

Cabinet

Date: 12 July 2021

Subject: Financial Report 2020/21

Lead officer: Roger Kershaw

Lead member: Tobin Byers

Recommendations:

- A. That Cabinet note the revenue outturn for 2020/21
- B. That Cabinet note additional training for budget managers will be carried out, targeting areas with substantial differences between forecast variances at period 10 and final outturn.
- C. That Cabinet consider the outturn position on Capital and approve the Slippage into 2021/22 and other adjustments detailed in Appendix 2C, 2C1 and Section 7 of the report

1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

This report outlines the outturn position for the last financial year (2020/21) 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 2020/21

	2020/21 Current Budget exc. Overheads £000	2020/21 Outturn (exc Overheads) £000	2020/21 Variance £000	2020/21 COVID £000	2020/21 Outturn net of COVID £000	2020/21 Variance exc. COVID £000
Department						
Corporate Services	25,500	29,246	3,746	3,026	26,220	720
Children, Schools & Families	57,052	54,081	(2,971)	906	53,175	(3,877)
Community & Housing	58,020	55,739	(2,281)	457	55,282	(2,738)
Environment & Regeneration	9,995	20,684	10,689	12,167	8,517	(1,478)
Net Service Expenditure	150,566	159,749	9,183	16,556	143,193	(7,373)
Corporate Provisions	18,566	26,044	7,478	6,882	19,162	595
Total General Fund	169,133	185,794	16,661	23,438	162,356	(6,778)

Grants (exc. S.31 and COVID-19)	(20,314)	(20,314)	0	0	(20,314)	0
Business Rates(inc.S.31)	(55,896)	(57,761)	(1,866)	0	(57,761)	(1,866)
Council Tax and Collection Fund	(97,713)	(97,709)	4	0	(97,709)	4
COVID-19 Grant Funding	4,789	(18,649)	(23,438)	(23,438)	4,789	0
Funding	(169,133)	(194,433)	(25,300)	(23,438)	(170,995)	(1,862)

Net balance transferred to Earmarked Reserves	(8,640)
<u>Reserves:</u>	
GF balance to £14m	222
Local Welfare Support Reserve	500
Voluntary Sector Support/Merton Giving	500
Revenue Reserve for Capital/Revenuisation	1,000
Apprenticeship Reserve	1,000
Your Merton Fund	1,000
Climate Change Reserve	2,000
Outstanding Council Programme Board	1,209
Balancing the Budget reserve	1,209
Net balance transferred to Earmarked Reserves	8,640

The above table shows the outturn for the financial year 2020/21, with the impact of covid separately identified. At the end of the financial year 2020/21 the overall favourable outturn was £8,640k, £1.57% of the gross budget (£1,716k favourable outturn, 0.25% of the gross budget in 2019/20)

The below table shows the outturn and variance for net service expenditure compared to the period 10 forecast and 2019/20.

OUTTURN	2020/21 Current Budget (Net) £000s	2020/21 Current Budget (excl. overheads) £000s	2020/21 Outturn (excl. overheads) £000s	2020/21 Variance excl. overheads £000s	Jan 2021 (P10) Forecast Variance £000s	2019/20 variance excl. overheads £000s	Outturn to P10 forecast variance £000s
Department							
Corporate Services	9,938	25,500	29,246	3,746	4,206	(490)	(460)
Children, Schools and Families	62,355	57,052	54,081	(2,971)	(2,166)	(241)	(805)
ASC	62,485	59,056	56,109	(2,947)	(1,142)	(717)	(1,805)
Housing	2,489	2,147	2,635	489	480	328	9
Libraries & Merton Adult Learning	3,163	2,447	2,642	195	233	70	(38)
Public Health	(5,473)	(5,630)	(5,648)	(18)	0	0	(18)
Environment & Regeneration	15,238	9,995	20,684	10,689	10,939	783	(250)
Net recharges	0	0	0	0	0	120	0
NET SERVICE EXPENDITURE	150,193	150,566	159,749	9,183	12,551	(147)	(3,368)

Net service expenditure was a £9.183m adverse variance.

Although there was an overall adverse variance, Children, Schools and Families and Adult Social Care both ended the year favourable variances against budget which is explained in further detail in the department summaries below.

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

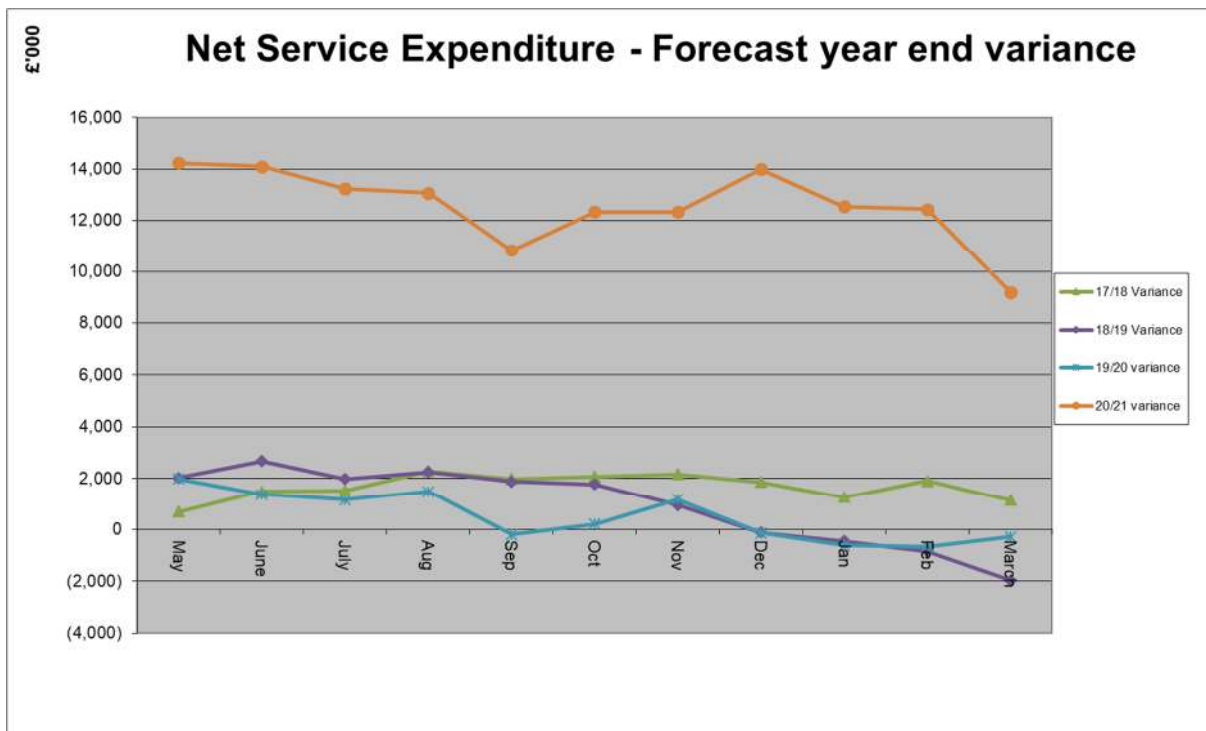
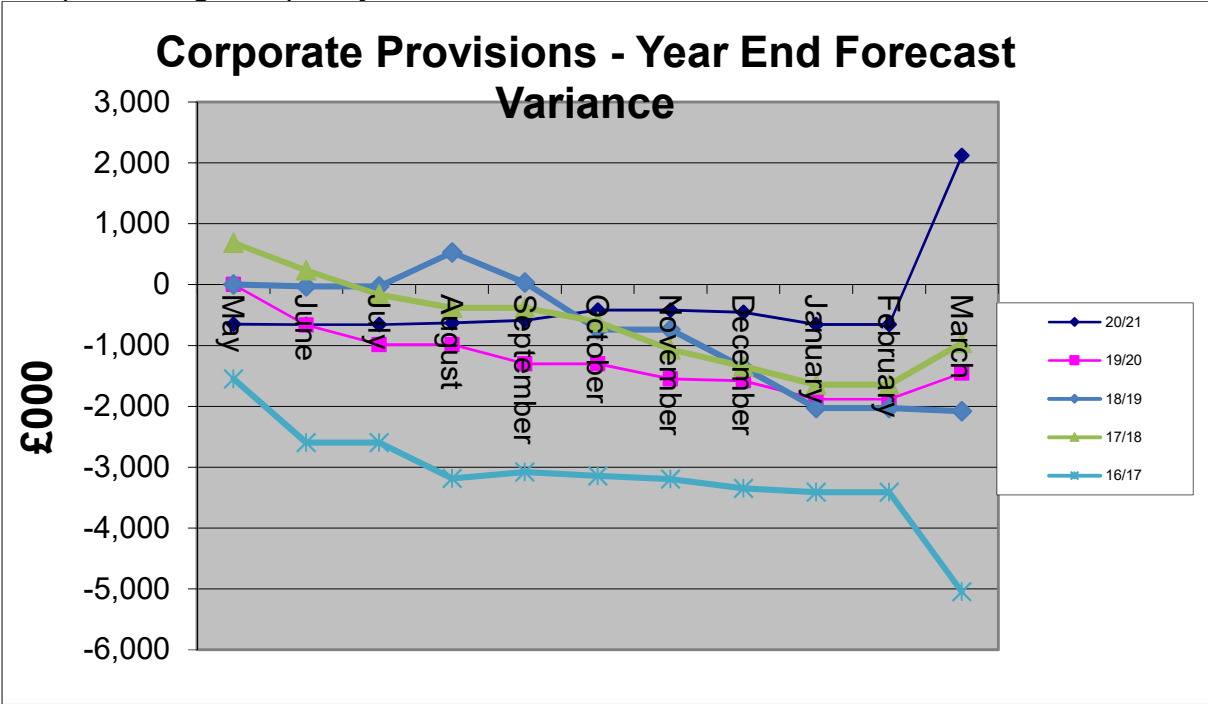


Chart 2 shows the forecast year end variance for corporate provisions with a comparison against prior years.



Covid-19 Financial Impact

The Government announced emergency grant funding of £4.7 billion nationally to fund costs associated with the response to the COVID-19 pandemic. The Council’s allocation is £14.6m in four tranches.

The government announced a scheme to reimburse Councils for lost income from sales, fees and charges. This involves a 5% deductible rate, whereby the Council will absorb up to 5% and the government compensation will cover 75p in every pound of relevant loss thereafter. The first two rounds claim covering the income loss of £6.957m was included in the period 10 forecast table. A further claim amount of £2.014m has been submitted to cover the period up to the end of March 2021 and is included in the outturn table of this report.

The ongoing fast moving situation with high levels of uncertainty and change in restrictions from the tier system to the recent third lockdown made forecasting throughout the year very difficult.

Merton has received funding from the Contain Outbreak Management Fund (COMF) based on the population.

Some of the government grant funding received in the current year will cover more than one year. This results in a temporary increase in the level of reserves and balances held at the financial year end pending application of the grants in 2021/22 to fund the expenditure for which they are intended, as outlined in the Budget Report to Council. A breakdown is provided with section 5 of this report.

At this time, the full financial impact of COVID-19 into future years continues to be uncertain, as does the extent to which the Government will mitigate the cost

pressures on local government in this and many other areas. The effects will continue to be closely monitored and reported.

Covid Expenditure

Covid expenditure which is incremental is reported centrally on Corporate items – Covid costs. These are the incremental costs such as PPE, food banks and the community hub.

Income shortfall

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

Savings unachieved

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

COVID-19 COST SUMMARY	2020/21 Covid-19 Outturn Impact £000	2020/21 Covid-19 Forecast Impact (January) £000
<u>Department</u>		
Corporate Services	3,026	3,281
Children, Schools and Families	906	923
Community and Housing	457	2,901
Environment & Regeneration	12,167	11,547
TOTAL INCOME LOSS & SAVINGS UNACHIEVED	16,556	18,652
<u>Corporate Items - Covid costs</u>		
Corporate Services	730	717
Children, Schools and Families	73	400
Community and Housing	3,119	5,404
Environment & Regeneration	1,434	1,752
ADDITIONAL COVID EXPENDITURE	5,356	8,273
<u>FUNDING</u>		
Business Rates *	1,144	1,552
Council Tax *	946	2,260
TOTAL FUNDING LOSS	2,090	3,812
GROSS COST OF COVID-19	24,002	30,737
Covid-19 Emergency funding received	-10,383	-10,383
Covid-19 Emergency funding - July 2020	-1,590	-1,590
Covid-19 Emergency funding - October 2020	-2,494	-2,494
Income compensation for sales, fees & charges	-8,971	-6,957
NET COST OF COVID-19	564	9,313

*Business rates and Council tax losses shown in this table demonstrate the shortfall in collection when compared to the collection rate achieved in 2019/20. This illustrates the full cost of covid to the Council. This differs from the accounting treatment shown in the

outturn summary table at the beginning of section 2 of this report, in line with legislation allowing for the deficit to be phased over three years.

Covid-19 impact on the Collection Fund

Due to COVID-19 the amount of Council Tax and Business Rates collected is less than budgeted for 2020/21 when the budget was approved by Council in March 2020. There is usually a small surplus or deficit which arises because the amount collected during the year will vary for different reasons such as new properties coming on stream during the year, or people and businesses arriving and leaving during the year.

Due to Covid-19 the level of collection is less than expected and has resulted in deficits in both Council Tax and Business Rates for the financial year 2020/21. However, as required by legislation any surplus/deficit on the Collection Fund would normally be funded in the following year of account so the expected deficit for 2020/21 would form part of the budget for 2021/22.

The Secretary of State for Local Government has introduced legislation which allows for the phasing of the 2020/21 deficit over three years.

As at 31st March 2021, Merton's share of Council Tax and Business Rates deficits 2020/21 are:-

Council Tax	£946k
Business Rates	£1,144k

Section 3 Detailed Service Spending

Corporate Services

Division	2020/21 Current Budget £000	2020/21 Full year Outturn £000	2020/21 Full Year Outturn Variance £000	2020/21 Full Year Forecast Variance (Jan) £000	2020/21 Covid-19 Outturn Impact £000	2019/20 Outturn Variance £000
Customers, Policy & Improvement	3,909	4,824	915	975	336	(169)
Infrastructure & Technology	12,400	12,349	(51)	151	324	(678)
Corporate Governance	2,012	1,924	(88)	(77)	77	(180)
Resources	5,472	7,283	1,811	2,118	1,706	95
Human Resources	2,047	2,149	102	154	0	187
Corporate Other	(340)	717	1,057	885	583	255
Total (Controllable)	25,500	29,246	3,746	4,206	3,026	(490)

Overview

At the end of 2020/21 the Corporate Services (CS) department has an adverse variance of £3.746m at year end, of which £3.026m is due to the external impact of covid-19.

Customers, Policy and Improvement - £915k adverse variance

The variance in the division is mainly due to spend on the Customer Contact budget which has a £941k adverse variance. This is made up of £172k for the cost of delays in light of the covid-19 pandemic and the remainder from the cost of contracts novated from the previous supplier which fell into the first months of 2020/21 and the annual costs of the new systems.

The Registrars service has a £70k adverse variance with a 29% reduction in income compared to 2019/20. This reflects the significant impact on income from the various covid restrictions during the financial year, though demand recovered well when restrictions were lifted. Another adverse variance within the division due to covid-19 is in the Translations service (£60k) due to a reduced number of interpretations being fulfilled following a fall in demand. The Press and PR budget also has an adverse variance (£179k) mainly due to the use of agency staff covering the Head of Communications post pending the completion of a restructure within the division. Cover for sick leave has contributed to an adverse £40k variance in the Policy and Strategy team.

Partly offsetting the above are various favourable variances including £125k in the AD budget and £58k in Continuous Improvement due to vacancies, £11k on Voluntary Sector Co-ordination and £37k in Community Engagement due to uncovered maternity leave and the residents survey costs not being incurred until the new financial year. Other variances from less than budgeted running costs are in Merton Link (£26k favourable), Cash Collections (£97k favourable) and Marketing and Communications (£10k favourable).

Infrastructure & Technology - £51k favourable variance

Many of the adverse variances within the division are due to reduced recharges as a result of the change in working arrangements surrounding the covid-19 pandemic. These adverse variances include £183k on the Corporate Print Strategy, £58k on the Print and Post room and £143k on the PDC (Chaucer Centre). Where these are internal recharges they have not been included in calculating the impact of covid-19 on the Council as they positively impact other departments and are therefore not a net cost to LBM.

The FM External account has a £184k adverse variance due to the lack of commissions and difficulty in completing works since the pandemic began. There is a variance on Corporate Contracts (£30k adverse) due to savings for reducing cleaning in corporate buildings being unachievable within the current circumstances. Adverse variances in the division which haven't been caused by covid-19 include £56k on Telecoms, partly due to requiring new handsets to replace the old contract, and £22k

in Security Services as a result of the increase in London Living Wage, though this is offset with a budget held corporately for excess inflation.

A £158k favourable variance in the Business Systems Team mainly due to vacancies held in the team and the capitalisation of staffing costs related to work on capital projects which more than offset the budget pressure on IT licenses support and maintenance and underachievement of income. There are also favourable variances across building maintenance budgets within Facilities as many planned works were not able to be carried out by contractors before the end of the year due to covid. Other favourable variances within the division includes £33k in Client Financial Affairs from less than budgeted staffing costs and £122k in Safety Services on staffing and running costs, partly due to a vacancy held in the team. Over-achievement of rental income has resulted in favourable variances of £14k on the Civic Centre and £78k on Garth Road. IT Service delivery also has a favourable variance of £44k mainly from IT licences, whilst the Transactional Services team have a £64k favourable variance from vacancies for part of the year as well as the recovery of overpayments to suppliers in prior years. There is a further £45k favourable variance on the Microsoft EA licences following a review by the supplier.

Corporate Governance – £88k favourable variance

There is a £32k shortfall on the saving to merge Democracy and Electoral Services due to the restructuring coming in to effect mid-year following the retirement of the Head of Democracy Services. This is, however, offset by various vacant hours and running cost budgets within both teams and the receipt of IER grant, resulting in a total £60k favourable variance across both services.

The Corporate Governance AD budget has a £11k favourable variance due to various running costs whilst the Information Governance team also have a favourable £24k variance due to various vacant hours held during the year and the receipt of a grant which was not budgeted. The internal audit and investigations budget has a favourable variance of £9k resulting from lower than anticipated charged from Richmond for the shared service.

The South London Legal Partnership (SLLp) achieved a £588k surplus, with £122k retained by LBM. The surplus relates mainly to additional chargeable hours being fulfilled. The overall LBM position is a £5k favourable variance for the shared legal service after factoring in the additional recharges to departments.

Outside of SLLp, there is £115k of legal savings not achieved in year.

Resources - £1,811k adverse variance

Within Resources there are multiple budgets with adverse variances due to covid-19. The Chief Executive's budget has a £143k adverse variance mainly due to an interim Head of Recovery being appointed as a result of the pandemic, as well as non-covid related recruitment costs for the process of recruiting a new Chief Executive. The Bailiff Service ceased operations for the first 6 months of the year and has an adverse variance of £887k (including the shared service element). The Local Taxation Service is also showing an adverse variance of £413k mainly as a result of covid-19's impact

on court cost income, with the first hearing date of the financial year having taken place in December 2020.

Other adverse variances within the division that are not covid-19 related include £34k in the Financial Information Systems (FIS) team due to salary budget pressure. A £184k adverse variance in Insurance is due to property valuation fees and procurement costs incurred in preparation for the re-tendering of insurance contracts and the new contracts not commencing until mid-2020/21 resulting in a saving being unachieved in year. The Budget Management team also have an adverse variance (£78k) as a result of the use of agency staff covering vacancies in the team due to difficulties in recruiting. Corporate Accountancy are have a £294k adverse variance due to proposed increases in audit fees and the use of agency staff, this is offset with a reduced spend on banking charges during the year. The proposed increase on external audit fees for 2019/20 and 2020/21 is awaiting a decision from the PSAA (Public Sector Audit Appointments) but have been provided for with a transfer to Corporate Services reserves.

Favourable variances in the department include £44k and £34k on the Director of Corporate Services and AD budgets respectively due to consultants and subscription budgets not required in year. Within Revenues and Benefits the Benefits Administration and Support Teams have favourable variances of £201k and £25k respectively due to various running costs, vacancies and DWP receipts for additional works.

Human Resources – £102k adverse variance

The adverse variance in HR is mainly from the AD budget (£107k variance) as a result of the use of agency staff. Additionally, there is an adverse variance of £13k relating to the HR Transactions budget for the shared payroll system and iTrent client team charges from Kingston. HR Business Partnerships have an adverse variance (£9k) mainly as a result of staff cover required in the team. Learning and Development have a £26k adverse variance due to the use of agency staff, this is partly offset with lower than budgeted training costs.

There are favourable variances within HR from Occupational Health (£13k) due to reduced referrals and from the Payroll team (£43k) as a result of an over-achievement of income and various small reductions in running costs.

Corporate Items - £1,057k adverse variance

The Housing Benefit Rent Allowances budget has a net adverse variance of £862k. This is due to a shortfall on the subsidy attracted by overpayments compared to the budgeted amount for 2020/21 and is inclusive of the £500k saving built in to the budget this year for improvement of overpayment recovery and therefore reducing the bad debt provision budget which has not been achievable in light of covid-19. This saving has been removed from 2021/22 budgets and deferred to 2022/23 per the December 2020 Cabinet report.

There is also a one-off saving in 2020/21 for the recovery of old housing benefit debts which had previously been written off, due to new access to information from HMRC.

There is a £83k adverse variance and shortfall on the saving as recovery has been significantly impacted by covid-19. On the Coroner's Court budget there is an adverse variance of £35k, of which £25k relates to an adjustment for 2019/20 quarter 4 costs.

A further adverse variance of £156k comes from the corporately funded items budget from additional recharges from SLLp and legal fees.

Partly offsetting the above is a favourable variances on the added years pension budget of £80k.

Environment & Regeneration

Environment & Regeneration	2020/21 Current Budget	Full year Outturn (Mar)	Outturn Variance (Mar)	Forecast Variance at year end (Jan)	2020/21 Covid-19 Impact (Mar)	2019/20 Outturn Variance
	£000	£000	£000	£000	£000	£000
Public Protection	(15,392)	(6,419)	8,973	9,254	9,086	1,286
Public Space	16,016	18,019	2,003	1,794	2,328	(364)
Senior Management	1,036	902	(134)	(130)	0	81
Sustainable Communities	8,334	8,181	(153)	21	753	(220)
Total (Controllable)	9,994	20,683	10,689	10,939	12,167	783

Description	2020/21 Current Budget	Outturn Variance (Mar)	Forecast Variance at year end (Jan)	2019/20 Variance at year end
	£000	£000	£000	£000
Regulatory Services	648	194	280	87
Parking Services	(17,141)	8,804	8,984	1,171
Safer Merton & CCTV	1,101	(25)	(10)	28
Total for Public Protection	(15,392)	8,973	9,254	1,286
Waste Services	14,391	875	547	72
Leisure & Culture	530	764	774	(334)
Greenspaces	1,798	525	577	(111)
Transport Services	(703)	(161)	(104)	9
Total for Public Space	16,016	2,003	1,794	(364)
Senior Management & Support	1,036	(134)	(130)	81
Total for Senior Management & Support	1,036	(134)	(130)	81
Property Management	(2,653)	(381)	(325)	(251)
Building & Development Control	87	281	173	34
Future Merton	10,900	(53)	173	(3)
Total for Sustainable Communities	8,334	(153)	21	(220)
Total Excluding Overheads	9,994	10,689	10,939	783

Overview

The department has a year-end direct adverse variance of £10.69m at year end. The main areas of variance are Parking Services, Waste Services, Leisure & Culture, Greenspaces, Property Management, and Building & Development Control.

Public Protection

Parking Services adverse variance of £8,804k

Covid-19 has affected parking revenue across the board including ANPR, PCNs as well as on and off street charges income. Work continues to fully understand the longer term impact of this but the year-end adverse variance on PCN, P&D, and permit income was £4,245k, £2,847k, and £1,645k respectively. These figures have been adversely affected by the lockdowns introduced during November 2020 and January 2021, and have been included within the third Income Compensation Claim form submission to Central Government.

Contributing to the PCN adverse variance is a 2020/21 saving (ENV1920-01) of £340k relating to an application to change Merton's PCN charge band from band B to band A, which is now not expected to be implemented until around October 2021, and is subject to final sign off from the Secretary of State prior to implementation.

Covid-19 has also impacted upon other areas of income, namely skip licences, resulting in a year-end adverse variance of £188k.

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

The outturn also includes an adverse variance on Supplies & Services (£156k), mainly as a result of the placement of statutory notices around the borough on emissions based charging, and repairs and maintenance costs associated with P&D machines and ANPR cameras.

The adverse variance was partially offset by favourable variances on employees (£242k) and RingGo convenience fees (£99k).

Public Space

Waste Services adverse variance of £875k

The section ended the year with an adverse variance of £322k in relation to its waste collection and street cleansing contract, mainly as a result of a £270k provision created in the accounts. The amount reflects the contractor's claim for a reduction in guaranteed income due to the Authority from the impact of covid-19. As yet no agreement has been reached with regards to this but the potential loss of income falls within the scope of the Income Compensation Claim form submission to Central Government and, therefore, has been included.

The outturn also included an adverse variance on disposal costs of £296k. As a result of changes to our residents working arrangements we have seen a greater increase in the number of households now working from home following the current Government advice in relation to Covid-19. This has resulted in an increase in overall domestic waste across all kerbside collection services. In addition, as part of the Deed of Variation agreement it was also confirmed that the disposal cost for the schedule 2 properties were to be met by the service, resulting in a disposal cost increase of c£115k.

An adverse variance of £136k was also realised in relation to the Household, Reuse, Recycling Centre (HRRC), mainly as a result of extending the current contract, via a contract variation, in order to both minimise future costs and to align the contract period with the other SLWP boroughs. The section continues to work with both the SLWP and our service provider to mitigate these increased costs. There are currently no planned service changes and we note that any significant change to the provision of this service will first be presented to Cabinet for consideration.

Covid-19 has had a significant impact on the Council's Environmental Enforcement services in respect of enforcing and issuing Fix Penalty Notices for littering which was temporarily suspended and the resource redeployed to support engagement and education in our parks and green spaces advising residents and visitors on Government guidelines on social distancing, resulting in a net adverse variance against budget of £119k.

