.00</b>	<b>2.47</b>
<b>Recovered from ongoing benefit</b>	<b>1.33</b>	<b>1.69</b>	<b>1.64</b>	<b>1.74</b>	<b>1.40</b>	<b>1.27</b>

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

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

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

3.29 They had assigned three full time officers to the initiative and have obtained information on accounts from the DWP as detailed in 3.24 above.

- 3.30 A further update of this initiative will be provided in the June 2020 report.
- 3.31 Work on this initiative has stopped following the covid19 crisis and lockdown.
- 3.32 Debt Written Off
- 3.33 The table below shows the amount of debt written off in accordance with financial regulations and scheme of management for the period 2014/15 to 2018/19 plus for this year.

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

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
	Total	Total	Total	Total	Total	Total
<b>Debt type</b>						
<b>Sundry Debt</b>	£347,726	£581,419	£129,338	£443,317	£572,301	£187,019
<b>Housing benefit overpayment</b>	£1,050,105	£510,352	£517,467	£512,379	£364,549	£220,728
<b>Council Tax</b>	£526,881	£951,280	£623,486	£804,987	£424,936	£359,789
<b>Business Rates</b>	£790,373	£659,514	£567,908	£378,155	£367,299	£500,210
<b>Total</b>	<b>£2,715,085</b>	<b>£2,702,565</b>	<b>£1,838,199</b>	<b>£2,138,838</b>	<b>£1,729,085</b>	<b>£1,267,746</b>

- 3.34 Of the business rates debt written off a large proportion relates to debts owed by businesses that went into liquidation. From 2014/15 to 2018/19 £2.761 million of business rates debt was written off and £1.5 million (54%) related to businesses that went into liquidation. Of the £500,000 written off in 2019/20 £445,000 relates to businesses that went into liquidation.
- 3.35 Although the debt written off within any of the years does not relate to one specific year it should be noted that in 2019/20 the council was collecting a net debt of £119.1 million in council tax (this includes the GLA portion), a net debt of £93.7 million in business rates (this includes Business Rates Supplement) and approximately over £83 million raised through sundry debts.
- 3.36 Every effort is made to collect all outstanding debts and debts are only written off as a last resort. The council is still collecting some council tax debts that are greater than 6 years old or will have secured the debts against properties where possible.

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

- 4.1 Based on previous years performance (2013/14 to 2015/16) an average of £56 million invoices were raised each year and 97.9% collected. This data is based at 31 December 2016 prior to the implementation of E5.
- 4.2 Active recovery action continues to be undertaken on all outstanding debts. Some of the debt owed for previous years would be secured against a charge on the property or deferred payment arrangement.

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

- 5.1 Provision has been made in the draft 2019/20 accounts for writing off bad and doubtful debts held within the ASH, E5 and Housing benefits systems. These provisions are £ £4.856m for Accounts Receivable (including former ASH) miscellaneous debt and £6.202m for debt held in the Housing Benefits system, making a total General Fund provision for bad and doubtful debts of £ 11.058m. Clearly, every attempt is made to collect debts before write-off is considered. The current level of General Fund provision is analysed in the table below.
- 5.2 The Council adheres to the principles of the SORP when calculating its provisions. Merton's methodology is to provide on the basis of expected non collection using estimated collection rates for individual departmental debt which take account of the age of the debt.

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

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



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

## 6. TOTAL DEBT DUE TO MERTON

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

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

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

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

Note 2 Council tax debt now includes unpaid council tax for 2019/20 in March 20 figures hence the increase.