Leisure & Culture adverse variance of £764k

The year-end adverse variance relates mainly to the Authority's leisure centres contract. Due to the Covid-19 pandemic, the Authority's Leisure Centres were closed for the majority of the year following central Government instruction. As a result of this, and as part of the continuous dialogue between the two parties, it was evident that GLL needed financial support from the Council if they were going to survive, and repayable grants of £575k were agreed and provided for centrally. This is consistent with the picture across London. The contract also requires that we forego the income under a 'Relief Event' clause, which equated to about £830k for the current financial year.

The impact of these lockdowns may have a further impact on their need for increased financial support and relief from paying the income due to the Authority for a longer period. Discussions are ongoing and any financial requests for further relief and financial support and the impacts will be brought forward should the need arise. The section, acting as agent on behalf of the contractor, has just received notice that it was successful in its bid to Sport England as part of the National Leisure Recovery Fund (NLRF) initiative, and have been awarded £405k.

During closure of the leisure centres, the Authority incurred lower utility costs at these premises, leading to a favourable variance of £235k.

Covid-19 also led to the temporary closure of the Wimbledon Sailing base from 20th March 2020. The site re-opened on the 15th June with much smaller programmes available, but due to the closure and social distancing measures there was an adverse variance of £203k at year-end, mainly as a result of reduced income.

Greenspaces adverse variance of £525k

The outturn includes a net adverse variance on events in our parks and openspaces of £342k due to the impact of Covid-19.

In addition, there was an adverse variance of £95k at year-end in relation to the maintenance of the Authority's trees located on highways and in parks. This is due to the high number of trees requiring pollarding and maintenance and compliance with our management of public liability risk.

The section also ended the year with an adverse variance of £75k in relation to the grounds maintenance contract, which also assumes an expected contractual cemetery revenue share for 2018/19 and 2019/20 of £157k will be received. However, in tandem with the Phase C Waste Services (lot1) Annual Review process, a similar process remains ongoing regarding the grounds maintenance contract (lot 2), which requires further discussion as the proposed solution was predicated on assumptions with the revenue income, barring Merton & Sutton Joint Cemetery activity. In addition to the original issues and the position now so radically changed due to Covid-19, further discussions with our service provider will need to commence again to determine the final outcome. To note, there has been no requirement or indication by the service provider for any relief event under the PPN provision.

Sustainable Communities

Property Management favourable variance of £381k

The principal reason for the favourable variance relates to exceeding the commercial rental income expectations by £390k, which included £153k of one-off income from conducting the backlog of rent reviews in line with the tenancy agreements.

Building & Development Control adverse variance of £281k

Covid-19 has also had a significant impact reducing various types of building and development control applications being submitted, contributing to an associated income shortfall at outturn of £287k.

Children Schools and Families

Children, Schools and Families (£000's)	2020/21 Current Budget	Full Year Outturn	Outturn Variance	Forecast Variance P10	2020/21 Covid Forecast Impact	2019-20 Year Variance
Education						
Education Budgets	£ 16,647	£ 14,928	-£ (1,719)	-£ (988)	£ 396	£ 63
Depreciation	£ 9,801	£ 9,801	£ -	£ -	£ -	£ -
Other Education Budgets	£ 84	£ -	-£ (84)	£ -	£ -	£ -
Education Services Grant	-£ (1,062)	-£ (1,062)	£ -	£ -	£ -	£ -
Education Sub-total	£ 25,470	£ 23,667	-£ (1,803)	-£ (988)	£ 396	£ 63
Other CSF						
Child Social Care & Youth Inclusion	£ 21,658	£ 20,750	-£ (908)	-£ (397)	£ 510	£ 416
Cross Department	£ 716	£ 765	£ 48	-£ (225)	£ -	-£ (47)
PFI Unitary Costs	£ 7,869	£ 8,150	£ 280	-£ (556)	£ -	-£ (251)
Pension and Redundancy Costs	£ 1,572	£ 983	-£ (589)	£ -	£ -	-£ (422)
Other CSF Sub-total	£ 31,815	£ 30,648	-£ (1,169)	-£ (1,178)	£ 510	-£ (304)
Grand Total	£ 57,285	£ 54,315	-£ (2,972)	-£ (2,166)	£ 906	-£ (241)

Overview

At the end of 2021, the Children Schools and Families directorate has a favourable £2.972m variance on local authority funded services, a favourable movement of £806k compared to Period 10.

£734k Covid-19 cost pressure has been identified relating to savings shortfalls. These have been included in the outturn position. There remains considerable uncertainty about the likely level of increased costs due to Covid-19. The impact of the lockdown on children and families is emerging in increased safeguarding referrals and hold ups in the family courts meaning that some children's plans cannot be progressed. This has significantly increased the number of children with child protection plans open to the service, which is putting pressure on social worker's caseloads. Additional agency social workers have been brought in to assist with this pressure which are incremental covid19 related costs and will be reflected within the corporate covid19 cost centre. An additional £172k covid19 related loss of income has also been identified.

Despite an increasing population and the pressures that covid19 has presented to many parts of the Children's Social Care system, Merton has managed to hold steady our number of children in care.

Covid19 has resulted in a number of activities not occurring this financial year or at a significantly lower level including:

- Youth service provision
- Children Centre activities

It is to be determined how much of the outturn underspend will continue into the following year.

The CSF department received £3.847m growth for 2020/21. £1.756m has been allocated across Children's Social Care and £2.091m across Education.

Local Authority Funded Services

Local Authority Funded Services (£000's)	Budget	Outturn	Outturn Variance	P10 Forecast	P10 Forecast Variance	2019/20 Outturn Variance
Child Social Care and Youth Inclusion						
Adolescent & Family Services	£ 1,702	£ 1,730	£ 28	£1,555	-£ (147)	£ 235
Asylum Seeker Costs (14+)	£ 275	£ 293	£ 19	£258	-£ (17)	-£ (3)
Asylum Seeker Costs (ART)	£ 981	£ 243	-£ (738)	£344	-£ (637)	-£ (80)
Children Cntrl Social Wrk Serv	£ 4,510	£ 4,214	-£ (296)	£3,971	-£ (539)	£ 538
Head of ChildSociCare& YthIncl	£ 171	£ 156	-£ (16)	£126	-£ (45)	£ 202
Mash & Child Protection Serv	£ 2,355	£ 2,499	£ 144	£2,901	£ 546	-£ (241)
Safeguarding, Strndrs & Train	£ 1,268	£ 1,211	-£ (56)	£1,210	-£ (58)	-£ (98)
Senior Management	£ 288	£ 229	-£ (58)	£185	-£ (103)	-£ (24)
Children In Care and Resources	£ 10,108	£ 10,173	£ 65	£10,689	£ 603	£ 34
CSC & Youth Incl Total	£ 21,658	£ 20,750	-£ 908	£ 21,239	-£ 397	£ 563
Education						
Contracts, Proc & School Org	£ 916	£ 757	-£ (159)	£801	-£ (116)	-£ (376)
Early Years & Children Centres	£ 4,240	£ 4,033	-£ (207)	£4,134	-£ (106)	-£ (35)
Education - School Improvement	£ 52	£ 16	-£ (36)	£50	-£ (1)	-£ (314)
Education Inclusion	£ 1,644	£ 1,365	-£ (279)	£1,482	-£ (258)	-£ (84)
Schools Delegated Budget	£ -	£ -	£ -	£ -	£ -	-£ (350)
SEN & Disability Integrat Serv	£ 8,163	£ 6,857	-£ (1,306)	£7,682	-£ (558)	-£ (113)
Senior Management	£ 856	£ 1,065	£ 209	£900	£ 44	£ -
Policy, Planning & Performance	£ 568	£ 682	£ 113	£585	£ 63	£ 1,441
Departmental Business Support	£ 209	£ 154	-£ (54)	£152	-£ (56)	-£ (105)
Education Total	£ 16,647	£ 14,928	-£ (1,719)	£ 15,786	-£ (988)	£ 64

Children's Social Care and Youth Inclusion Division

Adolescent and Family Services adverse variance of £28k

The principle reason for this adverse variance was the need to make provision for an interim Specialist Youth Offending Manager following the loss of the established Head of Service. This interim Manager supported the team with planning for the expected inspection by HMIP.

Asylum Seekers 14+ adverse variance of £19k

The principle reason for the adverse variance is related to social care payments for unaccompanied asylum seeking children.

Asylum Seekers ART favourable variance of £738k

The budget underspend in this area relates mainly to the fact that £710k of the growth allocated to Children's Social Care was temporarily allocated to this area whilst work was being completed to distribute this across the other relevant budget codes. The planned distribution of this growth was due to be allocated to the correct budget lines alongside the budget realignment which will be required once the CSC&YI reorganisation is concluded. This will now happen in the next financial year.

Central Social Work Teams favourable variance of £269k

There were a number of unknowns during 2020/21 especially in relation to court work where it was unclear when services would resume. There were in particular underspends in budget lines related to court fees, counsel and social work experts related to the delay in court work.

Head of CSC & YI favourable variance of £16k

Mash and Child Protection Service adverse variance of £144k

The principle reason for the adverse variance in this budget is the additional social work staff who were temporarily relocated into the team to deal with pressures at the social care front door during the year and the challenge in recruiting permanent staff (which is consistent with other London boroughs) necessitating the use of more expensive agency social work staff.

Safeguarding, Standards and Training favourable variance of £56k

The principle reason for this variance was underspend on salaries in relation to vacant posts.

Senior Management favourable variance of £58k

The principle reasons for this variance are reduced office and expenses costs during the pandemic.

Children in Care and Resources adverse variance of £65k

The adverse variance is made up of a range of factors relating costs in the adoption and special guardianship elements of the budget.

Education Division

Contracts, Procurement and School Organisation favourable variance of £159k

The principle reason for the favourable variance is related to vacant posts within the service.

Early Years and Children's Centres favourable variance of £207k

The principle reason for the underspend is related to Covid where the general level of activity in Children's Centres was lower than usual.

School Improvement favourable variance of £36k

The principle reason for the variance relates to reduced costs in delivering training and reduced salary outgoings related to vacant posts.

Education Inclusion favourable variance of £279k

The principle reason for the favourable variance in this area has been the significant reduction of youth service activity related to Covid during this year.

SEN & Disability Integrated Service favourable variance of £1.306m

The principle reason for the favourable variance in this area relates to SEN transport and is a direct consequence of schools and colleges being closed or partially closed due to Covid during the year meaning that children and young people did not need to be transported during these periods.

Policy Planning and Performance adverse variance of £113k

The principle reason for the adverse variance is the use of agency staff for key roles whilst permanent recruitment was undertaken.

Senior Management adverse variance of £209k

The adverse variance is related to an increase in a range of fees throughout the year.

Departmental Business Support favourable variance of £54k

The favourable variance is primarily related to decreased office costs during the year.

Schools PFI adverse variance of 280k

This variance primarily relates to payments to schools.

Dedicated Schools Grant (DSG)

Dedicated Schools Budget (£000's)	Budget	Outturn	Outturn Variance	P10 Forecast	P10 Forecast Variance	2019/20 Outturn Variance
<i>Education</i>						
Contracts, Proc & School Org	£ 283	£ 249	-£ (33)	£ 310	£ 27	-£ (38)
Early Years & Children Centres	£ 16,274	£ 14,988	-£ (1,286)	£ 16,338	£ 64	-£ (602)
Education - School Improvement	£ 1,051	£ 1,002	-£ (49)	£ 1,068	£ 17	-£ (164)
Education Inclusion	£ 1,421	£ 1,575	£ 153	£ 1,474	£ 52	£ 206
SEN & Disability Integrat Serv	£ 16,370	£ 28,963	£ 12,593	£ 29,402	£ 13,032	£ 10,373
Sub-total	£ 35,400	£ 46,778	£ 11,378	£ 48,592	£ 13,192	£ 9,775
<i>CSC & Youth Inclusion</i>						
Adolescent & Family Services	£ 44	£ 40	-£ (4)	£ 41	-£ (3)	-£ (33)
Sub-total	£ 44	£ 40	-£ (4)	£ 41	-£ (3)	-£ (33)
<i>Schools Delegated Budget</i>						
DSG Reserve	£ -	-£ (12,233)	-£ (12,233)	£ -	£ -	-£ (9,822)
Retained Schools Budgets	£ 2,985	£ 2,286	-£ (699)	£ 2,881	-£ (104)	-£ (470)
Schools Delegated Budget	-£ (38,429)	-£ (36,870)	£ 1,559	-£ (36,505)	£ 2,158	£ 550
Sub-total	-£ (35,444)	-£ (46,818)	-£ (11,374)	-£ (33,624)	£ 2,054	-£ (9,742)
DSG Total	£ -	£ -	£ -	£ 15,009	£ 15,243	£ -

Detailed analysis of Dedicated Schools Grant (DSG) budgets as at the end of March 2021 reports over and underspends within the four blocks of DSG that combine to an overall adverse variance of £12.231m resulting in a cumulative DSG deficit of £24.981m. The third sub-total within the above table is not directly comparable (outturn to period 10) as the outturn figure is after the DSG deficit has been posted to reserves.

Specific details are as follows:

- Merton's Schools, Central Schools Services, and Early Years blocks underspent during 2020/21 while the High Needs Block (HNB) overspent. Some of these underspends were as a result of management action to reduce the overall overspend expected in the DSG as a whole.
- The main reason for the overspend in the HNB is increased numbers of Education Health and Care Plans (EHCPs) over the past years which have not been met with corresponding increases in grant funding. This has resulted in the HNB overspend becoming progressively larger each year and growth in demand for specialist SEN placements.
- In the past, Merton was able to put plans in place to fund smaller levels of increases. The sheer volume of increase in recent years has just been too large for the borough to cover due to the limited availability of local maintained provision. Over the last few years local maintained provision has expanded considerably and there are plans to further develop local provision and this is included in our Deficit Recovery Plan. However it takes time to increase provision through expansion and new build and the full cost avoidance will take years to fully achieve.
- In the three years from January 2013 to January 2016, the total number of statements and EHCPs increased from 888 to 1,075 (increase of 187 cases, 21%). In the six years from January 2016 to January 2021, the total number of

statements and EHCPs increased from 1,075 to 2,252 (increase of 1,177 cases, 109%).

The table below reports the four DSG blocks and split of retained budgets and delegated budgets and impact of the increase on the various types of provision over the past year of DSG over and (under) spends identified to the end of March 2021:

TABLE 2- DSG (underspends) and overspends 2020/21 split of retained and delegated budgets	Schools Block	Central Block	High Needs Block	Early Years Block	Total all Blocks
	£'000	£'000	£'000	£'000	£'000
Delegated expenditure	(671)	-	2,740	(1,392)	677
Retained Items	(93)	(199)	11,752	94	11,554
Total	(764)	(199)	14,492	(1,298)	12,231

Details on the impact of the increase on the various types of provision over the past year of DSG over and (under) spends identified to the end of March 2021:

TABLE 3- Dedicated Schools Grant, (underspends) and overspends 2020/21	Schools Block	Central Block	High Needs Block	Early Years Block	Total all Blocks
	£'000	£'000	£'000	£'000	£'000
Rate adjustments	(6)				(6)
Bulge class funding	(89)				(89)
SEN statement payments to Merton maintained schools			2,496		2,496
SMART Centre			29		29
Special schools			303		303
ARP			(88)		(88)
Early Years 2/3/4 YO Offer				(1,392)	(1,392)
Schools Formula	(576)				(576)
Delegated expenditure	(671)	-	2,740	(1,392)	677
Independent placements			9,611		9,611
Out of Borough provision			2,260		2,260
FE and post 16 ISP			577		577
Sensory Team			(25)		(25)
Early years support				94	94
Parenting cover	(9)				(9)
Schools causing concern	(20)				(20)
Prudential Borrowing		(177)			(177)
School Admissions		(22)			(22)
School Meals (equipment)	(3)				(3)
Behaviour support	(17)				(17)
Attain	(39)				(39)
Tree work	(11)				(11)
School Improvement	6				6
Education Welfare			(26)		(26)
Independent Hospital provision			14		14
EHCP's Independent Residential placements			(521)		(521)
Early SEN help 0-5 years			(138)		(138)
Retained Items	(93)	(199)	11,752	94	11,554
Total	(764)	(199)	14,492	(1,298)	12,231

Specific issues to note from the above table are as follows:

- SEN EHCP payments to Merton maintained schools showed an adverse variance of £2.496m. At the end of January 21 the number of approved EHCPs was at 2252. This is the latest available census data for 2020/21 and is expected to increase further in 2021/22.
- Special school allocations showed an adverse variance of £303k due to increased numbers and top up payments in support of children's placements.
- Early Years formula is showing a favourable variance of £1.392m primarily due to COVID-19 and census changes in data collections by the DfE. We are waiting for a possible clawback of funding with regards to expenditure not exceeding 85% of funding on the 2 year old grant.
- Within the school block budget setting an allocation of £576k was earmarked for any formula changes made by the Education Skills and Funding Agency (ESFA) with the formula validation checks that are undertaken January before schools receive their individual budget allocation notifications. This was not required to support any formula changes.
- The independent day school provision has an adverse variance of £9.611m. The number of students placed in this type of provision has steadily increased over the past few years due to demand for specialist SEN provision.
- Out of borough maintained school and academy placements has an adverse variance of £2.260m. The number of places funded out of borough has increased due to the increased number of EHCPs.
- Further Education and post 16 Independent Specialist Provision has an adverse variance of £577k. This is linked to the legislation changes requiring local authorities to fund the education of SEND pupils up to the age of 25.
- Independent Residential EHCP budget showed a favourable variance of £521k.
- The combined four blocks of under and over spends for 2020/21 reports an outturn of £12.231m and cumulative DSG deficit of £24.981m.

Community & Housing

Community and Housing (C&H) outturn position for the financial year 2020/21 is a favourable variance of £2.3m. Financial year 2020/21 was a very unusual year with the department at the forefront of the borough's response to the covid-19 pandemic. It was particularly difficult at times to forecast the expected expenditure for adult social care due to the frequent changes in the national guidance, suspension of customer charges, changes in discharges responsibilities regarding health and social care and the rates of infection.

Community & Housing Summary Outturn Position

Community and Housing	2020/21 Current Budget £'000	2020/21 Outturn Mar'21 £'000	2020/21 Outturn Variance Mar'21 £'000	2020/21 Forecast Variance Jan'21 £'000	2020/21 Covid-19 outturn Mar'21 £'000	2019/20 Outturn Variance £'000
Adult Social Care	59,056	56,109	(2,947)	(1,142)	207	(717)
Libraries and Heritage	2,448	2,643	195	233	250	70
Merton Adult Learning	(1)	(1)	0	0	0	0
Housing General Fund	2,147	2,636	489	480	0	328
Public Health	0	0	0	0	0	0
Total (Favourable)/ Unfavourable	63,650	61,387	(2,263)	(429)	457	319

Adult Social Care £2.9m Favourable Variance

There were a number of unknowns during 2020/21 regarding costs surrounding placements related expenditure.

There were an above average number of deaths of social care users in March and April 2020, although the mortality rates were lower than average for the rest of the year. However, in terms of costs avoided, the service saw a greater reduction in expenditure than a usual year when deaths are more evenly distributed.

From May 2020, the NHS stepped in to pay for hospital discharges into nursing homes in order to avoid delays. This was the case until July 2020, The NHS was committed to meet the costs each person until they were discharged. However, from July 2020 their commitment was reduced to six weeks. The scheme was limited to a further three months but was extended again. At each stage the borough was told to expect to pick up the costs of these placements the moment the scheme ended. The forecast was reviewed each month in the light of the new information, but it was only late in the year that we learned that the scheme would be extended into the new financial year and the expected costs would not be met by Adult Social Care in 2020/21.

During the year a number of service users and their families suspended care packages, particularly home care, deciding instead to undertake the care themselves. We were notified of this, we adjusted the forecast accordingly. However, we did not know how long each suspension would last and had to make a prudent assumption for three months. As it turned out, many were suspended for longer.

Adult Social Care- Internal Provision- £241k Favourable Variance

This service favourable outturn variance was £241k which is due to closure of some day centres for most of the financial year, less than expected spend on additional bank staff as the Day Service staff were used to support other services in Adult Social Care.

Several activities which should have taken place across Supported Living leading up to and over Christmas were cancelled due to lockdown so extra staff hours which would have been needed were not used.

The service was assisted by approximately £40k from the Infection Control Grant across Residential and Supported Living.

However, the service suffered a loss of income from out of borough customers not attending day centres as well as from being unable to lease rooms out at the centres. Mascot also suffered income losses from individual customers; some families moved in or were more available to provide support and cancelled the service, and Housing Associations have sought to find savings by reducing their contracts.

C&H-Other Services

Libraries-£195k Adverse Variance

This service forecasted an unfavourable variance of £233k as at January but due to mitigating measures this was reduced to £195k. A major issue during 2020/21 was a loss of income due to the pandemic which resulted in the closure of libraries. There were also additional pressure on this budget due to one-off business rates of £66k and pressure from increased security cost of contract due to the Living Wage and

inflationary increase.

During 2020/21 this service began an innovative loaning scheme of lending equipment including laptops to residents and library staff supported many community initiatives including the setting up of the Community Response Hub and the Shielding Service

Merton Adult Learning – Breakeven

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

During 2020/21 Adult Learning successfully bid for £540k of additional funding over two years from the GLA to expand the skills offer and to respond to changes in the job market to assist with reskilling residents. Part of the funding is aimed at improving access to IT for those without it so that they can both benefit from online learning and improve their IT skills.

Housing - £489k – Adverse Variance

The Housing service outturn is as expected. Forecasting in this area was accurate.

During 2020/21 there was an increase in temporary accommodation (TA) during the autumn months but numbers reduced from December due to the availability of move on accommodation in Housing Association and private sector vacancies.

The numbers of households living in temporary accommodation in Merton remains the lowest in London. As at the end of March there were 197 households accommodated under the homeless legislation. There are however 9700 families in Merton waiting to be permanently rehoused.

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

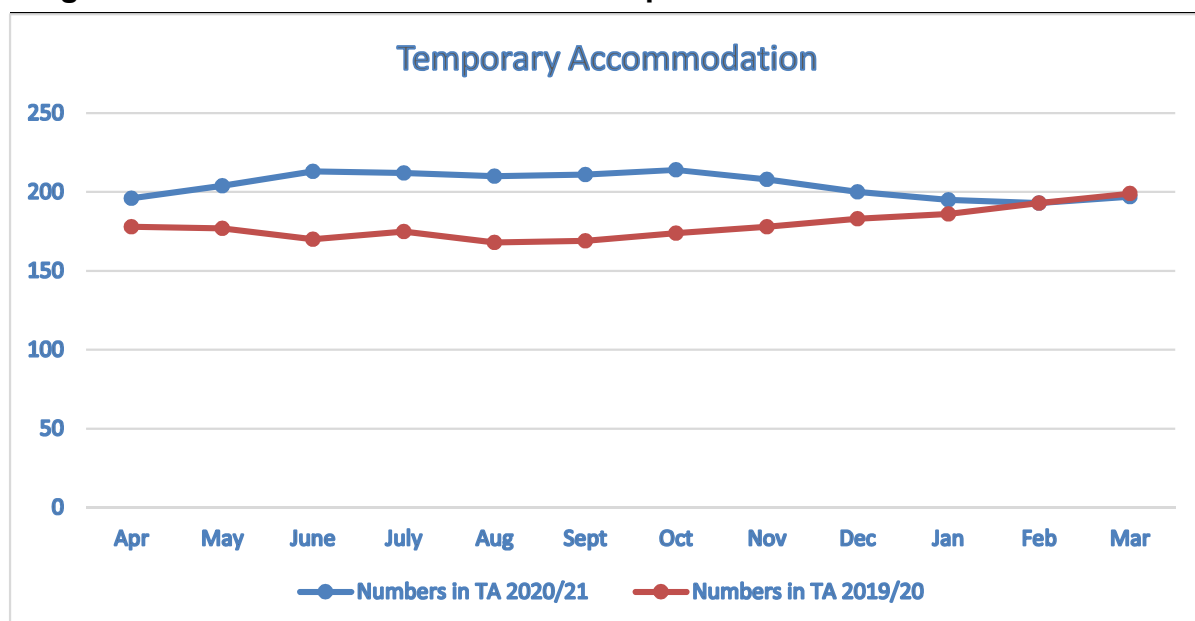
A main concern to the department is financial impact of the anticipated surge in temporary accommodation clients once the moratorium on evictions is lifted.

The table below shows the number of homelessness prevented for the financial year 2020/21

Temporary Accommodation	Numbers IN	Numbers OUT	Total for the Month	Previous Year
Mar'17	-	-	186	Position as at March for previous financial year ←
Mar'18	16	16	165	
Mar'19	15	11	174	
Mar'20	12	6	199	
Mar'21	11	7	197	
			2020/21	2019/20
Apr'20	5	8	196	178
May'20	18	10	204	177
June'20	21	12	213	170
July'20	13	14	212	175
Aug'20	13	15	210	168
Sept'20	15	14	211	169
Oct'20	18	15	214	174
Nov'20	10	16	208	178
Dec'20	11	19	200	183
Jan'21	4	9	195	186
Feb'21	11	13	193	193
Mar'21	11	7	197	199

The above table shows the highest number of households in temporary accommodation occurred in June 2020 (213) then reduced during the summer then increased again in October which was lockdown 2. However numbers began reducing from November 2020 and ended at (197) in March 2021. It is therefore apparent that numbers increased during the pandemic and gradually reduced once alternative accommodation became available.

Diagram below shows Number in TA Compared to 2019/20



Analysis of Housing and Temporary Accommodation Expenditure to March 2021.

Housing Services	Budget 2020-21	Outturn (Mar'21)	Outturn Variances (Mar'21)	Forecasted Variances (Jan'21)	Outturn Variances (March'20)
	£000	£'000	£'000	£000	£000
Temporary Accommodation-Expenditure	2,403	3,689	1,286	1,427	1,002
Temporary Accommodation-Client Contribution	(140)	(393)	(253)	(247)	(321)
Temporary Accommodation-Housing Benefit Income	(2,005)	(2,936)	(931)	(1,012)	(535)
Temporary Accommodation-Subsidy Shortfall	322	1,351	1,029	1,078	793
Temporary Accommodation-Grant	0	(851)	(851)	(831)	(766)
Subtotal Temporary Accommodation	580	860	280	415	173
Housing Other Budgets	1,567	1,776	209	65	155
Total Controllable (Favourable)/Adverse Variance	2,147	2,636	489	480	328

Public Health –Favourable Position

Public Health achieved a favourable position which was transferred to reserves. The pandemic resulted in the postponement of a number of projects which resulted in a favourable outcome.

During the financial year the service also secured LGA funding for a Behavioural Insights project to design, implement and evaluate behavioural insights to tackle idling to protect environment and health.

Potential Cost pressures:-

The service continues to seek a resolution with NHS provider CLCH for both the children's contract (health visitors and school nurses) and for sexual health. The provider is currently involved in an open-book exercise.

The division is and was involved in a number of COVID – 19 government initiatives to contain the pandemic.

The team, together with public protection, is leading on outbreak management and Covid-19 resilience, implementing the refreshed Local Outbreak Management Plan (LOMP) which includes provision of local contact tracing, support for community testing with Lateral Flow Tests (LFTS) and surge testing in cases of outbreaks and variants of concern.

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 2020/21 £000s	Full Year Forecast (Mar.) £000s	Forecast Variance at year end (Mar.) £000s	Forecast Variance at year end (Jan.) £000s	Outturn Variance 2019/20 £000s
Impact of Capital on revenue budget	11,190	11,163	(27)	(19)	(161)
Investment Income	(707)	(848)	(141)	(83)	(704)
Pension Fund	254	2,900	2,646	(254)	(104)
Pay and Price Inflation	250	0	(250)	(100)	(100)
Contingencies and provisions	2,588	2,919	331	(250)	(154)
Income Items	(8,185)	(773)	7,413	0	(343)
Appropriations/Transfers	38,180	30,332	(7,848)	0	0
Central Items	32,381	34,530	2,149	(687)	(1,405)
Levies	962	962	0	0	(1)
Depreciation and Impairment	(25,593)	(25,593)	0	0	0
Overheads	(373)	(373)	0	0	0
TOTAL CORPORATE PROVISIONS	18,566	20,688	2,122	(706)	(1,567)
COVID-19 Emergency expenditure	0	5,356	5,356	8,273	176
TOTAL CORPORATE EXPENDITURE inc. COVID-19	18,566	26,044	7,478	7,567	(1,391)

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 but also on income budgets such as parking due to COVID-19. In addition, concern continued regarding the level of DSG deficit which resulted in a negative reserve brought forward from 2019/20 and an increasing deficit for future years. It was therefore necessary to monitor corporate provisions carefully throughout 2020/21 in order to offset the forecast overspends due to COVID-19 and DSG as far as possible by underspends in corporate budgets, mainly in contingencies held to provide flexibility in the event of such pressures. Cabinet agreed appropriations to reserves during 2020/21. There was significant grant funding received from the government during 2020/21 for COVID-19 which brought its own challenges as sometimes the communication channels were not as efficient as they could have been and administration and accounting for grants required careful monitoring.

The main variances in corporate items are:

Capital Financing Costs (Favourable variance £0.027m)

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

Investment income (Favourable variance £0.141m)

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

Pension Fund (Unfavourable variance £2.646m)

This was mainly due to a £2.9m adjustment arising from the bulk transfer of staff from the London Borough of Merton Pension Fund to the London Borough of Croydon Pension Fund relating to the South London Waste Partnership.

Provision for Pay and Price Inflation (Favourable variance £0.250m)

This provision was closely protected during the year as provision for the DSG deficit and COVID-19.

Contingencies and Provisions (Unfavourable variance £0.331m)

Favourable variances in corporate contingencies held as provision for the DSG deficit were mainly offset by an unfavourable variance of £0.888m 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.

Transfer to Reserves of Service Department Underspends (£8.640m)

The transfers to reserves of service department underspends has been managed via corporate provisions

Section 31 Grant

The original estimate for Section 31 grant funding for Business Rates reliefs was based on a January 2020 projection but this was exceeded by £0.382m.

Coronavirus Pandemic: COVID-19 Unfavourable variance (£5.356m)

The Coronavirus Pandemic hit the UK after the budget was set and there was therefore no budget for the implications of this. Details of Covid-19 expenditure and grant funding are summarised elsewhere in the report.

Section 5 - Other Information

Progress on Savings 2020/21

Department	Target Savings 2020/21	Achieved Savings 2020/21	Period 12 Shortfall	Shortfall (P12)	Period 10 Forecast Shortfall	2021/22 Expected Shortfall
	£000	£000	£000	%	£000	£000
Corporate Services	2,718	1,835	883	32.5%	987	180
Children Schools and Families	2,969	2,305	664	22.4%	734	300
Community and Housing	2,460	2,432	28	1.1%	892	128
Environment and Regeneration	3,927	554	3,373	85.9%	3,040	2,067
Total	12,074	7,126	4,948	41.0%	5,653	2,675

Details are provided in Appendix 3

Progress on Savings 2019/20

Department	Savings Target 2019/20	Shortfall 2019/20	Shortfall 2020/21	Projected Shortfall 2021/22
	£000	£000	£000	£000
Corporate Services	1,484	100	70	50
Children Schools and Families	572	0	0	0
Community and Housing	1,534	118	0	0
Environment and Regeneration	2,449	1,612	2,079	0
Total	6,039	1,830	2,149	50

Details are provided in Appendix 3A

Schedule of covid related grants received and year end balances

COVID-19 Grants Summary	Grant received 2020/21 £000	Spend 2020/21 £000	Balance £000	COMMENT; e.g. re future action
Emergency Active Travel Fund	10	10	0	
Covid Winter Grant	476	476	0	
Businesses Discretionary Grant Fund Allocation	1,324	1,324	0	
Small businesses and Retail Hospitality & Leisure grant scheme- Admin grant	130	130	0	
Local Restriction Support Grants new burdens admin grant	59	59	0	
Defra - Covid19 Emergency Food & Support	176	176	0	
Net Step Accommodation	174	174	0	
Covid-19 Rough Sleepers	11	11	0	
Fully Applied in-year	2,359	2,359	0	
Reopening High Streets Safely Fund	0	33	(33)	Claimed in arrears, so debtor raised at year-end.

VOC SW19 Surge	0	58	(58)	Claimed in arrears, so debtor raised at year-end. Received in May 2021 £57.6k
Operation Eagles Surge	0	138	(138)	Claimed in arrears, so debtor raised at year-end. Received in April 2021 £173.7k
LFT Testing	0	599	(599)	Claimed in arrears, so debtor raised at year-end. Received in June 2021 £567.4k
Cold Weather Rough Sleepers	0	10	(10)	Claimed in arrears, so debtor raised at year-end. Received in May 2021 £10k
Project Plus Fund	0	20	(20)	Claimed in arrears, so debtor raised at year-end. Received in May 2021 £20k
Debtors	0	857	(857)	
Self-isolation payments funding (test and trace support payments)	498	253	246	
Self-isolation payments funding (test and trace support payments) - Admin Grant	70	65	5	
Local Restriction Support Grants	30,550	11,456	19,094	Grants received to be paid out to businesses during 2021/22
Community Testing	84	80	4	
CEV Support (Covid Support)	238	50	187	
Receipts in Advance	31,440	11,904	19,536	
Local Authority Compliance and Enforcement Grant	93	79	14	Awaiting confirmation as to whether this can be carried forward to 2021/22, or returned.
National Leisure Recovery fund	381	2	379	LBM acting as agent, so £379k to be given to GLL.
Business Support Grant - Small Businesses & Retail, hospitality and Leisure businesses	28,270	28,160	110	Balance is grants returned, to be repaid to govt.
Workforce Capacity Social Care	374	270	104	Repayable
ASC - Rapid Testing Fund	331	284	47	Repayable
Infection Control Fund	2,835	2,781	53	Repayable
Creditors - amount to be returned	32,284	31,576	708	
Outbreak Control (Test & Trace)	1,585	244	1,341	LOMP funding
Outbreak Contains Management (COMF)	4,367	728	3,639	LOMP funding
Reserves = Balance on COVID - 19: Year End balances	5,952	972	4,979	
Non ring-fenced grants held corporately:				
Sales, Fees and Charges compensation	8,971	8,971	0	Income losses in services
Local Authority Support Grant - Tranches 1-4	14,467	14,467	0	Expenditure and savings unachieved due to COVID
Council Tax Hardship Fund	1,484	1,484	0	Cipfa bulletin 09 (para.16-20)

Non ring-fenced grants held corporately	15,951	15,951	0
*Total COVID-19 Government Grant	87,987	63,620	24,367

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

Debt Report

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

Quality of forecasting

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

Section 6 Reserves Position

Usable Reserves	Balance at 31st Mar 2019 £000	Transfers out 2019/20 £000	Transfers in 2019/20 £000	Balance at 31st Mar 2020 £000	Transfers out 2020/21 £000	Transfers in 2020/21 £000	Balance at 31st Mar 2021 £000
General Fund:							
Balances held by schools	(5,187)	2	9,480	4,295	29,406	(45,430)	(11,729)
General Fund Balances	(12,778)	0	(1,000)	(13,778)	0	(222)	(14,000)
Earmarked reserves	(48,107)	17,240	(28,740)	(59,607)	33,123	(57,455)	(83,939)
Business Rates & TIG	0	0	0	0	0	(14,418)	(14,418)
Total General Fund	(66,072)	17,242	(20,260)	(69,090)	62,529	(117,525)	(124,086)
Capital:							
Capital Receipts Reserves (CRR)	(9,228)	9,597	(2,428)	(2,059)	4,028	(2,420)	(451)
Capital Grants Unapplied (CGU)	(17,006)	9,632	(14,526)	(21,900)	3,878	(5,852)	(23,875)
Total Capital	(30,237)	19,229	(16,954)	(23,959)	7,906	(8,272)	(24,325)
Total Usable Reserves	(92,366)	36,471	(37,214)	(93,049)	70,436	(125,797)	(148,411)

Usable Reserves	Balance at 31st Mar 2019 £000	Transfers out 2019/20 £000	Transfers in 2019/20 £000	Balance at 31st Mar 2020 £000	Transfers out 2020/21 £000	Transfers in 2020/21 £000	Balance at 31st Mar 2021 £000
Earmarked Schools balances	(7,994)	0	(361)	(8,355)	0	(3,223)	(11,578)
Schools Fund	(102)	2	0	(100)	0	(50)	(150)
DSG reserve	2,909	0	9,841	12,750	29,406	(42,157)	(0)
Total balances held by Schools	(5,187)	2	9,480	4,295	29,406	(45,430)	(11,729)

Reserve	Balance at 31st Mar 2019 £000	Net Transfer (to)/from Reserve £000	Balance at 31st Mar 2020 £000	Transfers out 2020/21 £000	Transfers in 2020/21 £000	Balance at 31st Mar 2021 £000
Outstanding Council Programme Board	(4,432)	(739)	(5,171)	2,769	(3,102)	(5,504)
For use in future years' budgets	(10,551)	(651)	(11,202)	10,197	(6,919)	(7,924)
Revenue Reserve for Capital/Revenuisation	(4,610)	197	(4,413)	1,586	(1,040)	(3,867)
Renewable energy reserve	(1,523)	(298)	(1,821)	29	0	(1,792)
Repairs and renewals fund	(2,090)	0	(2,090)	0	0	(2,090)
Pension fund additional contribution	(453)	0	(453)	0	0	(453)
Local land charges	(2,258)	(127)	(2,385)	0	(194)	(2,579)
Apprenticeships	(1,093)	118	(975)	(948)	0	(1,923)
Community care reserve	(1,386)	490	(896)	0	0	(896)
Local welfare support reserve	(377)	62	(315)	51	(500)	(764)
Corporate services reserves	(2,249)	247	(2,002)	13	(1,218)	(3,207)
Spending Review Reserve	(3,100)	(4,635)	(7,735)	0	(16,009)	(23,744)
COVID-19 Emergency Funding: Merton Council funding	0	(6,173)	(6,173)	4,789	(4,586)	(5,970)
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	(4,194)	132	(4,062)	974	(737)	(3,825)
Culture & environment contributions	(402)	202	(200)	22	(16)	(193)
Culture & environment grants	(266)	(328)	(594)	169	(3)	(428)
Children & education grants	(475)	291	(184)	1,225	(1,384)	(343)
Housing GF grants	(704)	(161)	(865)	0	0	(865)
Public health grant reserve	0	0	0	5,563	(6,057)	(494)
Insurance reserves	(1,955)	0	(1,955)	0	0	(1,955)
Schools PFI fund	(5,629)	(162)	(5,791)	6,292	(6,793)	(6,292)
CSF Reserves	(60)	35	(25)	390	(416)	(52)
Business Rates & TIG- Covid-19 Adjustments Reserve	0	0	0	0	(14,418)	(14,418)
COVID-19: Year end balances See schedule	0	0	0	0	(4,979)	(4,979)
Your Merton Fund	0	0	0	0	(1,000)	(1,000)
Voluntary Sector Support/Merton Giving	0	0	0	0	(500)	(500)
Climate Change Reserve	0	0	0	0	(2,000)	(2,000)
Grand Total	(48,107)	(11,500)	(59,607)	33,123	(71,873)	(98,357)

Section 7 CAPITAL

Outturn and Budget Management

The table (a) below shows that Total Capital Expenditure for 2020/21 is £16.9 million compared to the total projected by budget managers in November 2020 of £23.1 million (this equates to a negative variance of 26.9%). November is used for capital variances due to the funding decisions taken at this time for balancing the revenue budget. It is envisaged that this forecast would have been much closer if the expenditure had not continued to be reduced by the restrictions caused by Covid 19.

Department	November Budget Monitoring 2020-21	December 2020 & January 2021 Monitoring	Final Budget 2020-21	Final Outturn 2020-21	Outturn Variance to Final 2020-21 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	10,487,400	0	4,207,890	3,080,648	(1,127,242)	3,994,941	(22.89)
Community and Housing	1,049,000	0	899,000	763,581	(135,419)	1,049,000	(27.21)
Children, Schools & Families	2,765,230	0	2,750,230	2,312,293	(437,937)	2,665,418	(13.25)
Environment & Regeneration	15,455,600	85,120	14,040,770	10,773,777	(3,266,993)	15,439,786	(30.22)
Total	29,757,230	85,120	21,897,890	16,930,299	(4,967,591)	23,149,145	(26.86)

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

Movement in the Funding of the 2020/21 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 2021-25 officers reduced the estimated outturn for 2020-21 from £21.9 million to £17.1 million. The table below summarises the impact this reduction had on the funding of the programme.

Capital Expenditure	2020/21 Estimate £000 (1)	Actual 2020/21 (2)	Variance	Narrative
Capital Expenditure Budget/ Managers Forecasts P8	29,757,230	23,149,145		(1) Budget at November 2020 P8 (2) Budget Managers Forecast for November 2020 (P8)
Projected and Actual Difference to Outturn	(12,639,937)	(6,218,846)		
Total Projected and Actual Capital Expenditure	17,117,293	16,930,299	(186,994)	(1) Forecast Outturn MTFS (2) Outturn 2020-21
Financed by:				
Capital Receipts	3,623,235	4,028,331	405,096	Q4 RTB of £559k, VAT Shelter Q3&4 £248k and £26k Salix loans as repayments have finished
Capital Grants & Contributions	12,600,116	11,362,771	(1,237,345)	£1.7m of School Condition Grant not applied generally to the programme - offset by greater use of Cap Rec & Rev Reserve
Revenue Provisions	893,942	1,539,198	645,256	Comprises the Revenue Reserve for Capital and the OCPB Reserve
Net financing need for the year	0	0		

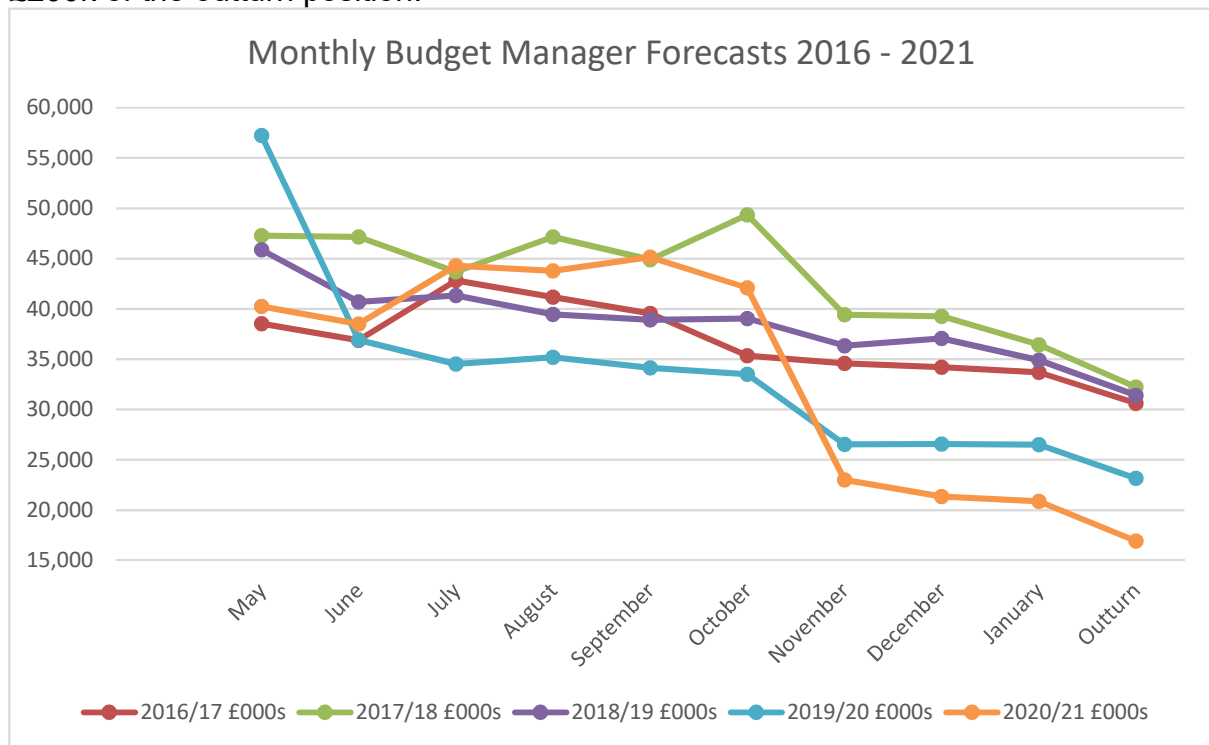
Movement in the 2019/20 Original Approved Programme

The Capital Programme for 2020/21 as approved in March 2020 was £47.2 million. Subsequently, slippage from 2019/20 of £3.7 million was added, and new funding of £10.5 million giving an effective opening programme of £61.4 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 72%.

Depts.	Original Budget 20/21	Net Slippage 2020/21	Adjustments	New External Funding	New Internal Funding	Re-profiling	Revised Budget 20/21
Corporate Services	22,100	2,000	(7,661)	4,577	130	(16,937)	4,208
Community & Housing	2,004	189				(1,294)	899
Children Schools & Families	4,566	480		1,034		(3,330)	2,750
Environment and Regeneration	18,530	1,061	(2,076)	4,680	47	(8,201)	14,041
Total	47,199	3,730	(9,737)	10,291	177	(29,762)	21,898

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 2020/21 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 £17.1 million, this estimate was within £200k of the outturn position.



Considerable time was spent with budget managers profiling their budgets in 2020-21 this work will continue in 2021-22

The Level of Re-Profiling / Slippage from 2020/21

The table below summaries management proposals for treatment of slippage and overspends from the 2020/21 programme this is detailed in Appendix 2B.

Department	Total Year End Variance 2020/21	Recommend Accept Slippage incl. Slippage	Surrender/ Lease/Loan	Funded from Reserves etc	Bring Forward from 2021/22
	£000's	£000's	£000's	£000's	£000's
Corporate Services	(1,127)	1,123	(19)	24	0
Community and Housing	(135)	225	0	0	(89)
Children, Schools & Families	(438)	465	20	(14)	(33)
Environment & Regeneration	(3,267)	3,317	174	(48)	(176)
Total	(4,968)	5,130	174	(38)	(298)

After offsetting minor under and overspends within the programme eight schemes require clawback of budget from 2021-22, this clawback totals £298k. The eight schemes are Disabled Facilities Grants £89k, Hillcross, Dundonald, Gorrington Park, St Marks and Perseid Capital Maintenance £13k, New ASD Provision £20k and Canons Parks for the People – Parks £176k. This timing difference in spending and budget provision has been offset by drawing back the budget from 2021/22.

The Table below summarises the proposed slippage and clawback between 2020-21 and 2021-22 and how these adjustments are funded.

Summary of Slippage and Clawback between 2020-21 and 2021-22 and Funding

Summary	Slipped £	Clawback £	Total £	SCIL	NCIL	S106	HLF Grant	Other Grant	TfL	OCPB	Other
Corporate Services	1,123,120	0	1,123,120	0	0	0	0	497,240	0	147,860	478,020
Community and Housing	224,830	(89,410)	135,420	0	0	25,000	0	(89,410)	0	0	199,830
Children Schools & Families	465,030	(33,150)	431,880	0	0	0	0	431,880	0	0	0
Environment and Regeneration	3,316,820	(175,830)	3,140,990	1,651,216	226,870	96,230	207,800	157,000	294,940	0	506,934
Total	5,129,800	(298,390)	4,831,410	1,651,216	226,870	121,230	207,800	996,710	294,940	147,860	1,184,784

Revised Capital Programme 2021-25: Appendices 2C and 2C1 provide details of the proposed movements in the approved Capital Programme 2021-25 for approval, this position is summarised in the two tables below:

Proposed Revisions to Capital Programme 2021-22

Summary	Budget 2021-22	Slippage into 2021-22 from 2020-21	Reprofiled into Future Years	New 2021-22	Virement	TTL 2021-22	Clawback	Revised Budget 2021-22
Corporate Services	11,204,720	1,123,120	(1,876,000)	0	0	0	0	10,451,840
Community and Housing	1,132,400	224,830	0	0	0	0	(89,410)	1,267,820
Children Schools & Families	9,050,190	465,030	(2,340,000)	971,620	0	0	(33,150)	8,113,690
Environment and Regeneration	19,408,050	3,316,820	(2,240,000)	(208,050)	0	0	(175,830)	20,100,990
Total	40,795,360	5,129,800	(6,456,000)	763,570	0	0	(298,390)	39,934,340

Capital Programme 2022-25

Summary	Budget 2022-23	Reprofiled from 2021-22	Revised Budget 2022-23	Budget 2023-24	Reprofiled to 2024-25	Revised Budget 2023-24	Budget 2024-25	Reprofiled from 2023-24	Revised Budget 2024-25
Corporate Services	4,941,840	1,876,000	6,817,840	5,245,000	0	5,245,000	13,734,080	0	13,734,080
Community and Housing	2,450,000	0	2,450,000	752,000	0	752,000	280,000	0	280,000
Children Schools & Families	1,900,000	2,340,000	4,240,000	1,900,000	0	1,900,000	1,900,000	0	1,900,000
Environment and Regeneration	8,427,000	392,000	8,819,000	7,516,000	(152,000)	7,364,000	5,324,000	2,000,000	7,324,000
Total	17,718,840	4,608,000	22,326,840	15,413,000	(152,000)	15,261,000	21,238,080	2,000,000	23,238,080

Funding the Budgeted Capital Programme 2021-25: The Table below summarises the funding of the budgeted capital programme 2021-25, additional departmental detail is contained within Appendix 2D

Funding the Budgeted Capital Programme 2021-25

Description of Funding	2021-22	2022-23	2023-24	2024-25
Strategic CIL	(9,924,385)	(3,280,000)	(100,000)	0
Neighbourhood CIL	(1,008,450)	0	0	0
Section 106	(300,890)	(1,483,000)	(145,000)	0
Revenue Contributions	(30,400)	(2,421,840)	(55,000)	(55,000)
Clarion CPO Contribution	(147,860)	0	0	0
Corporate Reserves	(739,300)	0	0	0
Transport for London	(1,300,000)	(1,300,000)	(1,300,000)	(1,300,000)
Heritage Lottery Fund	(1,205,380)	0	0	0
School Condition Grant	(4,179,187)	(1,900,000)	(1,900,000)	(1,900,000)
High Needs Provision Grant	(2,192,305)	0	0	0
Devolved Formula Capital	(356,453)	0	0	0
Disabled Facilities Grant	(737,590)	(827,000)	(249,864)	0
Other Ringfenced Grants	(804,240)	0	0	0
Capital Receipts	(1,350,820)	(900,000)	(900,000)	(900,000)
Borrowing	(9,018,140)	(10,215,000)	(10,611,136)	(19,083,080)
Total	(33,295,400)	(22,326,840)	(15,261,000)	(23,238,080)

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 2020/21
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 20/21
Appendix 3A	Progress on savings 19/20
Appendix 4	Debt Report
Appendix 5	Quality of forecasting