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

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

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

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

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

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

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

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

Total December 2019      £4,183,930      29,305

Increase/-decrease      £694,585-      6,747-

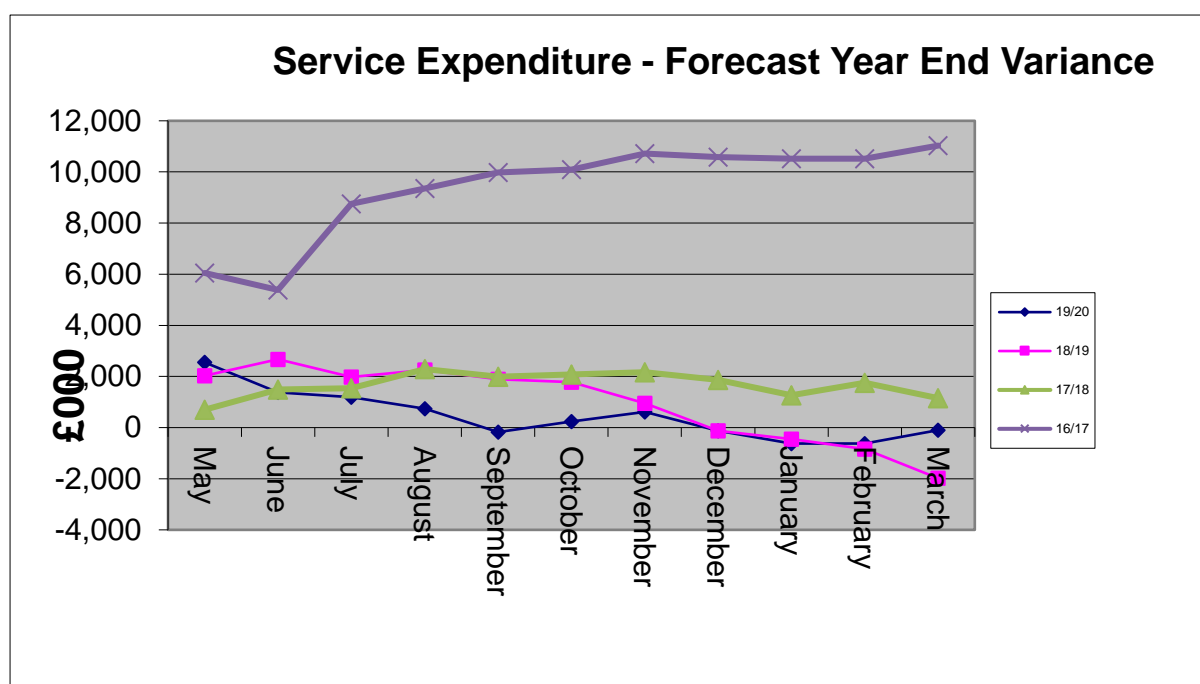


### Quality of Forecasting

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

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

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



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

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

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

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

### **Infrastructure and Technology**

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

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

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

### **Corporate Governance**

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

### **Resources**

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

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

### Human Resources

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

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

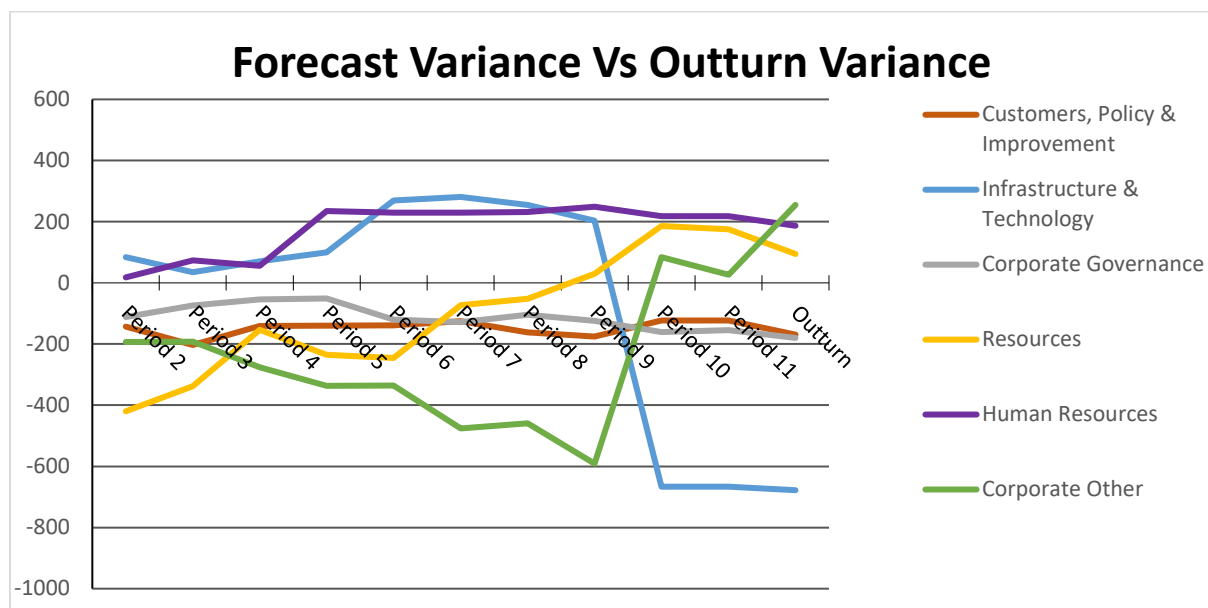
### Corporate Items

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

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

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

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



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

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

### Public Protection

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