16 BACKGROUND PAPERS

16.1 Budgetary Control files held in the Corporate Services department.

17. REPORT AUTHOR

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APPENDIX 1

3E. Corporate Items	Original Budget 2020/21 £000s	Current Budget 2020/21 £000s	Year to Date Budget (Mar.) £000s	Year to Date Actual (Mar.) £000s	Full Year Forecast (Mar.) £000s	Forecast Variance at year end (Mar.) £000s	Forecast Variance at year end (Jan.) £000s	Outturn Variance 2019/20 £000s
Cost of Borrowing	11,190	11,190	11,190	11,163	11,163	(27)	(19)	(161)
Impact of Capital on revenue budget	11,190	11,190	11,190	11,163	11,163	(27)	(19)	(161)
Investment Income	(707)	(707)	(707)	(848)	(848)	(141)	(83)	(704)
Pension Fund	340	254	254	2,900	2,900	2,646	(254)	(104)
Corporate Provision for Pay	2,231	100	100	0	0	(100)	(100)	0
Corporate Provision for NMW	1,500	0	0	0	0	0	0	0
Provision for excess inflation	450	150	150	0	0	(150)	(100)	(100)
Pay and Price Inflation	4,181	250	250	0	0	(250)	(200)	(100)
Contingency	1,500	365	365	0	0	(365)	0	(500)
Single Status/Equal Pay	100	100	100	0	0	(100)	(100)	0
Bad Debt Provision	500	500	500	888	888	388	250	1,304
Loss of income - P3/P4	400	0	0	0	0	0	0	(100)
Loss of HB Admin grant	34	23	23	0	0	(23)	0	(34)
Apprenticeship Levy	450	300	300	220	220	(80)	0	(22)
Revenuisation and miscellaneous	3,384	1,300	1,300	1,811	1,811	511	(250)	(802)
Growth - Provision against DSG	16,009	0	0	0	0	0	0	0
Contingencies and provisions	22,378	2,588	2,588	2,919	2,919	331	(100)	(154)
Other income	0	(6,222)	(6,222)	1,191	1,191	7,413	0	(186)
CHAS IP/Dividend	(1,963)	(1,963)	(1,963)	(1,963)	(1,963)	0	0	(157)
Income items	(1,963)	(8,185)	(8,185)	(773)	(773)	7,413	0	(343)
Appropriations: CS Reserves	(908)	391	391	391	391	0	0	0
Appropriations: E&R Reserves	(317)	(292)	(292)	(292)	(292)	(0)	0	0
Appropriations: CSF Reserves	(360)	566	566	566	566	0	0	0
Appropriations: C&H Reserves	(104)	4,542	4,542	4,542	4,542	0	0	0
Appropriations: Public Health	(1,200)	494	494	494	494	0	0	0
Appropriations: Corporate	(8,386)	32,479	32,479	24,631	24,631	(7,848)	0	0
Appropriations/Transfers	(11,275)	38,180	38,180	30,332	30,332	(7,848)	0	0
Depreciation and Impairment	(23,351)	(25,593)	(25,593)	(25,593)	(25,593)	0	0	0
Central Items	793	17,978	17,978	20,100	20,100	2,122	(656)	(1,566)
Levies	962	962	962	962	962	0	0	(1)
Overheads	(373)	(373)	(373)	(373)	(373)			
TOTAL CORPORATE PROVISIONS	1,381	18,566	18,566	20,688	20,688	2,122	(656)	(1,567)
COVID-19 Expenditure	0	0	0	5,356	5,356	5,356	8,273	176
TOTAL CORPORATE EXPENDITURE inc. COVID-19	1,381	18,566	18,566	26,044	26,044	7,478	7,617	(1,391)

Capital Outturn Position 2020-21

Summary	Budget	Outturn	Variance
Corporate Services	4,207,890	3,080,648	(1,127,242)
Community and Housing	899,000	763,581	(135,419)
Children Schools & Families	2,750,230	2,312,293	(437,937)
Environment and Regeneration	14,040,770	10,773,777	(3,266,993)
Total	21,897,890	16,930,299	(4,967,591)

Corporate Services	Budget	Outturn	Variance
Customer, Policy & Improvement			
Customer Contact Programme	124,000	0	(124,000)
Facilities Management - Works to Buildings			
Capital Building Works	701,690	626,111	(75,579)
Civic Centre Staff Entrance	7,200	0	(7,200)
Facilities Management - Invest to Save			
Project General	61,860	36,311	(25,549)
Photovoltaics & Energy Conserv	20,000	2,109	(17,891)
De-Carbonisation Scheme	497,240	0	(497,240)
Business Systems			
Environmental Asset Management	0	0	0
Capita Housing	100,000	28,080	(71,920)
ePayments Project	157,050	183,976	26,926
Kofax Scanning	0	9,248	9,248
Spectrum Spatial Analyst Repla	229,220	180,673	(48,547)
Regulatory System	28,640	0	(28,640)
Parking System	17,880	24,145	6,265
EHCP Hub	11,310	1,989	(9,321)
SEN Case Management System	234,880	87,024	(147,856)
Infrastructure & Technology			
Project General	390,000	311,750	(78,250)
Data Centre Support Equipment	192,650	110,122	(82,528)
PABX Replacement	192,850	83,594	(109,256)
Network Switch Upgrade	200,000	216,113	16,113
IT Equipment	120,000	171,253	51,253
COVID19 Equipment	0	109,375	109,375
Office 365	421,420	347,953	(73,467)
Corporate Items			
Multi-Functioning Device (MFD)	400,000	450,820	50,820
Housing Company	100,000	100,000	0
Total Corporate Services	4,207,890	3,080,648	(1,127,242)
Community and Housing	Budget	Outturn	Variance
Housing			
Disabled Facilities Grants	500,000	589,411	89,411
Learning Dsbility Aff Housing	25,000	0	(25,000)
Libraries			
Library Enhancement Works	0	0	0
Library Self Service Project	350,000	174,171	(175,829)
Library Management System	24,000	0	(24,000)
Total Community and Housing	899,000	763,581	(135,419)

Capital Outturn Position 2020-21

Children, Schools and Families	Budget	Outturn	Variance
Primary			
West Wimb - Schools Capital maintenance	40,000	5,718	(34,282)
Hatfeild - Schools Capital maintenance	67,110	39,175	(27,935)
Hillcross - Schools Capital maintenance	30,660	31,955	1,295
Dundonald School Expansion	75,000	80,498	5,498
Garfield - Schools Capital maintenance	37,000	36,597	(403)
Poplar - Schools Capital maintenance	33,000	31,265	(1,735)
Poplar - Expansion	0	(4,824)	(4,824)
Wimbledon Chase - Schools Capital maintenance	104,990	106,342	1,352
Wimbledon Park - Schools Capital maintenance	0	425	425
Abbotsbury - Schools Capital maintenance	158,000	125,146	(32,854)
Malmesbury - Schools Capital maintenance	16,000	165	(15,835)
Bond - Schools Capital maintenance	6,030	6,092	62
Cranmer - Schools Capital maintenance	64,000	59,351	(4,649)
Gorringe Park - Schools Capital maintenance	37,000	38,417	1,417
Haslemere - Schools Capital maintenance	0	(68)	(68)
Links - Schools Capital maintenance	10,000	6,547	(3,453)
St Marks - Schools Capital maintenance	45,000	39,103	(5,897)
Lonesome - Schools Capital maintenance	40,000	38,847	(1,153)
Sherwood - Schools Capital maintenance	191,000	187,744	(3,256)
Stanford - Schools Capital maintenance	0	(1,768)	(1,768)
William Morris - Schools Capital maintenance	25,000	2,080	(22,920)
Secondary			
Raynes Park - Schools Capital maintenance	5,590	0	(5,590)
Richards Lodge - Schools Capital maintenance	5,580	0	(5,580)
Rutlish - Schools Capital maintenance	7,420	4,404	(3,016)
Harris Academy Wimbledon	60,000	8,409	(51,591)
Special			
Perseid - Schools Capital maintenance	92,000	92,832	832
Perseid School Expansion	7,110	0	(7,110)
Cricket Green - Schools Capital maintenance	307,190	260,634	(46,557)
Cricket Green School Expansion	160,000	105,524	(54,476)
Melrose - Healthy Schools	33,980	33,980	0
Melrose School Expansion	650,000	574,584	(75,416)
Primary ASD base 1-20 places	50,000	14,016	(35,984)
Medical PRU Expansion	10,000	0	(10,000)
Melbury College - Schools Capital maintenance	32,000	19,529	(12,471)
New ASD Provision	0	20,000	20,000
Other			
Devolved Formula Capital	349,570	349,572	2
Children Schools & Families	2,750,230	2,312,293	(437,937)

Capital Outturn Position 2020-21

Environment and Regeneration	Budget	Outturn	Variance
Public Protection & Development			
Pay and Display Machines - On Street Parking	100,000	0	(100,000)
Car Park Upgrades	75,000	5,466	(69,534)
CCTV (match funding)	10,340	10,439	99
Parking CCTV	140,000	20,794	(119,206)
Street Scene & Waste			
Replacement of Fleet Vehicles	298,790	0	(298,790)
Alley Gating Scheme	24,000	1,200	(22,800)
SLWP - General	8,080	0	(8,080)
SLWP - Waste Bins	30,350	0	(30,350)
Highways			
Street Tree Programme	76,000	65,096	(10,904)
New Street Tree Programme	50,000	25,411	(24,589)
Raynes Park Station Pub Realm	26,110	23,139	(2,971)
Street Lighting Replacement Pr	290,000	316,978	26,978
Accessibility Programme	72,610	81,366	8,756
Casualty Reduction & Schools	280,050	279,153	(897)
Traffic Schemes	257,540	251,464	(6,076)
Surface Water Drainage	82,080	69,281	(12,799)
20mph Zone - TFL	43,000	43,063	63
Repairs to Footways	1,000,000	992,987	(7,013)
Maintain AntiSkid and Coloured	55,000	53,973	(1,027)
Borough Roads Maintenance	1,200,000	1,225,942	25,942
Highways bridges & structures	10,670	10,215	(455)
Tfl Principal Road Maint	80,000	52,469	(27,531)
Safer Walking Routes/Streets	43,100	43,167	67
School part time road closure	27,000	45,820	18,820
Culverts Upgrade	114,000	113,694	(306)
Bishopsford Bridge	2,579,680	1,603,942	(975,738)
Lamp Column Chargers	274,640	32,668	(241,972)
Active Travel Fund	330,480	99,499	(230,981)
Pollards Hill Lighting	100,000	93,759	(6,241)
AFC Wimbledon CCTV	70,000	30,999	(39,001)
Residential Secure Cycle Store	10,000	3,513	(6,487)
Cycle Lane Rdway Bshfd Bridge	20,000	0	(20,000)
Street Lighting Wimbledon	150,000	58,319	(91,681)
Transport Improvements			
Cycle Access Parking	160,500	140,864	(19,636)
Beddington Lane Cycle Route	164,000	163,970	(30)
Cycle Improve Residential Stre	160,210	154,993	(5,217)
Cycle Lane Works Plough Lane	20,000	0	(20,000)
Mitcham Town Centre	20,000	525	(19,475)
Figges Marsh	76,610	76,823	213

Capital Outturn Position 2020-21

Environment and Regeneration Continued....	Budget	Outturn	Variance
Regeneration			
Colliers Wood - Wandle Waymark	15,000	6,838	(8,162)
Canons - Parks for People	2,114,130	1,730,495	(383,635)
Mitcham Cricket Green Improvem	9,320	8,363	(957)
Elmwood Centre Hub	65,000	0	(65,000)
Comm Arts Venue Cric Green Sch	29,020	29,020	0
Rowan Pk Comm Fac Match Fund	150,000	0	(150,000)
Crowded Places-Hostile Vehicl	108,300	109,128	828
Metrobank Public Realm S106	33,420	292	(33,128)
Wimb Public Realm Implement	502,400	401,213	(101,187)
Dean City Farm	36,620	36,616	(4)
Hartfield Walk Public Realm	125,000	125,000	0
Windmill Museum	20,000	0	(20,000)
Haydons Rd Public Realm Improv	50,000	0	(50,000)
Plough Lane East Footpath Only	52,000	50,281	(1,719)
Morden TC Regen Match Funding	50,000	0	(50,000)
Wandle Project	15,640	8,625	(7,015)
Shop Front Improvement	23,410	19,987	(3,423)
Festive Lighting	70,000	70,576	576
Bramcote Parade Improvements	90,000	5,850	(84,150)
Vacant Premises Upgrade	25,000	1,732	(23,268)
Leisure and Culture			
Morden Leisure Centre	55,000	49,931	(5,069)
Wimbledon Park Lake Safety	179,500	158,992	(20,508)
Leisure Centre Plant & Machine	68,840	57,595	(11,245)
Polka Theatre	150,000	150,000	0
Parks Investment			
Parks Investment	252,670	211,576	(41,094)
Canons - Parks for People	1,067,100	1,242,929	175,829
Merton Park Green Walks	59,810	58,504	(1,306)
Figges Marsh Add Table Tennis	12,000	9,495	(2,505)
Durnsford Road Rec Facilities	32,000	0	(32,000)
Morley Park Enhancements	10,000	0	(10,000)
Abbey Recreation Ground	39,750	39,750	0
Environment and Regeneration	14,040,770	10,773,777	(3,266,993)
Capital	21,897,890	16,930,299	(4,967,591)

Proposed Budget to be slipped from 2020/21 to 2021/22 and Clawed Back from 2021/22

Summary	Slipped £	Clawback £	Total £
Corporate Services	1,123,120	0	1,123,120
Community and Housing	224,830	(89,410)	135,420
Children Schools & Families	465,030	(33,150)	431,880
Environment and Regeneration	3,316,820	(175,830)	3,140,990
Total	5,129,800	(298,390)	4,831,410

Corporate Services	Slipped £	Clawback £	Total £	Justification
Invest to Save schemes	25,550	0	25,550	
Photovoltaics & Energy Conserv	17,890	0	17,890	
De-Carbonisation Scheme	497,240	0	497,240	Grant received in March 2021 capital element of the scheme not progressed until 21/22
Capita Housing	71,920	0	71,920	For specific developments in functionality
Spectrum Spatial Analyst Repla	48,550	0	48,550	Project more complex than originally envisaged scheduled completion date June 2021
Regulatory System	28,640	0	28,640	Required to complete the Project in Summer 2021
EHCP Hub	9,320	0	9,320	Scheduled to start on completion of the SEN Case Management System
SEN Case Management System	147,860	0	147,860	This project has suffered with supplier delays but is ongoing
Planned Replacement Programme	120,150	0	120,150	Covid restrictions have limited the ability to gain access
Data Centre Support Equipment	82,530	0	82,530	Required to complete the project
Office 365	73,470	0	73,470	Required to complete the final stages of the project
Corporate Services	1,123,120	0	1,123,120	
Community and Housing				
Disabled Facilities Grant	0	(89,410)	(89,410)	Budget in 2021-22 to be reduced to fund this overspend
Learning Disability Aff Housing	25,000	0	25,000	Capital element of the scheme not started in 2020-21 - Section 106 Funded
Library Self Service	175,830	0	175,830	Supplier delay in the development of the Library Services Platform.
Library Management System	24,000	0	24,000	For the completion of Phase Two of the Library Management System
Community and Housing	224,830	(89,410)	135,420	
Children Schools & Families				
West Wimbledon - Schools Capital Maintenance	34,280	0	34,280	
Hatfield - Schools Capital Maintenance	17,940	0	17,940	
Hillcross - Schools Capital Maintenance	0	(1,300)	(1,300)	Budget in 2021-22 to be reduced to fund this overspend
Dundonald - Schools Capital Maintenance	0	(5,500)	(5,500)	Budget in 2021-22 to be reduced to fund this overspend
Garfield - Schools Capital Maintenance	400	0	400	
Poplar - Schools Capital Maintenance	1,740	0	1,740	
Wimbledon Chase - Schools Capital Maintenance	0	0	0	
Abbotsbury - Schools Capital Maintenance	32,850	0	32,850	
Malmsbury - Schools Capital Maintenance	15,840	0	15,840	
Bond - Schools Capital Maintenance	0	0	0	
Cranmer - Schools Capital Maintenance	4,650	0	4,650	
Gorrige Park - Schools Capital Maintenance	0	(1,420)	(1,420)	Budget in 2021-22 to be reduced to fund this overspend
Links - Schools Capital Maintenance	3,450	0	3,450	
St Marks - Schools Capital Maintenance	0	(4,100)	(4,100)	Budget in 2021-22 to be reduced to fund this overspend
Lonesome - Schools Capital Maintenance	1,150	0	1,150	
Sherwood - Schools Capital Maintenance	3,250	0	3,250	
Stanford - Schools Capital Maintenance	22,920	0	22,920	
Unallocated Schools Capital Maintenance	19,160	0	19,160	
Harris Academy Wimbledon	51,590	0	51,590	
Perseid - Schools Capital Maintenance	0	(830)	(830)	Budget in 2021-22 to be reduced to fund this overspend
Perseid Expansion	7,110	0	7,110	
Cricketer Green - Schools Capital Maintenance	60,390	0	60,390	
Cricketer Green School Expansion	54,480	0	54,480	
Melrose School Expansion	75,420	0	75,420	
Primary ASD base 1-20 places	35,940	0	35,940	
Medical PRU Expansion	10,000	0	10,000	
Melbury College - Smart Ctre - Schools Capital M	12,470	0	12,470	
New ASD Provision	0	(20,000)	(20,000)	Budget in 2021-22 to be reduced to fund this overspend
Children Schools & Families	465,030	(33,150)	431,880	

Proposed Budget to be slipped from 2020/21 to 2021/22 and Clawed Back from 2021/22

Environment and Regeneration	Slipped £	Clawback £	Total £	Justification
Pay and Display Machines	100,000	0	100,000	Currently procuring the new emission based charging machines with an expected contract award date of Summer 2021
Car Park Upgrades	69,530	0	69,530	£28,500 SCIL Funded
CCTV	119,210	0	119,210	£71,206 SCIL Funded
Replacement of Fleet Vehicles	298,790	0	298,790	Four Trekka Buses ordered December 2020 due to be delivered May/June 2021
Waste SLWP - General	8,080	0	8,080	Capital Costs incurred as part of the SLWP Contract
Waste SLWP - Waste Bins	30,350	0	30,350	For the Purchase of Waste Bins
New street tree planting prog	24,590	0	24,590	SCIL Funded
Raynes Park Station Pub Realm	2,970	0	2,970	Section 106 Funded
Accessibility Programme	4,240	0	4,240	TfL Funded
Surface Water Drainage	22,080	0	22,080	Section 106 Funded - Wimbledon Hill Rain Garden
TfL Principal Road Maint	27,530	0	27,530	TfL Funded
Culverts Upgrade	310	0	310	SCIL Funded
Bishopsford Bridge	975,740	0	975,740	SCIL Funded
Lamp Column Chargers	237,360	0	237,360	£7,331.96 TfL, £21,030.48 S106, £157,000 ORCS DfT and SCIL £52,000
Active Travel Fund	80,980	0	80,980	TfL Funded
Pollards Hill Lighting	6,240	0	6,240	NCIL Funded
AFC Wimbledon CCTV	39,000	0	39,000	SCIL Funded
Residential Secure Cycle Store	6,490	0	6,490	SCIL Funded
Cycle Lane Rdway Bshfd Bridge	20,000	0	20,000	SCIL Funded
Street Lighting Wimbledon	91,680	0	91,680	SCIL Funded
Cycle access/parking	19,640	0	19,640	TfL Funded
Cycle Improve Residential Stre	5,220	0	5,220	TfL Funded
Cycle Lane Works Plough Lane	20,000	0	20,000	SCIL Funded
Mitcham Town Centre	19,480	0	19,480	NCIL Funded
Canons - Parks for People - Regeneration	383,630	0	383,630	Project as a whole attracts 87% grant from HLF with funding from SCIL & existing bugs
Elmwood Centre Hub	65,000	0	65,000	NCIL Funded
Rowan Pk Comm Fac Match Fund	150,000	0	150,000	SCIL Funded
Metrobank Public Realm S106	33,130	0	33,130	Section 106 Funded
Wimb Public Realm Implement	101,190	0	101,190	SCIL Funded
Windmill Museum	20,000	0	20,000	NCIL Funded
Haydons Rd Public Realm Improv	50,000	0	50,000	SCIL Funded
Morden TC Regen Match Funding	50,000	0	50,000	Start of scheme delayed - will need to reprofile across approved programme
Wandle Project - Chapter House	7,020	0	7,020	Section 106 Funded
Bramcote Parade Improvements	84,150	0	84,150	NCIL Funded
Vacant Premises Upgrade	23,270	0	23,270	Invest to Save Scheme - mainly required for canons attic flat
Morden Leisure Centre	5,070	0	5,070	Slippage required for final costs in relation to original building
Wimbledon Park Lake Safety	20,510	0	20,510	SCIL Funded
Leisure Centre Plant & Machine	11,250	0	11,250	Slippage required for works on facia of Canons Leisure Centre to dovetail with the HLF Scheme
Parks Investment	41,090	0	41,090	Slippage requested due to staff sickness/Covid
Canons - Parks for People - Parks	0	(175,830)	(175,830)	Budget in 2021-22 to be reduced to fund this overspend
Durnsford Road Rec Facilities	32,000	0	32,000	NCIL Funded
Morley Park Enhancements	10,000	0	10,000	Section 106 Funded
Environment and Regeneration	3,316,820	(175,830)	3,140,990	
Total	5,129,800	(298,390)	4,831,410	

Proposed Revisions to Capital Programme 2021-22

Summary	Budget 2021-22	Slippage into 2021-22 from 2020-21	Reprofiled into Future Years	New 2021-22	Virement	TfL 2021-22	Clawback	Revised Budget 2021-22
Corporate Services	11,204,720	1,123,120	(1,876,000)	0	0	0	0	10,451,840
Community and Housing	1,132,400	224,830	0	0	0	0	(89,410)	1,267,820
Children Schools & Families	9,050,190	465,030	(2,340,000)	971,620	0	0	(33,150)	8,113,690
Environment and Regeneration	19,408,050	3,316,820	(2,240,000)	(208,050)	0	0	(175,830)	20,100,990
Total	40,795,360	5,129,800	(6,456,000)	763,570	0	0	(298,390)	39,934,340
Corporate Services	Budget 2021-22	Slippage into 2021-22 from 2020-21	Reprofiled into Future Years	New 2021-22	Virement	TfL 2021-22	Clawback	Revised Budget 2021-22
Customer Contact Programme	2,376,000	0	(1,876,000)	0	(150,000)	0	0	350,000
Web Content Management System	0	0	0	0	150,000	0	0	150,000
Capital Building Works	650,000	0	0	0	0	0	0	650,000
Civic Centre Cycle Parking	60,000	0	0	0	0	0	0	60,000
Boiler Replacement	468,680	0	0	0	0	0	0	468,680
Invest to Save General	498,140	25,550	0	0	0	0	0	523,690
Photovoltaics & Energy Conserv	55,000	17,890	0	0	0	0	0	72,890
De-Carbonisation Scheme	0	497,240	0	0	0	0	0	497,240
Aligned Assets	75,000	0	0	0	0	0	0	75,000
Revenue and Benefits	400,000	0	0	0	0	0	0	400,000
Capita Housing	0	71,920	0	0	0	0	0	71,920
Planning&Public Protection Sys	340,710	0	0	0	0	0	0	340,710
Spectrum Spatial Analyst Repla	0	48,550	0	0	0	0	0	48,550
Regulatory System	0	28,640	0	0	0	0	0	28,640
Ancillary IT Systems	50,000	0	0	0	0	0	0	50,000
Youth Justice IT Systems	100,000	0	0	0	0	0	0	100,000
EHCP Hub	0	9,320	0	0	0	0	0	9,320
SEN Case Management System	0	147,860	0	0	0	0	0	147,860
Planned Replacement Programme	870,000	120,150	0	0	0	0	0	990,150
Data Centre Support Equipment	0	82,530	0	0	0	0	0	82,530
Office 365	0	73,470	0	0	0	0	0	73,470
Westminster Coroners Court	460,000	0	0	0	0	0	0	460,000
CPO Clarion	4,801,190	0	0	0	0	0	0	4,801,190
Corporate Services	11,204,720	1,123,120	(1,876,000)	0	0	0	0	10,451,840
Community and Housing	Budget 2021-22	Slippage into 2021-22 from 2020-21	Reprofiled into Future Years	New 2021-22	Virement	TfL 2021-22	Clawback	Revised Budget 2021-22
Telehealth	30,400	0	0	0	0	0	0	30,400
Disabled Facilities Grant	827,000	0	0	0	0	0	(89,410)	737,590
Learning Dsbility Aff Housing	75,000	25,000	0	0	0	0	0	100,000
West Barnes Library Re-Fit	200,000	0	0	0	0	0	0	200,000
Library Self Service	0	175,830	0	0	0	0	0	175,830
Library Management System	0	24,000	0	0	0	0	0	24,000
Community and Housing	1,132,400	224,830	0	0	0	0	(89,410)	1,267,820

Proposed Revisions to Capital Programme 2021-22

Children, Schools and Families	Budget 2021-22	Slippage into 2021-22 from 2020-21	Reprofiled into Future Years	New 2021-22	Virement	TTL 2021-22	Clawback	Revised Budget 2021-22
Hollymount Schools Capital mainte	0	0	0	0	60,000	0	0	60,000
West Wimb. Schools Capital maint	0	34,280	0	0	265,720	0	0	300,000
Hatfeild Schools Capital maintenanc	0	17,940	0	0	37,060	0	0	55,000
Hillcross Schools Capital maintenanc	52,630	0	0	0	46,670	0	(1,300)	98,000
Joseph Hood Schools Capital maint	0	0	0	0	73,000	0	0	73,000
Dundonald Schools Capital maintenanc	49,500	0	0	0	137,000	0	(5,500)	181,000
Garfield Schools Capital maintenanc	5,620	400	0	0	(6,020)	0	0	0
Merton Abbey Schools Capital mai	0	0	0	0	60,000	0	0	60,000
Pelham Abbey Schools Capital mai	0	0	0	0	50,000	0	0	50,000
Poplar Schools Capital maintenanc	5,010	1,740	0	0	(6,750)	0	0	0
Wimb. Chase Schools Capital maint	0	0	0	0	176,000	0	0	176,000
Wimb. Park Schools Capital mainte	40,000	0	0	0	410,000	0	0	450,000
Abbotsbury Schools Capital mainte	7,200	32,850	0	0	(12,050)	0	0	28,000
Malmesbury Schools Capital mainte	68,000	15,840	0	0	6,160	0	0	90,000
Bond Schools Capital maintenanc	0	0	0	0	33,000	0	0	33,000
Cranmer Schools Capital maintenanc	0	4,650	0	0	54,350	0	0	59,000
Gorringe Schools Capital maintenanc	49,650	0	0	0	(48,230)	0	(1,420)	0
Haslemere Schools Capital maintenanc	0	0	0	0	150,000	0	0	150,000
Liberty Schools Capital maintenanc	33,640	0	0	0	0	0	0	33,640
Links Schools Capital maintenanc	160,000	3,450	0	0	16,550	0	0	180,000
St Marks Schools Capital maintenanc	120,000	0	0	0	0	0	(4,100)	115,900
Lonesome Schools Capital maintenanc	6,740	1,150	0	0	(7,890)	0	0	0
Sherwood Schools Capital maintenanc	24,200	3,250	0	0	138,550	0	0	166,000
Stanford Schools Capital maintenanc	0	0	0	0	0	0	0	0
William Morris Schools Capital ma	28,200	22,920	0	0	208,880	0	0	260,000
Unallocated Schools Capital mainte	2,472,360	19,160	0	615,170	(2,296,760)	0	0	809,930
Harris Merton Schools Capital mai	34,170	0	0	0	(34,170)	0	0	0
Raynes Park Schools Capital maint	0	0	0	0	5,610	0	0	5,610
Ricards Lodge Schools Capital mai	0	0	0	0	5,610	0	0	5,610
Rutlish Schools Capital maintenanc	11,580	0	0	0	59,420	0	0	71,000
Harris Wimbledon New School	135,670	51,590	0	0	0	0	0	187,260
Perseid Schools Capital maintenanc	164,840	0	0	0	215,990	0	(830)	380,000
Perseid School Expansion	22,020	7,110	0	0	0	0	0	29,130
Cricket Green Schools Capital main	0	60,390	0	0	80,610	0	0	141,000
Cricket Green School Expansion	0	54,480	0	0	0	0	0	54,480
Melrose Schools Capital maintenanc	0	0	0	0	140,000	0	0	140,000
Melrose School Expansion	2,122,560	75,420	0	0	0	0	0	2,197,980
Secondary Autism Unit	1,360,000	0	(1,310,000)	0	0	0	0	50,000
Further SEN Provision	200,000	0	(180,000)	0	0	0	0	20,000
Primary ASD base 1-20 places	18,260	35,940	0	0	0	0	0	54,200
Medical PRU Expansion	590,000	10,000	(100,000)	0	0	0	0	500,000
New ASD Provision	1,020,000	0	(750,000)	0	0	0	(20,000)	250,000
Melbury College Schools Capital m	13,340	12,470	0	0	(18,310)	0	0	7,500
Devolved Formula Capital	0	0	0	356,450	0	0	0	356,450
Bond Road Family Centre	55,000	0	0	0	0	0	0	55,000
Pollards Hill Digital Divide	180,000	0	0	0	0	0	0	180,000
Children Schools & Families	9,050,190	465,030	(2,340,000)	971,620	0	0	(33,150)	8,113,690

Proposed Revisions to Capital Programme 2021-22

Environment and Regeneration	Budget 2021-22	Slippage into 2021-22 from 2020-21	Reprofiled into Future Years	New 2021-22	Virement	TFL 2021-22	Clawback	Revised Budget 2021-22
Pay and Display Machines	400,000	100,000	0	0	0	0	0	500,000
Car Park Upgrades	909,000	69,530	0	0	0	0	0	978,530
Parking CCTV	699,000	119,210	0	0	0	0	0	818,210
Public Protection and Development	35,000	0	0	0	0	0	0	35,000
Replacement of Fleet Vehicles	550,210	298,790	0	0	0	0	0	849,000
Mechanical Street Washer	75,000	0	0	0	0	0	0	75,000
Alley Gating Scheme	24,000	0	0	0	0	0	0	24,000
SLWP General	0	8,080	0	0	0	0	0	8,080
SLWP Waste Bins	0	30,350	0	0	0	0	0	30,350
SLWP Replacement of Fleet Vehicle	35,000	0	0	0	0	0	0	35,000
Street Cleanse Sub Dep Mitcham	55,000	0	0	0	0	0	0	55,000
Street Tree Programme	60,000	0	0	0	0	0	0	60,000
New street tree planting prog	50,000	24,590	0	0	0	0	0	74,590
Raynes Park Station Pub Realm	0	2,970	0	0	0	0	0	2,970
Street Lighting Replacement Pr	290,000	0	0	0	0	0	0	290,000
Accessability Programme	0	4,240	0	46,000	0	0	0	50,240
Casualty Reduction & Schools	0	0	0	67,160	0	0	0	67,160
Traffic Schemes	150,000	0	0	67,050	0	0	0	217,050
Surface Water Drainage	60,000	22,080	0	0	0	0	0	82,080
Repairs to Footways	1,000,000	0	0	0	0	0	0	1,000,000
Maintain AntiSkid and Coloured	85,000	0	0	0	0	0	0	85,000
Borough Roads Maintenance	1,200,000	0	0	0	0	0	0	1,200,000
Highways bridges & structures	884,000	0	0	0	0	0	0	884,000
Tfl Principal Road Maint	0	27,530	0	0	0	0	0	27,530
Culverts Upgrade	508,120	310	0	0	0	0	0	508,430
ZZ3233 - High Path School Harr	0	0	0	20,000	0	0	0	20,000
Bishopsford Bridge	1,202,000	975,740	0	0	0	0	0	2,177,740
Lamp Column Chargers	0	237,360	0	0	0	0	0	237,360
Active Travel Fund	150,000	80,980	0	0	0	62,070	0	293,050
Pollards Hill Lighting	0	6,240	0	0	0	0	0	6,240
AFC Wimbledon CCTV	0	39,000	0	0	0	0	0	39,000
Residential Secure Cycle Store	30,000	6,490	0	0	0	0	0	36,490
Cycle Lane Rdway Bshfd Bridge	130,000	20,000	0	0	0	0	0	150,000
ANPR Cameras School Streets	486,000	0	0	0	0	0	0	486,000
Street Lighting Wimbledon	670,000	91,680	0	0	0	0	0	761,680
Cycle access/parking	0	19,640	0	0	0	0	0	19,640
Cycle Improve Residential Stre	0	5,220	0	46,000	0	26,000	0	77,220
Cycle Lane Works Plough Lane	200,000	20,000	0	0	0	0	0	220,000
Mitcham Town Centre	0	19,480	0	0	0	0	0	19,480
Unallocated TFL	1,300,000	0	0	(467,100)	0	(88,070)	0	744,830
Canons - Parks for People	697,120	383,630	0	0	0	0	0	1,080,750
Elmwood Centre Hub	0	65,000	0	0	0	0	0	65,000
Rowan Pk Comm Fac Match Fund	0	150,000	0	0	0	0	0	150,000
Crowded Places-Hostile Vehicl	180,000	0	0	0	0	0	0	180,000
Metrobank Public Realm S106	0	33,130	0	0	0	0	0	33,130
Wimb Public Realm Implement	500,000	101,190	0	0	0	0	0	601,190
Windmill Museum	0	20,000	0	0	0	0	0	20,000
Haydons Rd Public Realm Improv	350,000	50,000	0	0	0	0	0	400,000
Morden TC Regen Match Funding	2,190,000	50,000	(2,240,000)	0	0	0	0	0
Crown Creative Knowledge Exch	150,000	0	0	0	0	0	0	150,000
Morden Town Centre Improvement	300,000	0	0	0	0	0	0	300,000
Wandle Project - Chapter House	0	7,020	0	0	0	0	0	7,020
Merton Lost Rivers	100,000	0	0	0	0	0	0	100,000
Haydons Rd Shop Front Impr	481,580	0	0	0	0	0	0	481,580
Bramcote Parade Improvements	0	84,150	0	0	0	0	0	84,150
42 Graham Road	50,000	0	0	0	0	0	0	50,000
Vacant Premises Upgrade	0	23,270	0	0	0	0	0	23,270
Morden Leisure Centre	0	5,070	0	0	0	0	0	5,070
Wimbledon Park Lake Safety	1,157,450	20,510	0	0	0	0	0	1,177,960
Leisure Centre Plant & Machine	410,000	11,250	0	0	0	0	0	421,250
Parks Investment	363,000	41,090	0	0	0	0	0	404,090
Canons - Parks for People	311,350	0	0	0	0	0	(175,830)	135,520
Resurface Tennis Courts	150,440	0	0	0	0	0	0	150,440
New water play feature Wimb Pk	226,000	0	0	0	0	0	0	226,000
Wimb Pk Surface Car Park Op 2	40,000	0	0	0	0	0	0	40,000
Padding Pool Option 1	135,000	0	0	0	0	0	0	135,000
Padding Pool Option 2	226,000	0	0	0	0	0	0	226,000
Bennets Hole Nature Reserve	0	0	0	12,840	0	0	0	12,840
Durnsford Road Rec Facilities	0	32,000	0	0	0	0	0	32,000
Morden Rec Hockey Pitch	135,000	0	0	0	0	0	0	135,000
Morley Park Enhancements	17,780	10,000	0	0	0	0	0	27,780
Environment and Regeneration	19,408,050	3,316,820	(2,240,000)	(208,050)	0	0	(175,830)	20,100,990

Capital Programme 2022-25

Summary	Budget 2022-23	Reprofiled from 2021-22	Revised Budget 2022-23	Budget 2023-24	Reprofiled to 2024-25	Revised Budget 2023-24	Budget 2024-25	Reprofiled from 2023-24	Revised Budget 2024-25
Corporate Services	4,941,840	1,876,000	6,817,840	5,245,000	0	5,245,000	13,734,080	0	13,734,080
Community and Housing	2,450,000	0	2,450,000	752,000	0	752,000	280,000	0	280,000
Children Schools & Families	1,900,000	2,340,000	4,240,000	1,900,000	0	1,900,000	1,900,000	0	1,900,000
Environment and Regeneration	8,427,000	392,000	8,819,000	7,516,000	(152,000)	7,364,000	5,324,000	2,000,000	7,324,000
Total	17,718,840	4,608,000	22,326,840	15,413,000	(152,000)	15,261,000	21,238,080	2,000,000	23,238,080
Corporate Services									
Customer Contact Programme	0	1,876,000	1,876,000	0	0	0	0	0	0
Capital Building Works	650,000	0	650,000	650,000	0	650,000	650,000	0	650,000
Civic Centre Lightning Upgrade	300,000	0	300,000	0	0	0	0	0	0
Comb. Heat & Power System Repl	0	0	0	450,000	0	450,000	0	0	0
Absorption Chiller Replacement	0	0	0	275,000	0	275,000	0	0	0
Invest to Save schemes - General	300,000	0	300,000	300,000	0	300,000	300,000	0	300,000
Environmental Asset Management	240,000	0	240,000	0	0	0	0	0	0
Children's Safeguarding	125,000	0	125,000	0	0	0	0	0	0
Planning&Public Protection Sys	0	0	0	0	0	0	550,000	0	550,000
Youth Justice IT Systems	0	0	0	0	0	0	100,000	0	100,000
Replacement SC System	0	0	0	2,100,000	0	2,100,000	0	0	0
Planned Replacement Programme	705,000	0	705,000	770,000	0	770,000	0	0	0
Data Centre Support Equipment	0	0	0	0	0	0	1,405,000	0	1,405,000
Network Switch Upgrade	200,000	0	200,000	0	0	0	0	0	0
New Finance System	0	0	0	700,000	0	700,000	0	0	0
Acquisitions Budget	0	0	0	0	0	0	6,985,180	0	6,985,180
Capital Bidding Fund	0	0	0	0	0	0	1,000,000	0	1,000,000
Multi-Functioning Device (MFD)	0	0	0	0	0	0	600,000	0	600,000
Corporate Capital Contingency	0	0	0	0	0	0	2,143,900	0	2,143,900
CPO Clarion	2,421,840	0	2,421,840	0	0	0	0	0	0
Corporate Services	4,941,840	1,876,000	6,817,840	5,245,000	0	5,245,000	13,734,080	0	13,734,080
Community and Housing									
Disabled Facilities Grant	827,000	0	827,000	607,000	0	607,000	280,000	0	280,000
Learning Dsbility Aff Housing	1,483,000	0	1,483,000	145,000	0	145,000	0	0	0
Library Management System	140,000	0	140,000	0	0	0	0	0	0
Community and Housing	2,450,000	0	2,450,000	752,000	0	752,000	280,000	0	280,000
chools and Families									
Schools Capital maintenance	1,900,000	0	1,900,000	1,900,000	0	1,900,000	1,900,000	0	1,900,000
Secondary Autism Unit	0	1,310,000	1,310,000	0	0	0	0	0	0
Further SEN Provision	0	180,000	180,000	0	0	0	0	0	0
Medical PRU Expansion	0	100,000	100,000	0	0	0	0	0	0
New ASD Provision	0	750,000	750,000	0	0	0	0	0	0
Children Schools & Families	1,900,000	2,340,000	4,240,000	1,900,000	0	1,900,000	1,900,000	0	1,900,000
Environment and Regeneration									
Pay and Display Machines	0	0	0	0	0	0	60,000	0	60,000
Parking CCTV	480,000	0	480,000	0	0	0	0	0	0
Replacement of Fleet Vehicles	300,000	0	300,000	300,000	0	300,000	300,000	0	300,000
Alley Gating Scheme	24,000	0	24,000	24,000	0	24,000	24,000	0	24,000
SLWP - Replacement of Fleet Vehi	340,000	0	340,000	0	0	0	0	0	0
Street Tree Programme	60,000	0	60,000	60,000	0	60,000	60,000	0	60,000
Street Lighting Replacement Pr	290,000	0	290,000	290,000	0	290,000	290,000	0	290,000
Traffic Schemes	150,000	0	150,000	150,000	0	150,000	150,000	0	150,000
Surface Water Drainage	60,000	0	60,000	60,000	0	60,000	60,000	0	60,000
Repairs to Footways	1,000,000	0	1,000,000	1,000,000	0	1,000,000	1,000,000	0	1,000,000
Maintain AntiSkid and Coloured	70,000	0	70,000	70,000	0	70,000	70,000	0	70,000
Borough Roads Maintenance	1,200,000	0	1,200,000	1,200,000	0	1,200,000	1,200,000	0	1,200,000
Highways bridges & structures	260,000	0	260,000	260,000	0	260,000	260,000	0	260,000
Unallocated TFL	1,300,000	0	1,300,000	1,300,000	0	1,300,000	1,300,000	0	1,300,000
Wimb Public Realm Implement	500,000	0	500,000	0	0	0	0	0	0
Morden TC Regen Match Funding	1,608,000	392,000	2,000,000	2,152,000	(152,000)	2,000,000	0	2,000,000	2,000,000
Merton Lost Rivers	100,000	0	100,000	100,000	0	100,000	0	0	0
Leisure Centre Plant & Machine	250,000	0	250,000	250,000	0	250,000	250,000	0	250,000
Parks Investment	300,000	0	300,000	300,000	0	300,000	300,000	0	300,000
Paddling Pool Option 1	135,000	0	135,000	0	0	0	0	0	0
Environment and Regeneration	8,427,000	392,000	8,819,000	7,516,000	(152,000)	7,364,000	5,324,000	2,000,000	7,324,000

Funding the Budgeted Capital Programme 2021-22

Appendix 2D

Department	Revised Budget 2021-22	Strategic CIL	Neighbourhood CIL	Section 106	Revenue Contributions	Corporate Reserves	TfL	Other Ringfenced Grants	Capital Receipts	Borrowing
Corporate Services	10,451,840	0	0	0	(147,860)	(147,860)	0	(497,240)	0	5,005,550
Community and Housing	1,267,820	0	0	(100,000)	(30,400)	(147,860)	0	(737,590)	0	399,830
Children, Schools and Families	8,113,690	(1,385,745)	0	0	0	(147,860)	0	(6,727,945)	0	0
Environment and Regeneration	20,100,990	(8,538,640)	(1,008,450)	(200,890)	0	(147,860)	(1,300,000)	(1,362,380)	0	7,540,190
Generally Applied to Programme		0	0	0	0	(147,860)	0	0	(1,350,820)	(3,927,430)
Total	39,934,340	(9,924,385)	(1,008,450)	(300,890)	(178,260)	(739,300)	(1,300,000)	(9,325,155)	(1,350,820)	9,018,140

Funding the Budgeted Capital Programme 2022-23

Department	Revised Budget 2022-23	Strategic CIL	Neighbourhood CIL	Section 106	Revenue Contributions	Corporate Reserves	TfL	Other Ringfenced Grants	Capital Receipts	Borrowing
Corporate Services	6,817,840	0	0	0	(2,421,840)	0	0	0	0	4,396,000
Community and Housing	2,450,000	0	0	(1,483,000)	0	0	0	(827,000)	0	140,000
Children, Schools and Families	4,240,000	(2,340,000)	0	0	0	0	0	(1,900,000)	0	0
Environment and Regeneration	8,819,000	(940,000)	0	0	0	0	(1,300,000)	0	0	6,579,000
Generally Applied to Programme		0	0	0	0	0	0	0	(900,000)	(900,000)
Total	22,326,840	(3,280,000)	0	(1,483,000)	(2,421,840)	0	(1,300,000)	(2,727,000)	(900,000)	10,215,000

Funding the Budgeted Capital Programme 2023-24

Department	Revised Budget 2023-24	Strategic CIL	Neighbourhood CIL	Section 106	Revenue Contributions	Corporate Reserves	TfL	Other Ringfenced Grants	Capital Receipts	Borrowing
Corporate Services	5,245,000	0	0	0	0	0	0	0	0	5,245,000
Community and Housing	752,000	0	0	(145,000)	0	0	0	(249,864)	0	357,136
Children, Schools and Families	1,900,000	0	0	0	0	0	0	(1,900,000)	0	0
Environment and Regeneration	7,364,000	(100,000)	0	0	0	0	(1,300,000)	0	0	5,964,000
Generally Applied to Programme		0	0	0	(55,000)	0	0	0	(900,000)	(955,000)
Total	15,261,000	(100,000)	0	(145,000)	(55,000)	0	(1,300,000)	(2,149,864)	(900,000)	10,611,136

Funding the Budgeted Capital Programme 2024-25

Department	Indicative Budget 2024-25	Strategic CIL	Neighbourhood CIL	Section 106	Revenue Contributions	Corporate Reserves	TfL	Other Ringfenced Grants	Capital Receipts	Borrowing
Corporate Services	13,734,080	0	0	0	0	0	0	0	0	13,734,080
Community and Housing	280,000	0	0	0	0	0	0	0	0	280,000
Children, Schools and Families	1,900,000	0	0	0	0	0	0	(1,900,000)	0	0
Environment and Regeneration	7,324,000	0	0	0	0	0	(1,300,000)	0	0	6,024,000
Generally Applied to Programme		0	0	0	(55,000)	0	0	0	(900,000)	(955,000)
Total	23,238,080	0	0	0	(55,000)	0	(1,300,000)	(1,900,000)	(900,000)	19,083,080

APPENDIX 3

Department	Target Savings 2020/21	Achieved Savings 2020/21	Period 12 Shortfall	Shortfall (P12)	Period 10 Forecast Shortfall	2021/22 Expected Shortfall
	£000	£000	£000	%	£000	£000
Corporate Services	2,718	1,835	883	32.5%	987	180
Children Schools and Families	2,969	2,305	664	22.4%	734	300
Community and Housing	2,460	2,432	28	1.1%	892	128
Environment and Regeneration	3,927	554	3,373	85.9%	3,040	2,067
Total	12,074	7,126	4,948	41.0%	5,653	2,675

DEPARTMENT: ENVIRONMENT & REGENERATION SAVINGS PROGRESS: 2020-21

Ref	Description of Saving	2020/21 Savings Required £000	2020/21 Savings Achieved £000	Shortfall	RAG	2021/22 Savings Expected £000	2021/22 Expected Shortfall £000	2021/22 RAG	Responsible Officer	Comments	R / A Included in Forecast Over/Underspend? Y/N
SUSTAINABLE COMMUNITIES											
ENV1920-03	Property Management: Realign rental income budgets to better reflect current levels of income being achieved from conducting rent reviews in line with tenancy agreements	300	300	0	G	300	0	G	James McGinlay		N
ENV1920-06	Future Merton: Highways advertising income through re-procurement of the advertising contract for the public highway.	40	0	40	R	0	40	R	James McGinlay	Covid-19 estimated to impact on saving. Should be achieved from 2022/23.	Y
ALT1920-01	Property Management: Increased income already being achieved from conducting rent reviews in line with tenancy agreements	70	70	0	G	70	0	G	James McGinlay		N
PUBLIC PROTECTION											
ENV1819 - 02	Parking: Operational efficiencies. Parking services manage a high level of transactional applications, for PCN, Permit and general enquiries. Through improved use of technology and a review of practices, including the development of self service transactions by customers opposed to back office staff processing, efficiency savings can be made.	57	57	0	G	57	0	G	Cathryn James		N
ENV1819-03	Parking: The objective of the proposal is to support the delivery of key strategic council priorities including public health, air quality and sustainable transportation, in addition to managing parking, kerbside demand and congestion. Whilst implementation of the proposals will have the incidental effect of generating additional revenue, it is difficult to assess the level of change in customer behaviour and any subsequent financial impact arising from the changes. This will be monitored after implementation and any resulting impacts will be considered during the future years' budget planning cycles. The above will be subject to the outcome of the consultation process in 2019.	1,900	0	1,900	R	0	1900	R	Cathryn James	<p>PARKING PERMITS: The new charges were implemented on 14th January 2020. Early analysis shows a reduction in sales of Permits, including scratch cards, and a greater number of 6 month permits being sold than 12 month permits against historic trends, which is even more evident in the case of diesel cars permits. Unfortunately Covid 19 began only approximately 2 months after the introduction of the new charges, resulting in a significant change in Permit sales, which has made projections very difficult. Permit sales in Sept and October 2020 are now on par with previous years and will continue to be monitored on a monthly basis particular in light of Lockdown 2 (Nov 2020). Lockdown 3 has been announced with further unknown consequences, however Lockdown 2 did not show a significant change in activity. 12 month equivalent Permit sales for the year are estimated to be down by approx. 10% overall for the calendar year 2020. Lockdown 3 continued to make analysis of the savings difficult but full financial year estimates show this saving will not be fully met.</p> <p>ON STREET PARKING CHARGES - PAY & DISPLAY. Following the introduction of On Street charges, data showed expected income was being achieved, but off street showed a slight under recovery on estimated. Unfortunately, Covid 19 began only approximately 2 months after the introduction of the new charges, resulting in a reduction in parking activity, which makes analysis against budget projection near on impossible. For the period June through to October data showed off street activity at 50% of pre covid and on street at 80%. Lockdown 2 (Nov 2020) resulted in a reduction in 'on and off street' parking activity on this will be closely monitored as Covid tiers are implemented and changed in future months. December and Christmas parking data shows less activity than in previous year and now Lockdown 3 (Jan) continued to have a further significant detrimental effect in 'on and off street parking' activity.</p>	Y
ENV1819 - 04	Parking: Reduction in the number of pay & display machines required.	13	0	13	R	13	0	G	Cathryn James	Delayed until 2021/22	Y
ENV1920-01	<p>Parking: Application to change Merton's PCN charge band from band B to band A. To effect this a full business case will need to be presented to Full Council. Following this, an application will be made to the London Councils Transport, and Environment Committee. Depending on the outcome at the Committee, the Mayor will also be required to ratify the application and the Secretary of State has final sign off. This 'saving' reflects the impact on estimated revenue until motorist compliance takes full effect. The objective is to reduce non-compliance but if the band change is implemented it is likely that there will be a short term increase in revenue.</p> <p>The purpose of PCN parking charges is to dissuade motorists from breaking parking restrictions and charges must be proportionate. The income from charges must only be used in accordance with the Road Traffic Regulation Act 1984. These purposes are contained within the Council's traffic management and other policy objectives.</p>	340	0	340	R	340	0	A	Cathryn James	<p>This saving will not be achieved in 2020/21. The consultation process had been extended to 28th June 2020 to allow further time for responses to be received due to the Covid 19 emergency.</p> <p>Following the consultation process and approval by Merton, the proposal was put before London Council in October 2020 and, the process is now for GLA, Mayor for London and Secretary of State to approve.</p> <p>How due to delays cause by covid, it is estimated that if approval is granted the proposal could be implemented by Oct 2021.</p>	Y

DEPARTMENT: ENVIRONMENT & REGENERATION SAVINGS PROGRESS: 2020-21

Ref	Description of Saving	2020/21 Savings Required £000	2020/21 Savings Achieved £000	Shortfall	RAG	2021/22 Savings Expected £000	2021/22 Expected Shortfall £000	2021/22 RAG	Responsible Officer	Comments	R / A Included in Forecast Over/Underspend? Y/N
ENV1920-02	<p>Parking: Compliance rates for ANPR Moving Traffic Offences have not decreased significantly or as estimated since the implementation of the ANPR cameras and as a consequence the PCN revenue remains above original estimations. This 'saving' recognises revenue currently being received by the Council rather than any estimated increase.</p> <p>The purpose of PCN parking charges is to dissuade motorists from breaking parking restrictions and charges must be proportionate. The income from charges must only be used in accordance with the Road Traffic Regulation Act 1984. These purposes are contained within the Council's traffic management and other policy objectives.</p>	300	0	300	R	300	0	A	Cathryn James	<p>Since mid-March 2020 there has been an unprecedented reduction in traffic on our roads. This has resulted in the number of PCNs being issued by ANPR to drop to less than 10% of normal activity for April/May 2020. Although numbers started increasing through June to September, due to this change in activity as a result of Covid 19, this saving projection will not be met in 2020/21, and the longer term impact continues to be analysed. The November 2020 lockdown had limited effect on driver habits. It is however expected that this saving will not be met. Tier 4 and Lockdown 3 will result in less 'on street' activity. It is therefore estimated that there will be a greater shortfall in achieving this saving this year.</p>	Y
ALT1920-02	<p>Parking: The use of ANPR to enforce moving traffic contraventions has been operational since July 2016. The number of cameras has increased and the locations varied over this period and the number of PCNs remains above initial estimates.</p>	337	0	337	R	319	18	R	Cathryn James	<p>Since mid-March 2020 there has been an unprecedented reduction in traffic on our roads. This has resulted in the number of PCNs being issued by ANPR to drop to less than 10% of normal activity for April/May 2020. Although numbers started increasing through June to September, due to this change in activity as a result of Covid 19, this saving projection will not be met in 2020/21, and the longer term impact continues to be analysed. The November 2020 lockdown had limited effect on driver habits. Tier 4 and Lockdown 3 resulted in less 'on street' activity.</p>	Y
PUBLIC SPACE											
E3	Leisure: Polka Theatre Grant Reduction	30	30	0	G	30	0	G	John Bosley		N
ENV1920-04	<p>Waste: The service change in October 2018 has had a significant impact on waste arisings and recycling levels. Residual waste volume has reduced by c12% whilst recycling levels have increased from c34% to c45% . Whilst we have already built £250k into the MTFS we believe that this can be added to.</p>	250	0	250	R	250	0	A	John Bosley	<p>The service maintained a high recycling rate in 2019/20, recycled 42% of all domestic waste and delivered significant (above target) savings in the disposal cost. This budget is now under pressure due to the sudden growth in domestic waste following the National impact of COVID 19 and residents now self isolating and working from home. With the national increase in the level of recycling being generated, processing facilities are becoming stricter with regards to the quality of the material being accepted, resulting in areas of non compliance being rejected. The financial impact on this budget has been revised. This is being monitored closely and financial forecast will be amended accordingly if the current trend changes.</p>	Y
ENV1920-05	<p>Waste: The Kingdom environment enforcement contract is due for reprocurement and renewal in Spring 2020. This provides an opportunity for it to be broadened and also ensure that its operation is as effective as possible for the Council .</p>	50	50	0	G	50	0	G	John Bosley		N
ALT1920-03	Leisure: Increased income from Leisure Centres Management Contract	10	0	10	R	0	10	R	John Bosley	<p>This amount is already included in the income target for this year and going forward, but with Covid 19 changing the uses of leisure centres the savings was not achieved this year.</p>	Y
ALT1920-04	Waste Services: Increase level of Environmental Enforcement activities of both internal team & service provider - ensuring the operational service is cost neutral	150	31	119	R	51	99	R	John Bosley	Impacted by covid.	Y
ALT1920-05	Waste Services: Reduction in external training budget.	6	6	0	G	6	0	G	John Bosley	Completed - all new training and development requirement will be assessed and managed in line with the corporate L&D team.	N