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

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

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

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

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

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

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

## **Public Space**

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

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

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

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

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

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

## **Sustainable Communities**

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

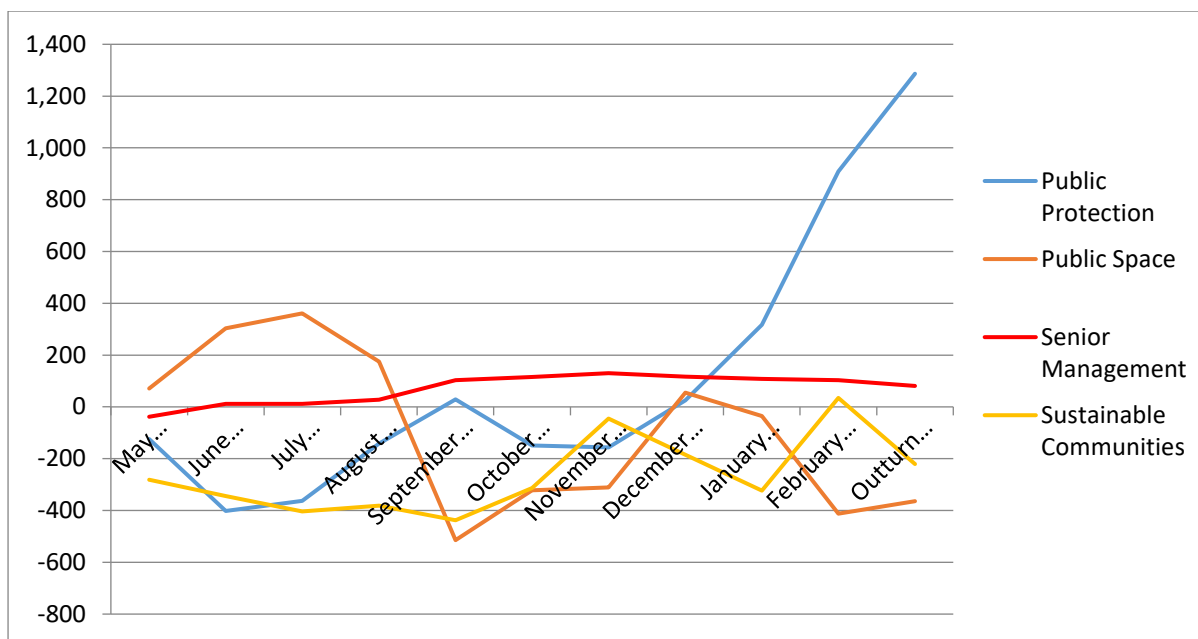
At outturn, income levels within D&BC were £84k lower than forecast, most notably within Development Control. Initial analysis by the section Manager estimates the impact of COVID-19 on potential D&BC income levels as being in the region of £43k.

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

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

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





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

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

### Education

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

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

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

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

### Social Care and Youth Inclusion

£1.1m favourable change from January.

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

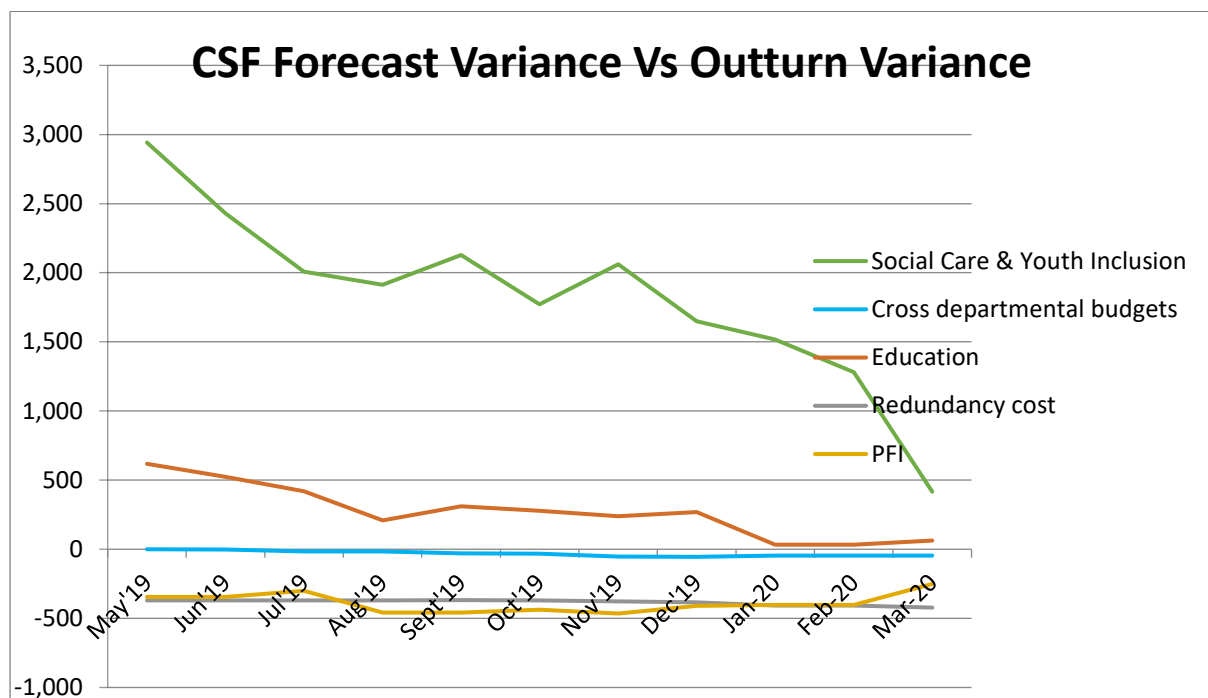
The community placement provision had a favourable reduction of £100k from January due to an over-accrual made in 2018/19. The client turns 18 in September and budget provision is available in 2020/21.