G A R

APPENDIX 3

DEPARTMENT: ENVIRONMENT & REGENERATION SAVINGS PROGRESS: 2020-21

Ref	Description of Saving	2020/21 Savings Required £000	2020/21 Savings Achieved £000	Shortfall	RAG	2021/22 Savings Expected £000	2021/22 Expected Shortfall £000	2021/22 RAG	Responsible Officer	Comments	R / A Included in Forecast Over/Unders pend? Y/N
ALT1920-06	Greenspaces: Reduction in grant to Deen City farm as part of agreement involving capital investment	10	10	0	G	10	0	G	John Bosley		N
ALT1920-07	Greenspaces: Realign budgets to better reflect current levels of income from outdoor events.	64	0	64	R	64	0	G	John Bosley	Many events due for 2020/21 were cancelled due to Covid-19.	Y
Total Environment and Regeneration Savings 2018/19		3,927	554	3,373		1,860	2,067				

DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2020/21

Ref	Description of Saving	2020/21 Savings Required £000	2020/21 Savings Achieved £000	Shortfall	RAG	2021/22 Savings Expected £000	2021/22 Expected Shortfall £000	21/22 RAG	Responsible Officer	Comments	R / A Included in Forecast Over/Unders pend? Y/N
Adult Social Care											
CH72	Deferred Savings - Transport	100	200	(100)	G	100	0	G	John Morgan	Although the implementation of the review has been delayed, there has been a drop in transport activity, particularly taxis, due to C19. Further work is required to ensure that these reductions are sustained into the long term.	
CH76	OPMH Staffing	100	0	100	R	0	100	R	John Morgan	We need to review the demand for MH services with the trust due to C19. Further work is required to establish the necessary resourcing	
CH87	Mascot Income	100	72	28	R	72	28	R	Andy Ottaway-Searle	MASCOT income has fallen due to cancelled services	
CH88	Home Care Monitoring System: -The aim of this proposal is to roll out a home care monitoring system for all home care providers to ensure that we can monitor the delivery of home care visits.	78	78	0	G	78	0	G	Phil Howell	Although the project has been delayed. This reflects period 9 budget monitoring forecasts on dom care	
CH82 / 83 / 86	Out of Area Placements	1,100	1,100	0	A	1,100	0	A	John Morgan	This reflects ASC placement spend as at period 9. Work continues to try to achieve the balance of the saving	
CH91	Supported Living / Residential review	400	400	0	G	400	0	A	John Morgan	This reflects ASC placement spend as at period 9. Work continues to try to achieve the balance of the saving	
CH92	Mobile Working	50	50	0	A	50	0	G	John Morgan	C19 has prompted a major move towards mobile working. Public transport costs are down £15k, other recharges awaited	
CH96	Home Care Monitoring	32	32	0	G	32	0	G	John Morgan	The project has been delayed by actions necessary due to C19	
CH99	Placements	500	500	0	G	500	0	G	John Morgan	There has been a reduction in gross costs of care forecast as at period 9. Placements are subject to continued senior management scrutiny	
Subtotal Adult Social Care		2,460	2,432	28		2,332	128				

Updated 09/06/21										APPENDIX 3	
DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2020/21											
Ref	Description of Saving	2020/21 Savings Required £000	2020/21 Savings Achieved £000	Shortfall	RAG	2021/22 Savings Expected £000	2021/22 Expected Shortfall £000	21/22 RAG	Responsible Officer	Comments	R / A Included in Forecast Over/Unders pend? Y/N
	Total C & H Savings for 2020/21	2,460	2,432	28		2,332	128				

DEPARTMENT: CORPORATE SERVICES SAVINGS PROGRESS 2020/21

Ref	Description of Saving	2020/21 Savings Required £000	2020/21 Savings Achieved £000	Shortfall	RAG	2021/22 Savings Expected £000	2021/22 Expected Shortfall £000	21/22 RAG	Responsible Officer	Comments	R /A Included in Outturn Over/Under spend? Y/N
Customers, Policy & Improvement											
CS2016 -06	Merton Link - efficiency savings	30	30	0	G	30	0	G	Sean Cunniffe		
2019-20 CS02	Charge for Blue Badges	15	0	15	R	15	0	A	Sean Cunniffe	Charges not yet in place - to be reviewed.	Y
2019-20 CS28	cash collection reduction	12	12	0	G	12	0	G	Sean Cunniffe		
2020-21 CS5	Reduction in various running costs across the division	20	20	0	G	20	0	G	CPI AD		
2020-21 CS6	Community engagement - reduction in running costs	8	8	0	G	8	0	G	Kris Witherington		
Resources											
2018-19 CS06	Miscellaneous budgets within Resources	17	17	0	G	17	0	G	Resources Senior Management		
2018-19 CS07	Retender of insurance contract	50	0	50	R	7	43	A	Nemashe Sivayogan	New contract came into place mid 2020/21. Insurance premiums cost has reduced but variance remains adverse due to historic budget pressure.	Y
2018-19 CS08	Increase in income from Enforcement Service	20	0	20	R			N/A	David Keppler	Not achievable in light of covid-19 circumstances. Saving removed from 2021/22 and deferred to 2022/23 per December 2020 Cabinet report	Y
2019-20 CS06	Revs and Bens reduction in staffing	146	146	0	G	146	0	G	David Keppler		
2019-20 CS07	Treasury - increase in investment income	20	20	0	G	20	0	G	Nemashe Sivayogan		
2019-20 CS08	Insurance reduction in staffing	15	15	0	G	15	0	G	Nemashe Sivayogan		
2020-21 CS1	Right sizing charge to Pension Fund for Pension Manager time	24	24	0	G	24	0	G	Nemashe Sivayogan		
2020-21 CS2	Savings in Insurance Fund top up budget	70	70	0	G	70	0	G	Nemashe Sivayogan		
2020-21 CS3	Increase in Investment Income	100	100	0	G	100	0	G	Nemashe Sivayogan		
2020-21 CS15	Miscellaneous savings (eg. Subscriptions)	39	39	0	G	10	0	G	Resources Senior Management	Part of this is a one-off saving - there is only £10k saving built in for 2021/22	
2020-21 CS16	Saving in Consultancy costs	20	20	0	G	20	0	G	Resources Senior Management		
CSREP 2020-21 (1)	Savings in Insurance Fund top up budget	30	30	0	G	30	0	G	Nemashe Sivayogan		
Corporate Governance											
2018-19 CS12	SLLp - reduction in legal demand	50	0	50	R	50	0	A	Louise Round	Saving to be reviewed to determine level of achievability and if replacement may be required	Y
2019-20 CS14	impose criminal litigation cap at 20k	20	0	20	R	20	0	A	Louise Round	Saving to be reviewed to determine level of achievability and if replacement may be required	Y

DEPARTMENT: CORPORATE SERVICES SAVINGS PROGRESS 2020/21

Ref	Description of Saving	2020/21 Savings Required £000	2020/21 Savings Achieved £000	Shortfall	RAG	2021/22 Savings Expected £000	2021/22 Expected Shortfall £000	21/22 RAG	Responsible Officer	Comments	R /A Included in Outturn Over/Under spend? Y/N
2019-20 CS15	reduce civil litigation legal support by 50%	45	0	45	R	45	0	A	Louise Round	Saving to be reviewed to determine level of achievability and if replacement may be required	Y
2019-20 CS27	merge democracy services and electoral services	70	38	32	A	70	0	G	Louise Round	Post holder retired mid-year, shortfall in year offsets with other underspends within the services	Y
2020-21 CS13	Corp Gov AD - Running Costs	24	24	0	G	24	0	G	Louise Round		

DEPARTMENT: CORPORATE SERVICES SAVINGS PROGRESS 2020/21

Ref	Description of Saving	2020/21 Savings Required £000	2020/21 Savings Achieved £000	Shortfall	RAG	2021/22 Savings Expected £000	2021/22 Expected Shortfall £000	21/22 RAG	Responsible Officer	Comments	R /A Included in Outturn Over/Under spend? Y/N
2020-21 CS14	Information governance - reduction in consultancy spend	10	10	0	G	10	0	G	Karin Lane		
	Human Resources										
2019-20 CS24	Realignment/redesign of HR services to provide services to the organisation and mitigate associated risks	50	47	3	G	47	3	G	Liz Hammond	Restructure of HR staffing completed in 2019/20 to reduce staffing structure cost by £47k	
2019-20 CS25	Charge for voluntary sector payroll	7	3	4	A	3	4	A	Liz Hammond		Y
	Infrastructure & Technology										
2019-20 CS19	Reduction in the Repairs and Maintenance budgets for the corporate buildings.	100	100	0	G	100	0	G	Edwin O'Donnell		
2019-20 CS20	Reduction in the energy 'Invest to Save' budget for the corporate buildings.	100	100	0	G	100	0	G	Edwin O'Donnell		
2019-20 CS22	Reduction in the frequency of the cleaning within the corporate buildings	25	0	25	R	0	25	A	Edwin O'Donnell	Not achievable in light of covid-19 circumstances	Y
CSD7	Restructure Post & Print section and delete 2 FTE posts	47	47	0	G	47	0	G	Keith Bartlett		
CS2015-03	Review of Transactional Services team	100	100	0	G	100	0	G	Pamela Lamb		
2018-19 CS03	Adjust current Local Authority Liaison Officer (LALO) arrangements to require Assistant Directors to undertake the duties as part of their job description.	33	33	0	G	33	0	G	Adam Viccari	Nil shortfall as this has effectively been replaced by growth added to the safety services budget from 2020/21	
2020-21 CS8	A further £100k reduction of the repairs and maintenance budget for corporate buildings.	100	100	0	G	100	0	G	Edwin O'Donnell		
2020-21 CS9	Reduction in the frequency of the cleaning within the Councils corporate buildings.	30	0	30	R	0	30	A	Edwin O'Donnell	Not achievable in light of covid-19 circumstances	Y
2020-21 CS12	Cancel lease on two Council vans	5	5	0	G	5	0	G	Edwin O'Donnell/ Richard Warren	Expenditure elsewhere in the division reduced as alternative to reducing vans	
	Corporate										
2019-20 CS09	CHAS dividend	460	460	0	G	460	0	G	Ian McKinnon		
2019-20 CS10	Recharges to Merantun Developments	75	71	4	A	0	75	R		Overheads set at £71k for 2020/21. Unachievable from 2021/22 onwards and will require replacement.	Y
2019-20 CS11	Amend discretionary rate relief policy	75	75	0	G	75	0	G	David Keppler		
2019-20 CS12	Increase in Empty Homes Premium for long term empty properties	36	36	0	G	36	0	G	David Keppler		
2019-20 CS13	Improved collection of HB overpayments and reduce Bad Debt Provision	500	0	500	R			N/A	David Keppler	Saving removed from 2021/22 and deferred to 2022/23 per December 2020 Cabinet report	Y
2020-21 CS4	Housing benefit written off debt recovery (one off)	120	35	85	A			N/A	David Keppler	Reduced recovery due to covid-19. One-off saving for 2020/21.	Y
	Total CS Savings for 2020/21	2718	1835	883		1869	180	0			

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

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

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

Ref	Description of Saving	2020/21 Savings Required £000	2020/21 Savings Achieved £000	Shortfall	20/21 RAG	2021/22 Savings Required £000	2021/22 Expected Shortfall £000	20/21 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Undersp end? Y/N
CSF2019-15	South London Family Drug and Alcohol Court commissioning	45	15	30		45	30		EI Mayhew	South London Family Drug and Alcohol Court contract has been decommissioned. Plan is to deliver savings from practice changes supported by the wider CSC & YI reorganisation. The reorganisation is delayed due to coronavirus alternative operating measures. Subject to approval process, reorganisation consultation planned to start in Q3 with mobilisation in Q4 2020/21. Will deliver no more than £15k if consultation can take place in 3rd quarter of financial year. Some mitigating activity through temporary recruitment to posts likely to be impacted in the reorganisation.	
CSF2019-02	Establish more cost effective Merton independent living provision	400	200	200		400	200		EI Mayhew	This savings work has been significantly impacted by Covid-19 and the need to re-direct aspects of the transformation resource (Graduate Management Trainee) to Ofsted preparation. The transformation resource leaves CSC & YI in September 2020. Unlikely to achieve savings in 2020/21. Proposed CSC reorganisation creates recourse for this savings work to be delivered in 2021/22.	
CSF2019-04	Deliver the 14+ leaving care service through personal advisors rather than social workers	60	20	40		60	0		EI Mayhew	Part of wider CSC reorganisation which is delayed due to coronavirus alternative operating measures. Subject to approval process, reorganisation consultation planned to start in Q3 with mobilisation in Q4 2020/21 Will deliver no more than £20k, if consultation can take place in 3rd quarter of financial year.	
CSF2019-05	Full year effect of transfer of adoption service to Adopt London South	30	30	0		30	0		EI Mayhew	Delivered in full. However, additional costs have emerged in relation to both retained functions and increased costs of service delivery passed on by ALS. Future funding for ALS will be based on demand and use. Early indications are that	
CSF2019-06	Review of safeguarding and social work training budgets	60	60	0		60	0		EI Mayhew	ALS costs are rising Delivered in full	
CSF2019-07	Reduction of Central recruitment cost budget	30	30	0		30	0		EI Mayhew	Delivered in full	

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

Ref	Description of Saving	2020/21 Savings Required £000	2020/21 Savings Achieved £000	Shortfall	20/21 RAG	2021/22 Savings Required £000	2021/22 Expected Shortfall £000	20/21 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Undersp end? Y/N
CSF2019-13	Review of current Adolescent and Family service	100	30	70		100	70		EI Mayhew	Part of wider CSC reorganisation which is delayed due to coronavirus alternative operating measures. Subject to approval process, reorganisation consultation planned to start in Q3 with mobilisation in Q4 2020/21. Will deliver no more than £30k, if consultation can take place in 3rd quarter of financial year. Some mitigating activity - vacancies being held and only recruited to on a fixed term basis.	
CSF2019-15	Development of Family Network Co-Ordinators Service	45	15	30		45	0		EI Mayhew	DfE funding withdrawn. Part of wider CSC reorganisation which is delayed due to coronavirus alternative operating measures. Subject to approval process, reorganisation consultation planned to start in Q3 with mobilisation in Q4 2020/21. Unlikely to achieve savings in 2020/21	
CSF2019-17	Culture change and clarification of financial support entitlement for care leavers	50	0	50		50	0		EI Mayhew	Financial payments to care leavers have increased due to the impact of Covid-19 restrictions and requirement to match DWP Covid-19 increase in benefit rates - some of this will be set against the Covid-19 cost centre. Timing not appropriate to shift funding culture where continued Covid-19 situation impacts on external resources and progression of other agencies decision-making i.e. Home Office revenue decisions	
CSF2019-18	Implementation of the DfE National Minimum rate	20	0	20		20	0		EI Mayhew	Covid-19 restrictions have impacted on foster carer recruitment and approval. Older age demographics of in-house carers increases risk of reduced capacity due to increased likelihood of Covid-19 health complications. This savings work would likely have resulted in short term impact on in-house fostering capacity - this risk is too high in current context. Plan to revisit this savings work when Covid-19 situation stabilises.	
CSF2019-19	Increased use of in-house foster carers	20	20	0		20	0		EI Mayhew	DfE Covid-19 guidance requires local authorities to increase placement sufficiency. Recruitment campaign building on Covid-19 'community spirit' in motion.	

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

Ref	Description of Saving	2020/21 Savings Required £000	2020/21 Savings Achieved £000	Shortfall	20/21 RAG	2021/22 Savings Required £000	2021/22 Expected Shortfall £000	20/21 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
CSF2019-01	Review of CSF admin structure	200	200	0		200	0		El Mayhew	Business Support restructure completed in July 2019. There are no additional savings arising from this.	
	<u>Commissioning</u>			0							
CSF2019-11	Review of centralised commissioning budgets	90	90	0		90	0			Delivered in full	
	<u>CSF Other</u>			0		0	0				
CSF2019-22	PFI Unitary charges	400	400	0		400	0				
CSF2019-23	Pension and Redundancies charges	300	300	0		300	0				
	Total Children, Schools and Families Department Savings for 2020/21	2,969	2,305	664		2,969	300				

APPENDIX 3A

Department	Savings Target 2019/20	Shortfall 2019/20	Shortfall 2020/21
	£000	£000	£000
Corporate Services	1,484	100	70
Children Schools and Families	572	0	0
Community and Housing	1,534	118	0
Environment and Regeneration	2,449	1,612	2,079
Total	6,039	1,830	2,149

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

APPENDIX 3A

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 Shortfall £000	2020/21 RAG	Responsible Officer	Comments	R/IA Included in Forecast Over/Underpend? Y/N
ENV1819-05	Highways advertising income through re-procurement of the advertising contract for the public highway. New contract due to be in place by last quarter of 2019/20.	55	10	45	R	55	R	James McGinlay	Covid-19 impacted on saving, due to JC Decaux requesting to remove Q2 guaranteed income payment due to LBM.	Y
E1	Investigate potential commercial opportunities to generate income from provision of business advice. This follows on from the expansion of the RSP to include Wandsworth from November 2017, and increased resilience.	60	0	60	R	60	R	Cathryn James	This saving is conditional on income being generated from chargeable business advice/consultancy. The focus for the financial year 2019/20 needed to refocus from income generation to service improvement including a major IT project and restructure of the service. Key projects and staff vacancies has meant it has not been possible to achieve the savings targets set for this financial year.	Y
ENR4	Charge local business' for monitoring of their CCTV	100	0	100	R			Cathryn James	Alternative saving has been agreed for 2020/21.	N
ENV1819-03	The objective of the proposal is to support the delivery of key strategic council priorities including public health, air quality and sustainable transportation, in addition to managing parking, kerbside demand and congestion. Whilst implementation of the proposals will have the incidental effect of generating additional revenue, it is difficult to assess the level of change in customer behaviour and any subsequent financial impact arising from the changes. This will be monitored after implementation and any resulting impacts will be considered during the future years' budget planning cycles. The above will be subject to the outcome of the consultation process in 2019.	1,900	662	1,238	R	1900	R	Cathryn James	<p>PARKING PERMITS: The new charges were implemented on 14th January 2020. Early analysis shows a reduction in sales of Permits, including scratch cards, and a greater number of 6 month permits being sold than 12 month permits against historic trends, which is even more evident in the case of diesel cars permits. Unfortunately Covid 19 began only approximately 2 months after the introduction of the new charges, resulting in a significant change in Permit sales, which has made projections very difficult. Permit sales in Sept and October 2020 are now compared with previous years and will continue to be monitored on a monthly basis particular in light of Lockdown 2 (Nov 2020). Lockdown 3 has been announced with further unknown consequences, however Lockdown 2 did not show a significant change in activity, 12 month equivalent Permit sales for the year are estimated to be down by approx. 10% overall for the calendar year 2020. Lockdown 3 continues to make analysis of the savings difficult but full financial year estimates show this saving will not be fully met.</p> <p>ON STREET PARKING CHARGES - PAY & DISPLAY: Following the introduction of On Street charges, data showed expected income was being achieved, but off street showed a slight under recovery on estimated. Unfortunately, Covid 19 began only approximately 2 months after the introduction of the new charges, resulting in a reduction in parking activity, which makes analysis against budget projection near on impossible. For the period June through to October data showed off street activity at 50% of pre covid and on street at 80%. Lockdown 2 (Nov 2020) resulted in a reduction in 'on and off street' parking activity on this will be closely monitored as Covid tiers are implemented and changed in future months. December and Christmas parking data shows less activity than in previous year and now Lockdown 3 (Jan) will continue to have a further significant detrimental effect in 'on and off street parking' activity.</p>	Y
ALT3	Reduction in the number of pay & display machines required.	14	0	14	R	14	R	Cathryn James	Expected to be achieved in 2021/22.	Y
ENR9	Waste: Increase level of Enforcement activities of internal team ensuring the operational service is cost neutral	200	165	35	R			John Bosley	Alternative saving has been agreed for 2020/21.	N
E2	Waste: Thermal Treatment of wood waste from HRRC	30	0	30	R			John Bosley	This saving was replaced from 2020/21 by the underspend in residual waste disposal costs following the October 2018 service change.	N
E5	Letting of remaining vacant facilities in Greenspaces	50	0	50	R	50	R	John Bosley	One vacant property recently let, but saving impacted by C-19.	Y
E6	Increased tenancy income in Greenspaces	40	0	40	R			John Bosley	Alternative saving has been agreed for 2020/21.	N
Total Environment and Regeneration Savings 2018/19		2,449	837	1,612		2,079				

DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2019/20

Ref		2019/20 Savings Required £000	2019/20 Savings Achieved £000	Shortfall	RAG	2020/21 Shortfall £000	20/21 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Unders pend? Y/N
	Adult Social Care									
CH89	Older People Day Care Activities: -As less people are choosing to attend these formal day centre we currently having increasingly vacancies within these provisions which are not been utilised. The proposal seeks to assess and analyse the demand and supply of activity aimed at supporting older people to access community activity. This will objectively look at the supply of building based and non-building based activity, its utilisation and the limitations on providing what people expect and need within the current model. It is envisaged that this will include a rationalisation and reduction of the current level of building based 'day centre' activity. This is based on current demand statistics and will include consideration of the effect of 2018/19 reductions in contracted day centre services; which is covered in a separate EIA for that specific proposal.	236	118	118	R	0	G	Richard Ellis	Engagement with the new owner has established an agreed timeline that means that the majority of savings will not be achieved until the new year. The work is underway to ensure that delivery	Y
	Subtotal Adult Social Care	236	118	118		0				

Appendix 4

Subject: Miscellaneous Debt Update March 2021

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

- 1.1 A breakdown of departmental net miscellaneous debt arrears, as at 31 March 2021, 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 2021 – 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	Mar 21 arrears f	Dec 20 arrears	Direction of travel
	£	£	£	£	£	£	
Env & Regeneration	2,035,776	531,536	1,919,699	338,970	4,825,981	6,227,477	↓
Corporate Services	196,081	80,707	54,590	123,549	454,927	1,113,919	↓
Housing Benefits	304,562	288,613	903,593	3,512,975	5,009,743	5,043,802	↓
Children, Schools & Families	623,286	263,570	112,910	470,682	1,470,448	1,159,314	↑
Community & Housing	1,141,927	680,246	782,586	2,173,212	4,777,970	5,138,369	↓
Chief Executive's	-				-	-	-
CHAS 2013	61,042	22,881	764	2,077	82,610	110,608	↓
Total	4,362,674	1,867,553	3,774,143	6,617,310	16,621,679	18,793,489	↓

- 1.3 Since the position was last reported on 31 December 2020, the net level of arrears, i.e. invoices over 30 days old, has reduced by £2,171,810.
- 1.4 Since last reported at the end of December the only department debt to increase is Children's Schools and Families which has increased by £311,134.

- 1.5 The large CIL debt of £820,000 which has been reported to the Financial Task Group was paid at the end of April. This payment will not show in the figures above as they are only up to the end of March 2021.
- 1.6 The debt recovery team continue to proactively pursue all outstanding sundry debt, working with service departments to improve collection.

2 IMPACT OF COVID19

- 2.1 Towards the end of March 20, all recovery action for council tax, business rates, sundry debt, parking PCN's and enforcement work ceased.
- 2.2 The new years council tax and business rates bills had already been distributed to residents and businesses in the borough.
- 2.3 **Council Tax**
- 2.4 From early April residents who contacted the service were offered advice on claiming welfare benefits and deferral of council tax instalments to June or July. The yearly debt was not reduced but the amount due spread over the remaining months of the year. Approximately 2,700 residents have had instalments deferred.
- 2.5 Recovery action for non-payment of council tax re-commenced in May with reminders and SMS being issued. Recovery action has continued although we have not yet issued summonses for non-payment.
- 2.6 The Council held a remote Liability Order Hearing with Wimbledon Magistrates Court on 9 December. This pilot with the Court Service was successful and we obtained 1,400 liability orders, had 130 debts paid in full and 200 payment arrangements agreed.
- 2.7 The Court Service has now provided the Council with monthly Liability Order Hearings. The first one was held in mid-April. The Council obtained Liability Orders for council tax and business rates debts.
- 2.8 When last reported at the end of December, the forecasted shortfall in council tax income for the year was £2.838 million, Merton's share of this shortfall would be £2.240 million.
- 2.9 At the end of March, the full year collection rate was just 0.98% down from the previous year. The shortfall in council tax income for the year reduced to £1.197 million, Merton's share of this shortfall would be £946,000.

- 2.10 The improvement from December was due to increased payments in February and March as instalments had been deferred from earlier in the year.
- 2.11 **Business Rates**
- 2.12 From early April businesses who contacted the service were offered advice on government support and grants and offered the deferral of business rates instalments to June or July. The yearly debt was not reduced but the amount due spread over the remaining months of the year. Approximately 750 businesses have had instalments deferred
- 2.13 The government introduced new reliefs for many businesses. Over £44.8 million in expanded retail, hospitality and leisure relief has been granted to businesses. In addition, a further £799,000 relief has been awarded to nurseries
- 2.14 At the beginning of the year the net debt for all business rates was £95 million. Following the award of the reliefs mentioned above the net debt now being collected is £49 million
- 2.15 An analysis of outstanding debt showed many businesses that should be able to pay their rates had not paid. This included large supermarket retailers, delivery companies and large institutions. There were also many businesses that were not be in a position to pay due to the impact of covid19. Reminder notices for non-payment were issued in August 20. Businesses were asked to contact the team if they were having difficulty paying and in these instances we have further deferred payments and spread payment arrangements into 2021/22.
- 2.16 In March 21 targeted summonses were issued to some businesses for non-payment of rates. Liability Orders were obtain in April and debts passed to the Enforcement team for collection.
- 2.17 When last reported at the end of December, the forecasted shortfall in business rates income for the year had reduced to £5.149 million, Merton's share of this shortfall would be £1.544 million.
- 2.18 At the end of December, the forecasted shortfall in business rates income for the year had reduced to £3.814 million, Merton's share of this shortfall would be £1.144 million.
- 2.19 The improvement from December was due to increased recovery action including the issuing of summonses.
- 2.20 **Sundry Debt**

- 2.21 Invoices have continued to be issued since April. Commercial rent clients have had their first quarter invoice deferred and payments spread across the remainder of the year
- 2.22 Issuing of letters for non-payment was recommenced in early June although not for Commercial rent clients
- 2.23 As detailed in the table above in 1.2, debt older than 30 days for all departments has reduced since December 20 by just over £2.1 million.
- 2.20 Recovery action has continued on existing long term cases although the team have not been able to undertake visits and the legal service recovery has been affected with reduced court access.
- 2.21 Adult Social Care debt has reduced from £4.237 million at the end of December 20 to £3.690 million at the end of March 21. A reduction of £547,000.
- 2.22 In the past year Adult Social Care debt has reduced by £958,000. The improvements to working processes, targeted collection, increased legal action and ongoing monitoring has contributed to the improvement.
- 2.23 **Housing Benefit Overpayments**
- 2.24 Invoices have continued to be issued for new debts but no other recovery action has re-commenced.
- 2.25 Housing Benefit overpayment debt has reduced from £7.34 million in December 20 to £7.19 million at the end of March 21.
- 2.26 **Parking Debts**
- 2.27 Where parking enforcement has continued the service have progressed cases to Charge Certificate stage.
- 2.28 Debt Registration is now up to date and cases being passed to the enforcement team where they remain unpaid on a regular basis.
- 2.29 **Enforcement service (bailiffs)**
- 2.30 Enforcement Agents ceased visits in March before the Government formally announced a stop to enforcement work.
- 2.31 In May 20, Councillors agreed to re-engagement by letter and text with existing debtors with a more customer focused approach offering welfare advice and longer term arrangements.
- 2.32 In June 20, the enforcement admin team were furloughed by agreement of the Shared Enforcement Service Board.

- 2.33 Re-engagement letters were issued in late September 20 and the in house team re-commenced enforcement visits on 6 October 20 for Merton and Sutton parking debts only.
- 2.34 Risk assessments, new working procedures, refresher training have all been completed. All enforcement agents have been provided with PPE and have been instructed on undertaking covid-19 assessments within their work.
- 2.35 Enforcement action recommenced for Merton council tax cases in November. The amount of debt and fees collected by the team for the three month period October to December is considerably lower than prior to the pandemic. This is to be expected as Enforcement Agents are restricted with the action they can take.
- 2.36 There has been a gradual increase in debt and fees collected in February and March 21.

3. TOTAL DEBT DUE TO MERTON

The total amount due to Merton as at 31 March 2021 is detailed in the table below.

Total debt outstanding as at 31 March 2021 and compared with previous periods over the past 15 months

	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21
	£	£	£	£	£	£
Miscellaneous sundry debt Note 1	12,584,544	15,997,460	18,485,599	15,943,871	16,453,772	16,414,842
Housing Benefit debt	7,653,539	7,644,804	7,758,894	7,611,691	7,342,968	7,190,534
Parking Services	4,183,930	3,489,345	3,645,037	3,967,251	4,895,362	4,661,940
Council Tax Note 2	6,496,094	8,755,512	8,182,271	7,721,592	7,139,145	10,927,588
Business Rates Note 3	1,941,014	3,661,859	3,725,128	3,689,921	3,611,524	8,414,383
Total	32,859,121	39,548,980	41,796,929	38,934,326	39,442,771	47,609,287

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 2020/21 in March 21 figures hence the increase.

Note 3 Business rates debt now includes unpaid business rates for 2020/21 in March 21 figure hence the increase.

3.1 The overall debt outstanding has increased by £8,166,516 since last reported at the end of December 2020. The large increases are mainly for council tax and business rates as the debt for 2020/21 has now been included.

3.2 A more relevant comparison is between March 2020 and March 2021. The changes in outstanding debt are as follows

Overall £8,060,307 increase
 Sundry debt £417,382 increase
 Housing Benefit £454,270 decrease
 Council Tax £2,172,076 increase
 Parking £1,172,595 increase
 Business Rates £4,752,524 increase

3.3 The large increase in previous years debts for council tax and business rates is due to the lower collection rates due to the impact of the pandemic and the fact that we have not undertaken normal recovery action during the year.

3.4 Detailed breakdowns of the Council Car Parking figures as at 31 March 2021 are shown in the table below:

Age of Debt			
Age of Debt	Outstanding	Number of PCNs	Average Value
0-3 months	£		£
3-6 months	£604,681	6,606	£92
6-9 months	£508,533	3,310	£154
9-12 months	£554,262	3,264	£170
12-15 months	£397,539	2,198	£181
Older than 15 months	£300,188	1,647	£182
Total	£2,296,737	12,796	£179
	£4,661,940	29,821	£156
Total December 2020			
	£4,895,362	31,905	
Increase/-decrease			
	£233,422	2,084	

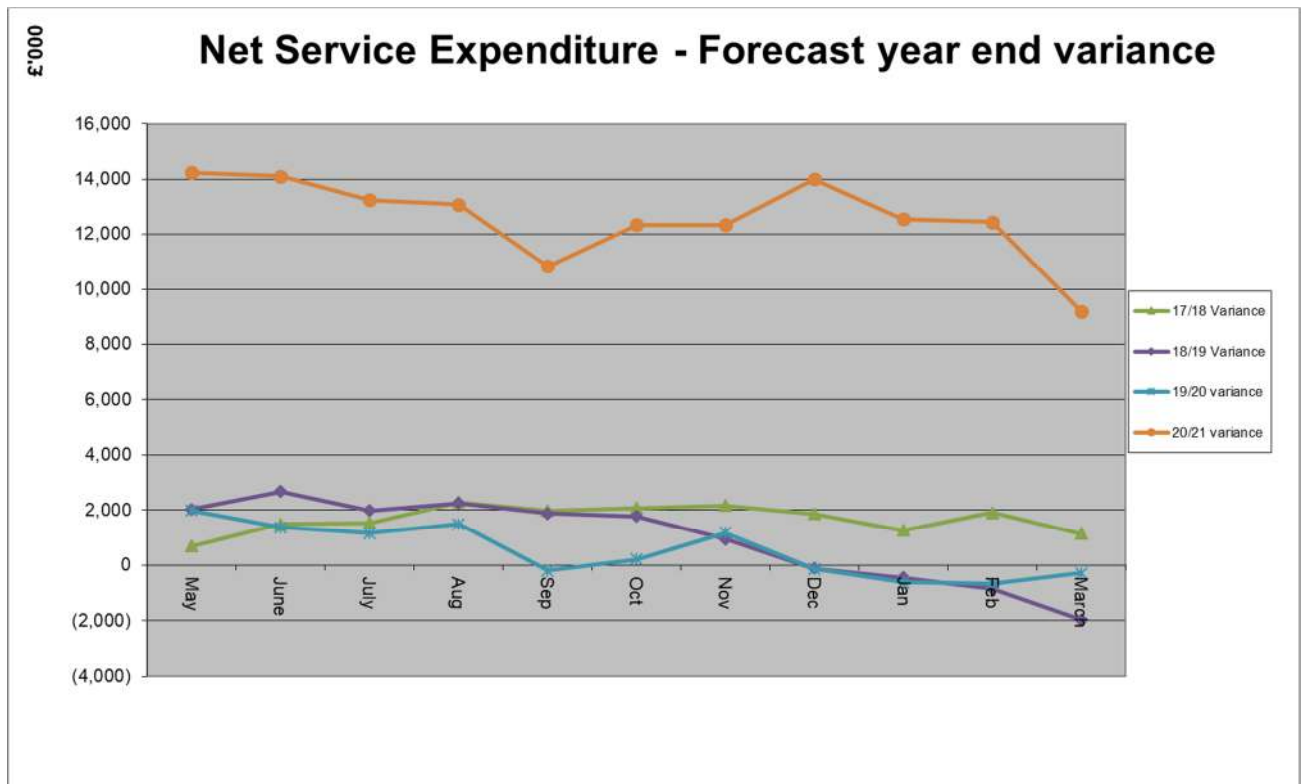
APPENDIX AUTHOR - David Keppler (020 8545 3727/david.keppler@merton.gov.uk)

Quality of Forecasting

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

The quality of accurate forecasting has visibly reduced in 2020/21. This is largely, but not exclusively, due to the large scale uncertainty around the covid-19 pandemic and its impact on the Council's services. It has consequently reduced many services' ability to determine likely levels of demand and income generation. In addition, the extra workload and pressure on some front line services may have inadvertently reduced the time and resources available to dedicate to the monthly budget monitoring process. Demonstrated by the graph below is a stark comparison between outturn and monitoring for 2020/21 compared with recent years.

Budget monitoring and forecasting will continue to be reviewed and challenged in 2021/22 with the focus on accurate forecasting for the financial impact of Covid-19 and on improving the training offer for budget managers, targeting high financial value areas which have demonstrated a lack of accuracy during 2020/21.



Corporate Services – Reasons for January to Outturn variances

Division	December Forecast variance £'000	January Forecast variance £'000	February Forecast variance £'000	Outturn variance £'000	January – Outturn Variance £'000
Customers, Policy & Improvement	926	975	975	915	(60)
Infrastructure & Technology	210	151	135	(51)	(202)
Corporate Governance	(98)	(77)	(89)	(88)	(11)
Resources	2203	2,118	2,101	1,811	(307)
Human Resources	157	154	154	102	(52)
Corporate Other	916	885	867	1,057	172
Total	4,314	4,206	4,143	3,746	(460)

Customers, Policy & Improvement

The adverse forecast variance reduced from £975k expected at period 10 to £915k at year end. Whilst there were some smaller changes offsetting one another within the division, the main area of change was the Registrars Service. Forecasting income for the service was complicated by the various covid restrictions in place throughout the year and the position improved significantly by year end as national restrictions began to ease and demand for the registrars service increased. Going into 2021/22, income in the service will be kept under close review as levels of uncertainty around covid improve and forecasting can therefore become less cautious.

Infrastructure and Technology

The outturn position of a £51k favourable variance has significantly improved compared to the period 10 forecast adverse variance of £151k. The vast majority of the change between forecasts and outturn occurred within Facilities and Business Systems.

Across the various buildings in the Facilities portfolio, the outturn was £131k less than forecast at period 10. This was due to numerous buildings maintenance works which had been expected to be completed within the financial year but, due to covid, it was not possible to get contractors on site to carry out the works by the end of March 2021. Whilst the circumstances around covid and lockdown restrictions caused issues getting contractors on site, the uncertainty around these works being completed had not been flagged at an earlier stage. Closer scrutiny of the level of outstanding commitments and spend to date will be addressed to avoid similar issues in the new year, though it is thought the availability of contractors should become easier to predict as we emerge from the pandemic.

Within the Business Systems team the outturn variance was £108k more favourable than forecast at period 10. This is due to many factors, one of which being the complexity of the forecast model being used which was more susceptible to human error. Other issues were around the uncertainty of the level of staffing costs which could be capitalised, the years in which licence costs would be incurred and accounted for and the timing of vacancies being filled. To address these issues the capital finance team will be undertaking more regular reviews of requests for capitalisation and the budget management team will be working more closely with the budget manager to support accurate forecasts being generated that tie in with recruitment plans of the service and timing of licence/support and maintenance contracts.

Corporate Governance

Corporate Governance's outturn favourable variance is £88k compared to £77k forecast at period 10. This relatively small difference is due to the receipt of a grant in Information Governance which hadn't previously been confirmed, a lower charge from Richmond Council for the shared Internal Audit service and an improved surplus generated by the South London Legal Partnership (SLLp).

Offset with the above is increased costs due to higher requests for postal vote applications leading up to the May 2021 elections and reduced property income in the legal service.

Resources

The outturn in resources had a net favourable movement of £307k from the period 10 forecast position.

The main favourable movements within the division came from the Revenues and Benefits services, largely due to the uncertainty caused by covid and additional funding achieved. The Bailiffs service (including the Sutton element) had a significant adverse variance of £887k but this was an improvement of £81k compared to the period 10 forecast. This was because the team were able to improve income in the final months of the year having not been able to operate for much of 2020/21 as a result of covid. Within the Local Taxation service the outturn variance was £263k better than anticipated at period 10, this was due to a further summons run which was able to be completed in March 2021 and which was previously unknown at the time of forecasting. There was also additional funding from the GLA which was unknown at the time of period 10 forecasting but had been identified as part of a review at period 11, and various smaller over-estimates for postage and staffing costs. The Benefits Administration team also improved their position by £76k compared to period 10, partly due to an additional Housing Benefit admin grant which was only advised by DWP on 12 March 2021.

Offsetting with some of the above favourable changes within Resources were increased costs in Insurance to cover claims handling and increased premiums following property valuations and Corporate Accountancy as a result of additional external audit fees proposed, such as for further testing of the 2018/19 housing benefit claim. This in turn resulted in the subsidy clawback cost to LBM being revised from over £0.4m to zero.

Human Resources

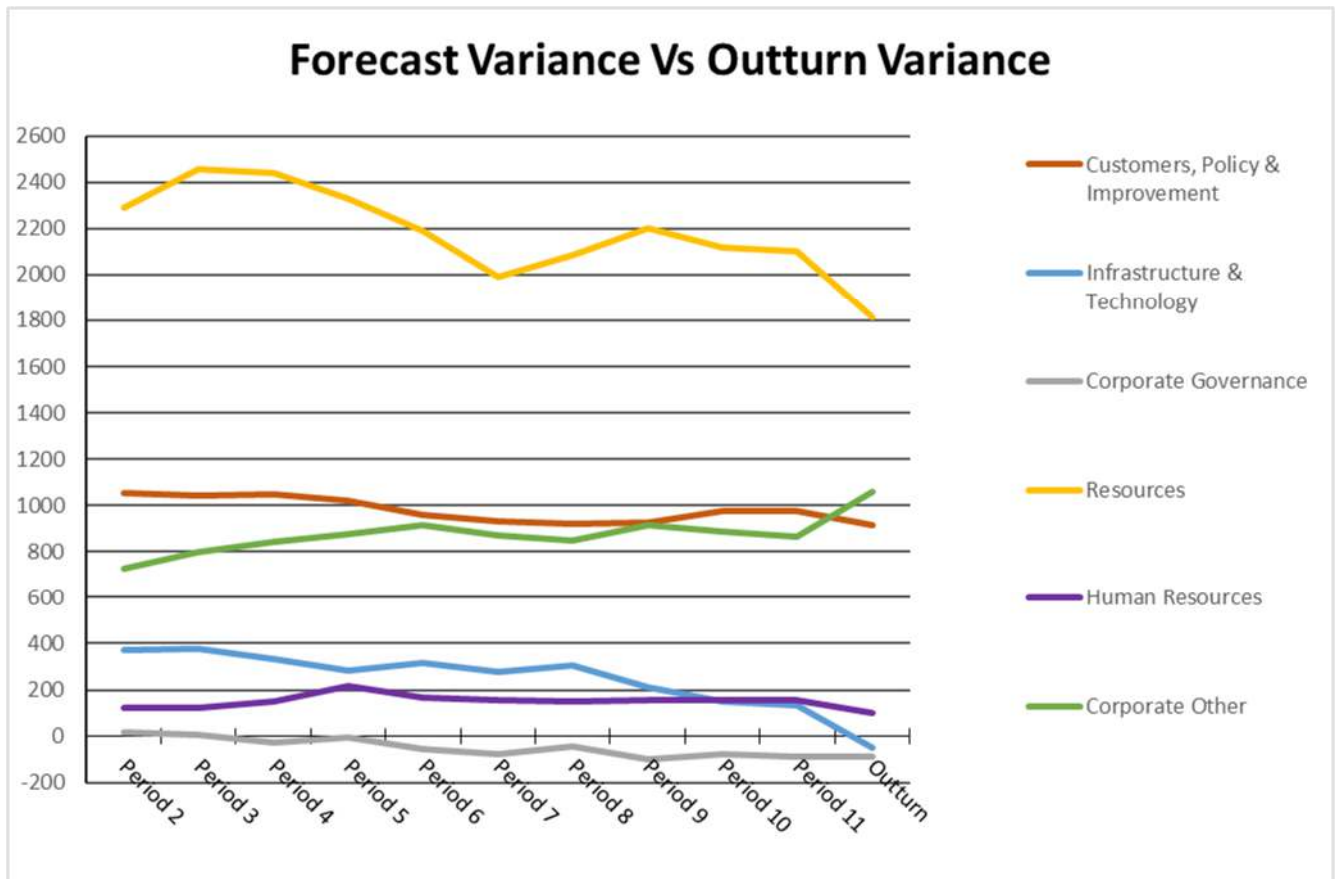
The variance on HR moved from £154k adverse variance forecast at period 10 to £102k adverse variance at year end.

The movement in HR is mainly due to the charge from Kingston Council for the shared Itrent team and payroll service being less than expected following difficulty in obtaining revised estimates from Kingston during the year, additional income on the payroll service from schools and internal recharge income from other departments to cover long service awards.

Corporate Items

Compared to period 10, the outturn variance has moved adversely by £172k. The main contributing factor is having provided for costs of a new HR contract which will be required in the coming year. Offsetting with this is an improved position of the Housing Benefits (HB) account as the subsidy clawback for 2018/19 was not needed following additional testing of the claim by EY.

The following graph represents the monthly forecast variances reported by each division throughout 2020/21, 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	9,198	9,254	9,257	8,973	(281)
Public Space	1,874	1,794	1,851	2,003	209
Senior Management	(98)	(129)	(113)	(134)	(5)
Sustainable Communities	352	20	11	(153)	(173)
TOTAL	11,326	10,939	11,006	10,689	(250)

Public Protection – favourable movement of £281k

The principal reasons for the improvement between January and outturn relates to Parking Services and Regulatory Services. The adverse variance within Parking Services reduced by £180k mainly due to income (£129k) whereby the position on PCN and P&D improved by £172k and £73k respectively. This was partially offset by lower than expected permit income of £150k.

The impact of covid-19 has resulted in complexities with accurately forecasting income projections as the nation eased out of the January 2021 lockdown. However, detailed monthly analysis resulted in the respective above mentioned movements between January and outturn being only 3.7%, 2.3%, and 3.4%. Therefore, taken in context, the difference between January and outturn is relatively minor.

Finally, supplies & services costs were £60k lower than forecast mainly due to the fact that the forecast included the placement of signage around the borough relating to emissions based charging being undertaken twice as the Council followed due process but, due to timing delays, only one had been carried out by outturn.

The position within Regulatory Services also improved between January and outturn by £86k, mainly as a result of the section being able to recharge additional staff costs against both the Test & Trace, and the Outbreak Contain & Management grants. In addition, licensing income levels improved by £30k between January and outturn.

A relatively minor variation was experienced between January and outturn within the position within Safer Merton improving by (£14k).

Public Space – adverse movement of £209k

The forecast variance remained relatively steady when comparing January to outturn, with the exception of Waste Services whereby the adverse variance increased by £328k.

The main reason for this relates to the Council's waste collection and street cleansing contract (Phase C), whereby a £270k provision was created in the accounts at year-end. The amount reflects the contractor's claim for a reduction in guaranteed income due to the Authority from the impact of covid-19. As yet no agreement has been reached with regards to this but the potential loss of income falls within the scope of the Income Compensation Claim form submission to Central Government.

In addition, disposal costs were £155k higher than forecast mainly as a result of the Council being liable for disposal costs relating to Schedule 2 properties (£115k), but only being invoiced in March, resulting in the costs being omitted from January's forecast.

This was partially offset by an improvement in the net income from issuing fixed penalty notices of £31k, and other Phase C related costs of £36k

Minor variations were experienced within Leisure & Culture (-£11k), Greenspaces (-£51k) and Transport Services (-£56k).

Sustainable Communities – favourable movement of £173k

Between January and outturn the adverse variance of £20k was replaced with a favourable variance of £153k, principally within Future Merton (-£226k), and Development & Building Control (+£108k).

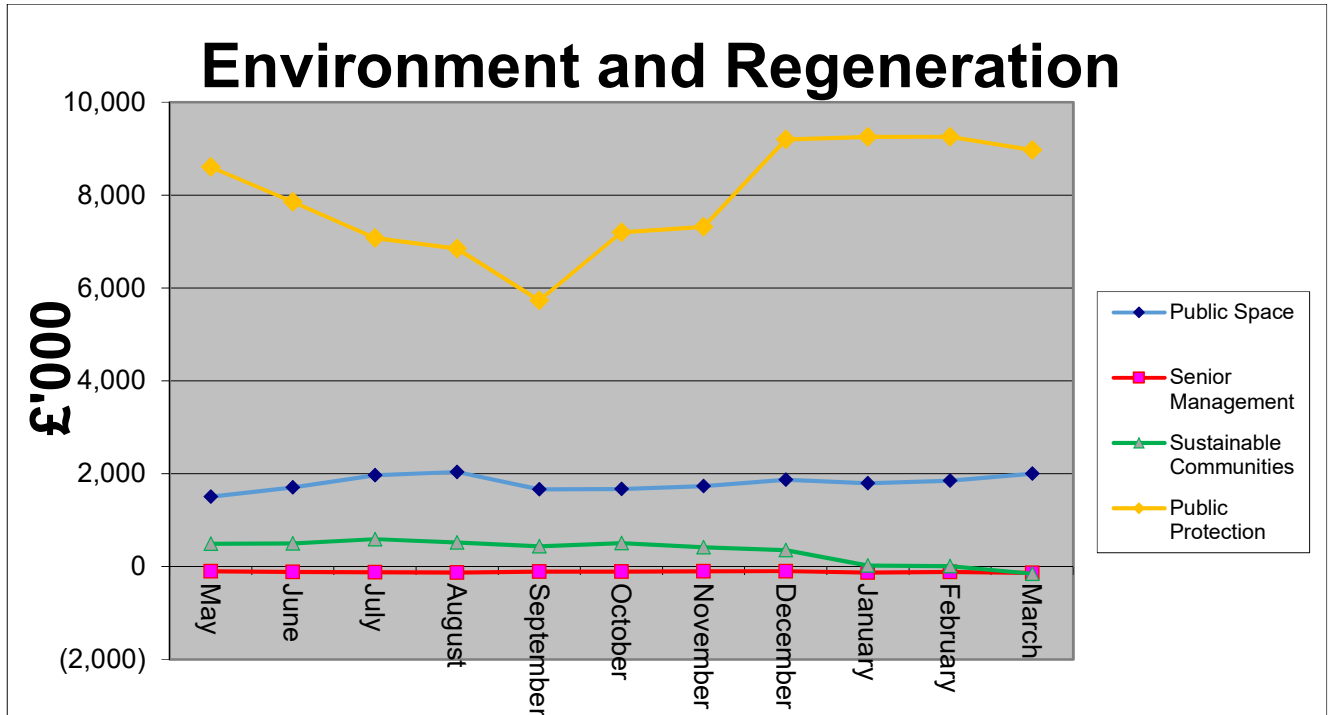
As at Period 10, the section had an income expectation of £60k from 2019/20 (sundry debtor) relating to services provided to a developer in relation to a Planning Performance Agreement. However, the developer had paused planning activity pending a review of their business plan. Therefore, although the developer still planned to proceed with the associated work with discussions in progress, a prudent approach of not forecasting the income was taken. By year-end these discussions had been finalised, and the Authority duly received an income payment resulting in a January to outturn movement of £114k.

The section also ended the year with higher than expected street works & permitting, and temporary orders income of £89k, as businesses resumed carrying out work on the highways during the latter stages of the financial year.

The increase in Development & Building Controls adverse variance of £108k was due to a combination of legal & counsel fees in relation to a Public Enquiry (£44k), staff costs (£22k), and lower than anticipated income (£32k).

A relatively minor variation was experienced within Property Management & Review (-£56k).

The following graph represents the monthly forecast variances reported by each division throughout 2020/21, compared to the final outturn position:-



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

Summary

The first table shows forecast variances since December 2020/21.