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

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

### Cross Departmental, PFI and Redundancy cost

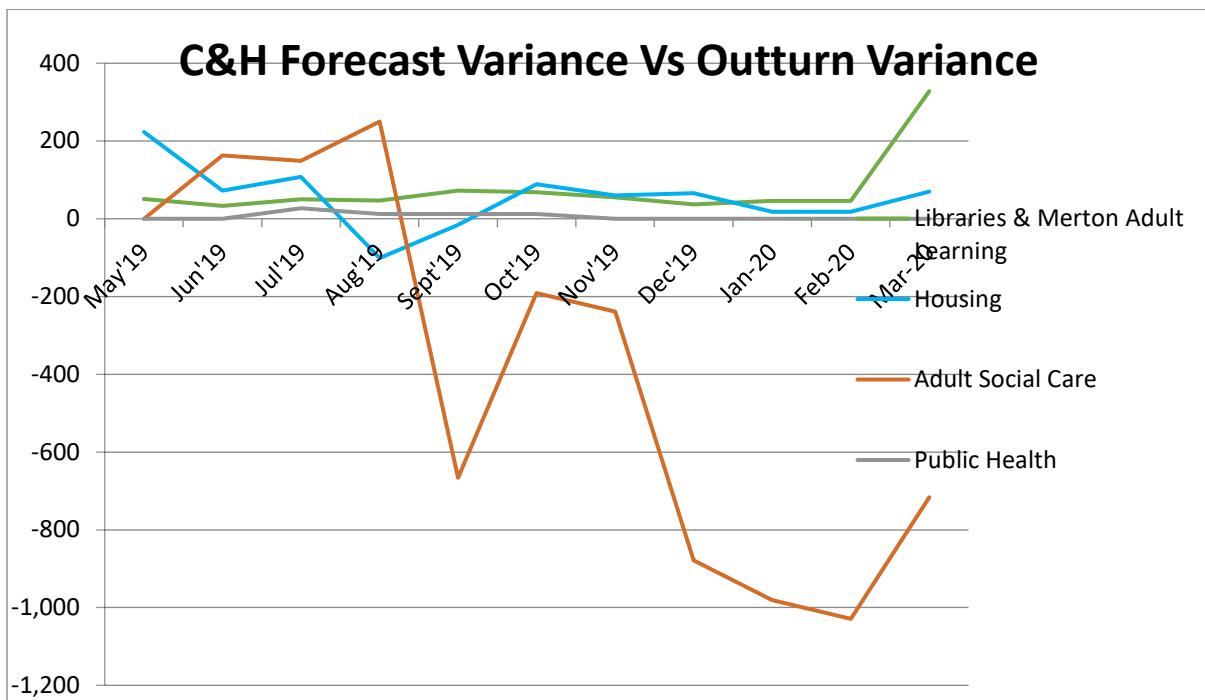
An adverse £150k movement in costs PFI from January due to year end technical adjustment. £150k budget has been transferred to reserves as per the latest model. This will be reviewed again in 2020/21.



**Community & Housing – Reasons for Jan -Outturn variances**

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

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



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