Division	December Forecast variance	January Forecast variance	February Forecast variance	Outturn variance	January – Outturn Variance
	£'000	£'000	£'000	£'000	
<u>Education</u>					
Education Budgets	(836)	(988)	(988)	(1,719)	(731)
Depreciation	0	0	0	0	0
Other Education Budgets	0	0	0	(84)	(84)
Education Services Grant	0	0	0	0	
Education sub-total	(836)	(988)	(988)	(1,803)	(815)
<u>Other CSF</u>					
Child Social Care & Youth Inclusion	(101)	(397)	(397)	(908)	(511)
Cross Department	(69)	(225)	(225)	48	273
PFI Unitary Costs	(556)	(556)	(556)	280	836
Pension and Redundancy Costs	0	0	0	(589)	(589)
Other CSF Sub-total	(726)	(1,178)	(1,178)	(1,169)	9
Grand Total	(1,562)	(2,166)	(2,166)	(2,972)	(806)

CSF outturn variance from January outturn can be summarised as follows:

CSC – (£511k)

Education – (£731k)

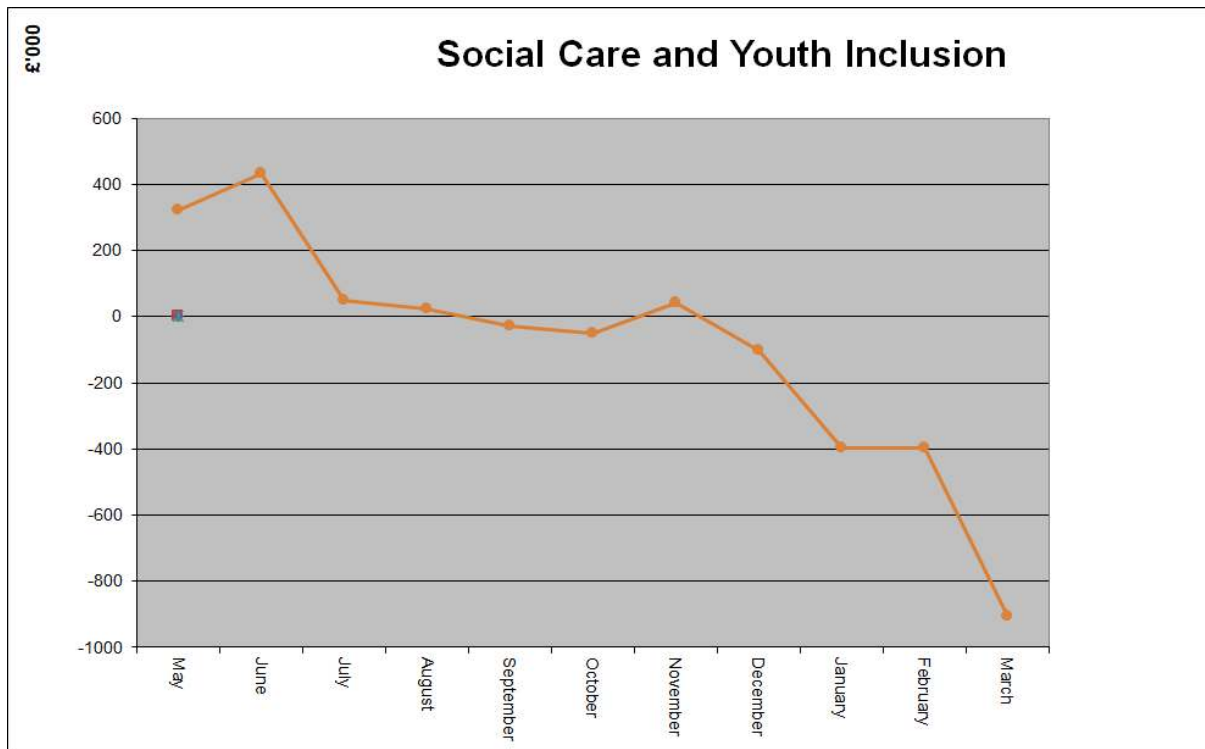
Other Cross Departmental (Joint Commissioning) – £273k

Other CSF - £164k broken down into PFI £836k and Pensions and Redundancy Costs (£589k).

In total the variance from January to Outturn is (£806k). The Pension and Redundancy variance is a one-off position where the fund was in surplus last year and a contribution was not required. It is currently unclear if this will be repeated.

The remainder of this narrative explain the above in more detail.

Children's Social Care and Youth Inclusion Division

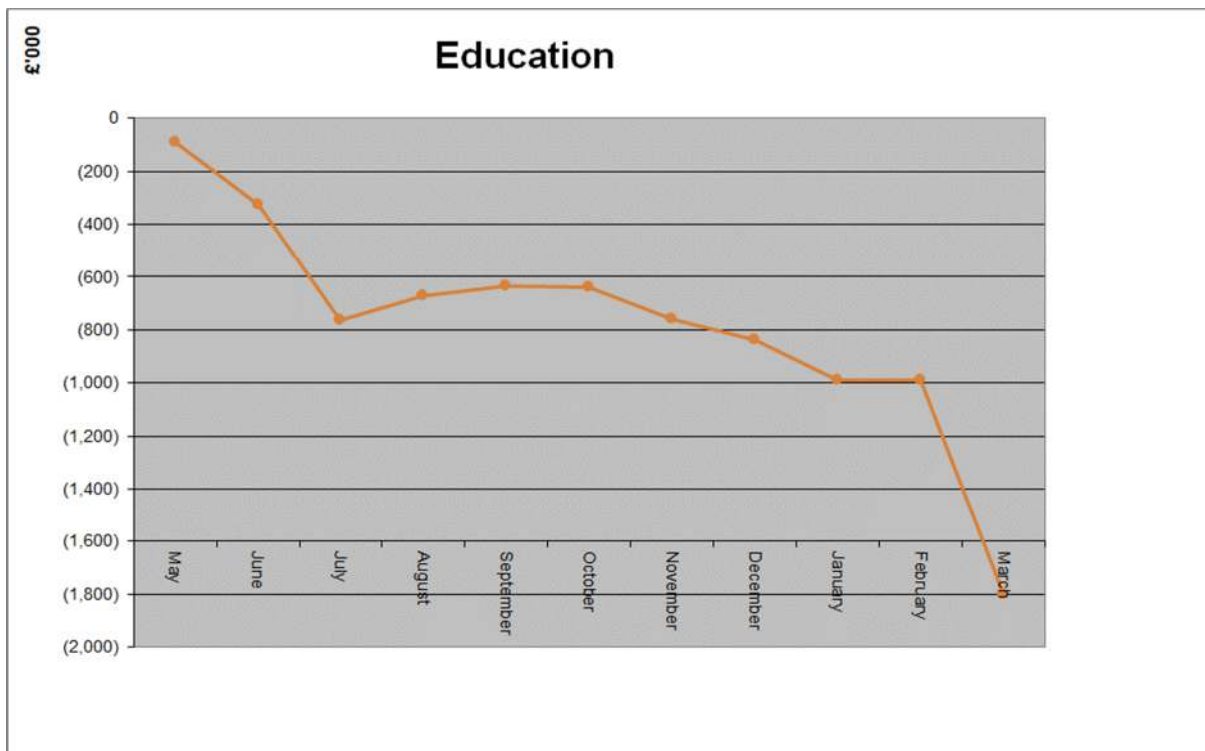


The favourable outturn position has significantly improved since the forecast at period 10.

Whilst there are some smaller areas of change offsetting each other the main areas of change were a favourable variance reduction within the Central Social Work teams mainly related to increased staffing and agency costs; a reduced adverse variance in the MASH and Child Protection Service relate to a reduction in payment to housing associations and a reduced adverse variance in Children in Care and Resources related to underspends in residential placements, supported housing and staying put and secure accommodation .

A number of these variances, particularly those relating to Children in Care will require further budget forecasting training to be undertaken with cost centre managers to improve the position for 2021/22.

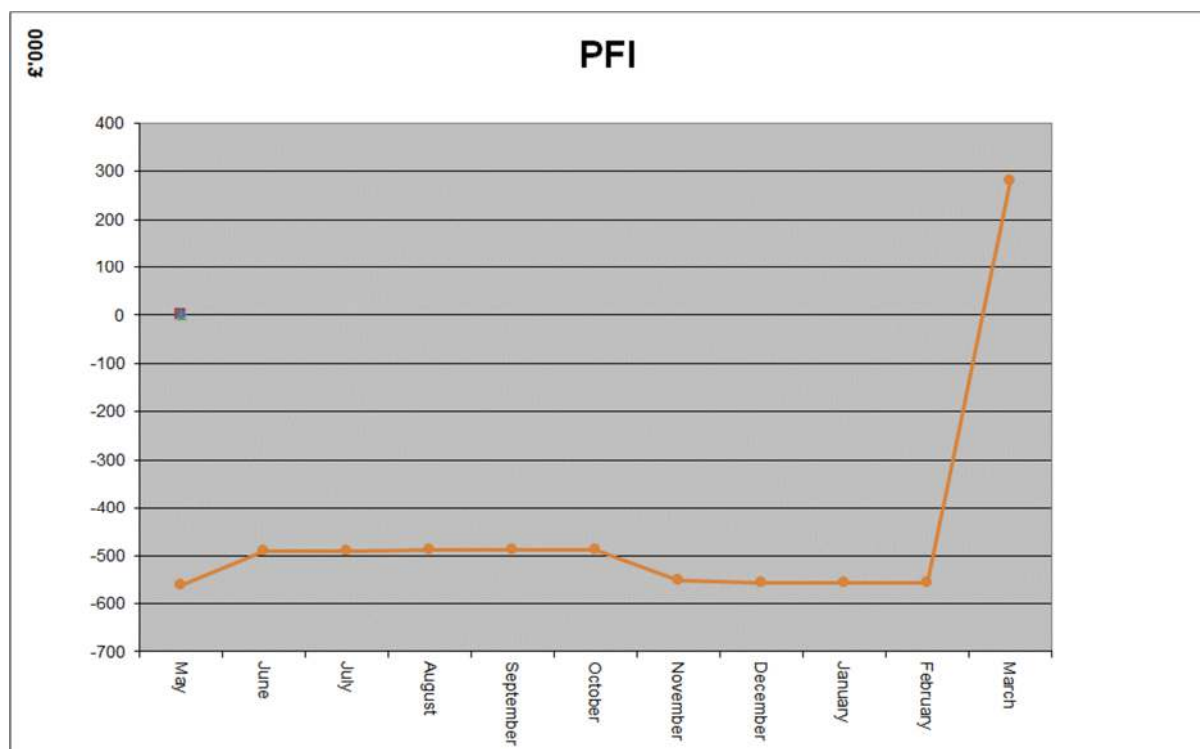
Education Division



The favourable outturn position has significantly improved since the forecast at period 10.

Whilst there are some smaller areas of change offsetting each other the main area of change was an increased favourable variance in relation to the SEN tax spend. This budget has been difficult to forecast this year due to constant changes in the status of schools in relation to their opening and the closure of bubbles or classes at short notice in relation to infection control and self-isolation requirements. Further focus will be required on the forecasting of the transport budget moving forward taking into account the continued volatility of the situation in relation to the pandemic.

Other CSF



Schools PFI

The movement against this budget since Period 10 is £836k. This is primarily due to payments to contractors and payments to and from schools.

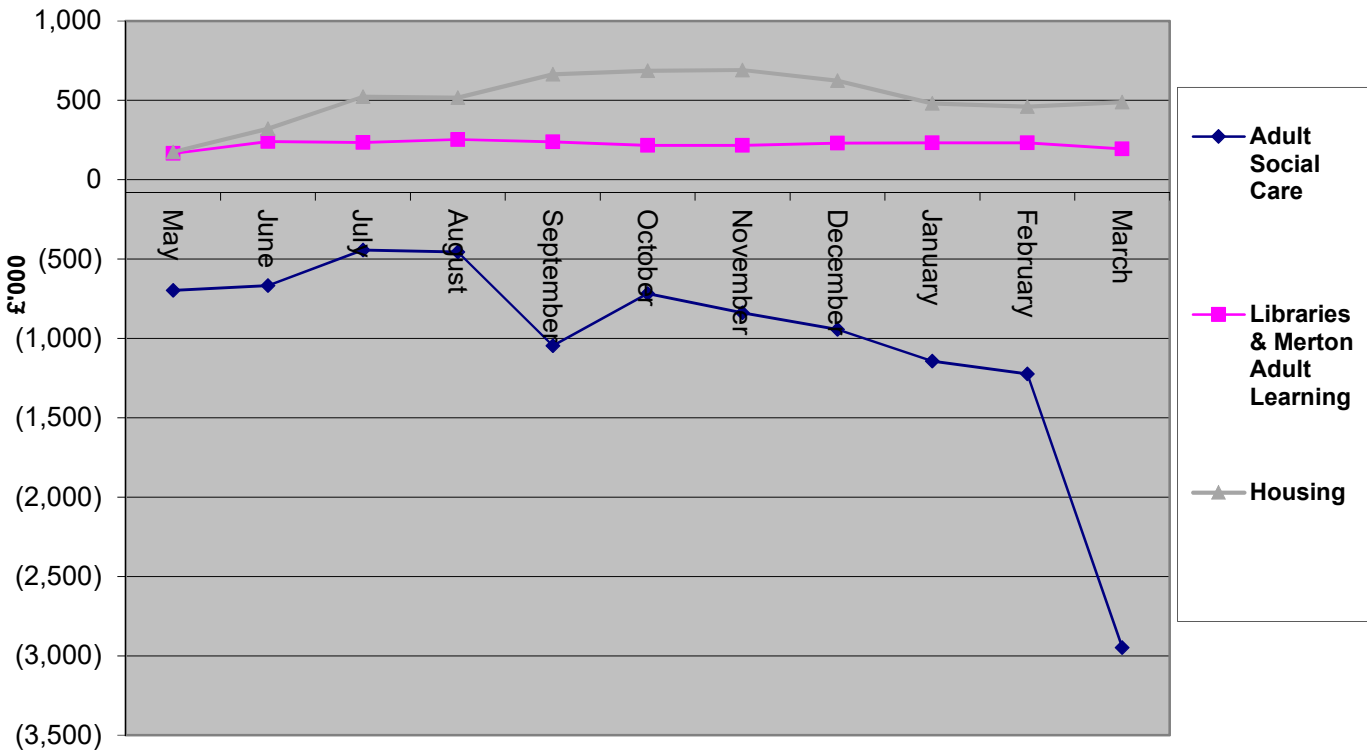
Community & Housing – Reasons for Jan -Outturn variances

Division	December Forecast variance £'000	January Forecast variance £'000	February Forecast variance £'000	Outturn variance £'000	Jan–Outturn Variance £'000
Adult Social Care	(943)	(1,142)	(1,224)	(2,947)	(1,805)
Housing	623	480	460	489	9
Libraries & Merton Adult Learning	230	233	233	195	(38)
Public Health	0	0	0	0	0
TOTAL	(90)	(429)	(531)	(2,263)	(1,834)

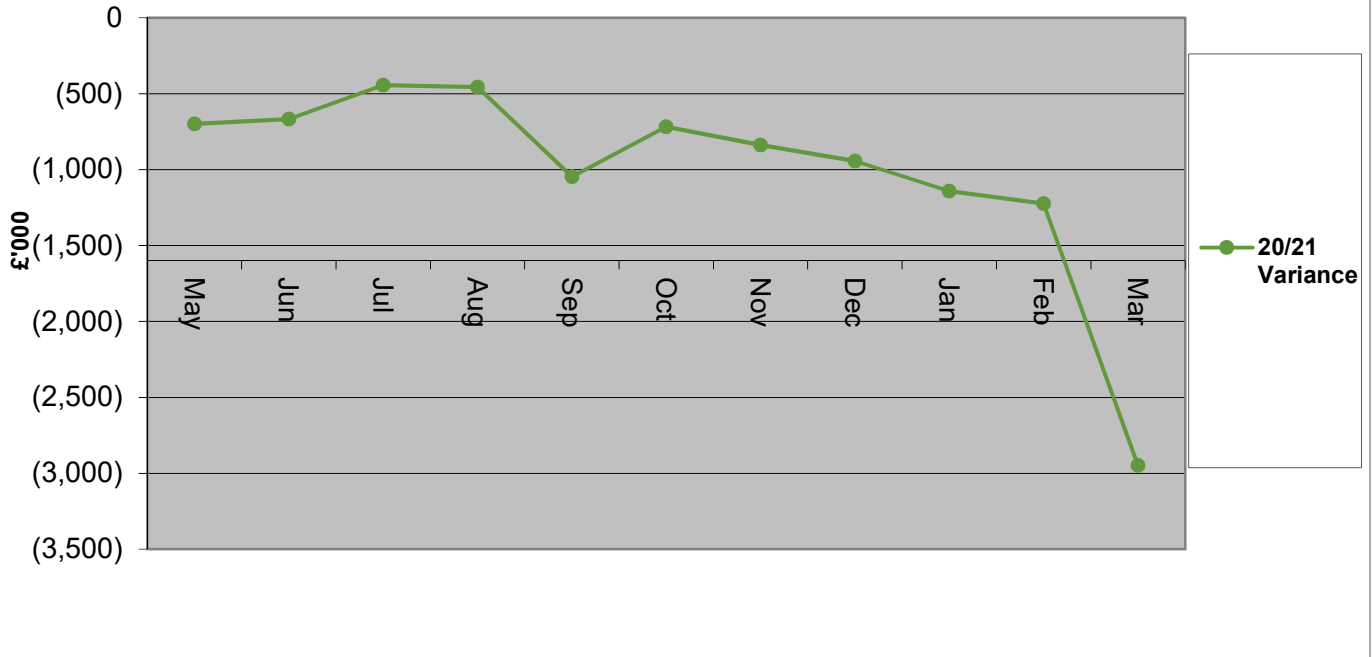
The following graph represents the monthly forecast variances reported by each division in community & housing throughout 2020/21 compared to the final outturn position: -

It shows that forecasting during 2017/18 to 2019/20 the outturn position was similar or quite close to forecasted except in 2020/21 the covid-19 pandemic has affected particularly Adult Social Care forecasting as it was prudent to forecast based on the best information available.

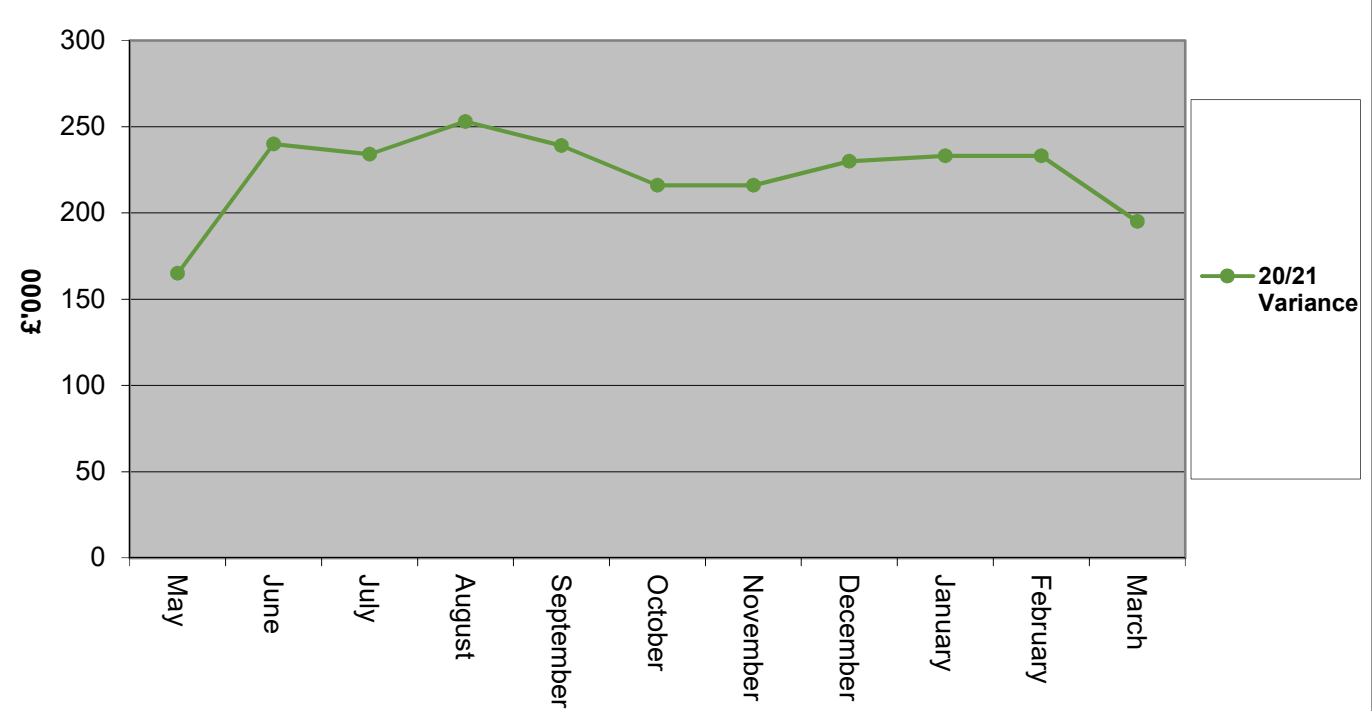
Community and Housing 20/21

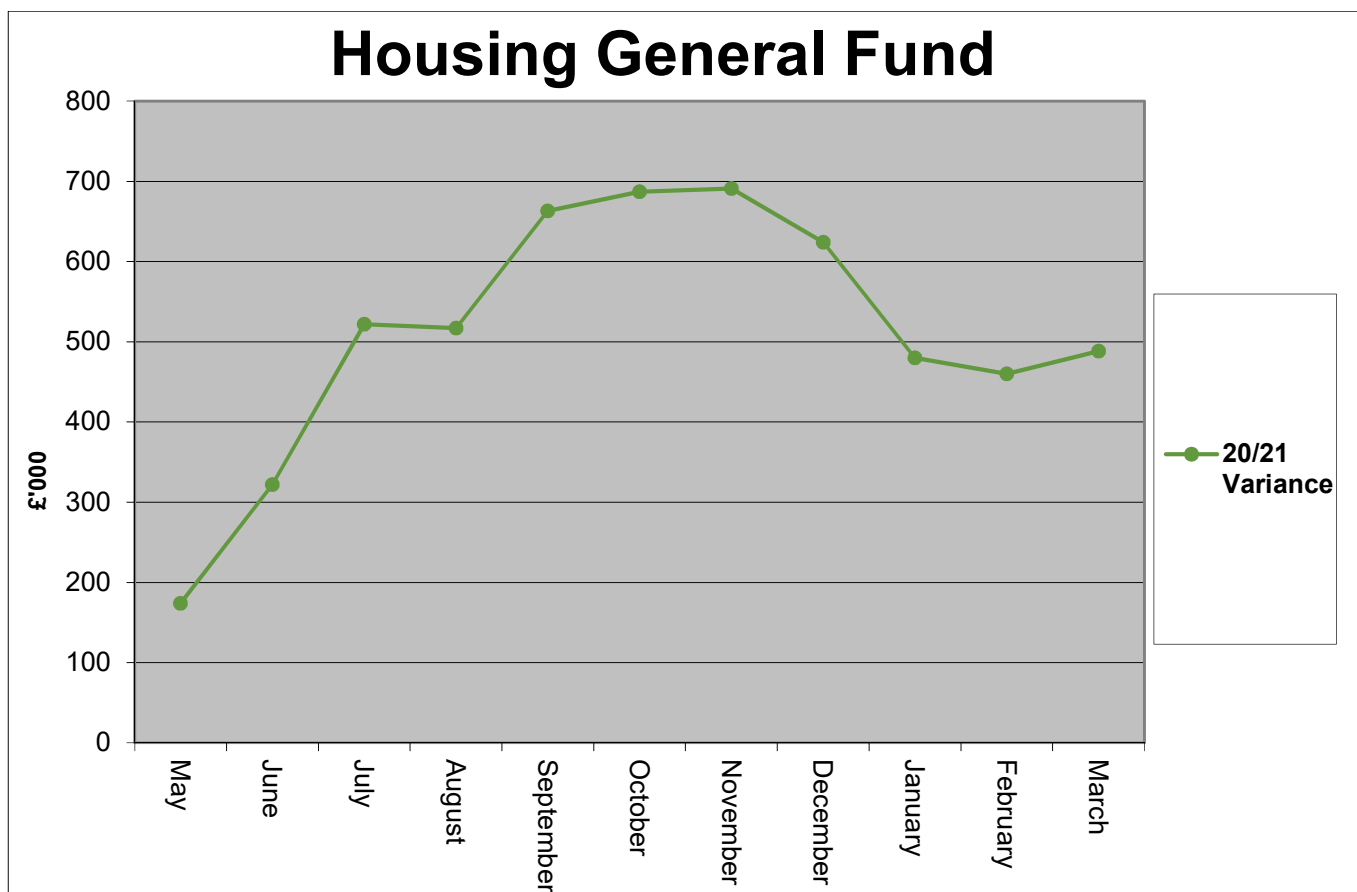


Adult Social Care



Libraries & Adult Education





Community & Housing (C&H)

C&H Outturn to period 10 has varied by **£1.8m**.

- Adult Social Care - (£2.9m)** which is due primary to the uncertainty during the covid-19 pandemic, it was not a situation that the service has experienced and the constant changing environment, the number of clock downs and the unpredictability of forecasting placement expenditure. There were a significant amount of unknowns and insufficient data during this period such as on whether external day care costs were payable, suspension and variation in homecare packages and the income collection was better than expected. This favourable outturn position seems to have been experienced by a number of authorities. The pandemic remains but Adult Social Care has sought to learn from this experience and in terms of placement and client income data there will be additional checks and a new process which should improve data but unfortunately this will take longer to produce.
- Housing - £489k** This is due to increase in temporary accommodation activity, rent deposits and less income than expected HMO licences due to the pandemic.
- Libraries & Merton Adult Learning - £195k** unfavourable position on Libraries due to loss of income, one off business rates and increase cost for security costs. It is expected however that loss of income will continue into 2021/22 as libraries main close and rent relief is given to leasers. Merton Adult Learning achieved a breakeven position.

- **Public Health** – Achieved a breakeven position and a transfer to reserves due to the delay in projects and on-going negotiations with a provider.

Covid-19– Central Items

Department	December Forecast	January Forecast	February Forecast	Outturn	Jan– Outturn Variance
	£'000	£'000	£'000	£'000	£'000
Corporate Services	800	717	717	730	13
Children, Schools and Families	400	400	400	73	(327)
Community & Housing	5,417	5,404	5,404	3,119	(2,285)
Environment and Regeneration	1,784	1,752	1,752	1,434	(318)
TOTAL	8,401	8,273	8,273	5,356	(2,917)

Corporate Services

There was a minimal difference of £13k between period 10 and outturn for spend in central items for covid 19 originating from the Corporate Service departments.

Children, Schools and Families

Estimates throughout the year have declined from over £1m midway through year, revised in period 9 downwards to £0.4m. The actual expenditure relates to social work interim staff supporting covid related activity.

Community & Housing

The difference of £2.3m between P10 and outturn is due to a number of factors such as payments to the community hub and other relating shielding activities were eventually covered by the Clinical Commissioning Group (CCG) and late the receipt and allocation of the CEV shielding grant.

An agreement was also reached with the CCG to cover the overtime cost relating to brokerage and hospital discharge staff.

It is important to note that forecast during the year was based on estimated cost for the department regarding additional staffing required, potential payment to providers to secure beds due to the limited number of suppliers in the market, PPE and an estimated cost for the provision of 'Hot Bed's during wave 2 as it was viewed that LBM will be responsible for this cost which never materialised.

Environment and Regeneration

The principal reason for the reduction between P10 and outturn is due to c£296k of the Mortality Management Wave 2 contribution being treated as a prepayment.