CMT/CABINET

Date: 27 September

Subject: Financial Report 2022/23 – Period 5 August 2022

Lead officer: Roger Kershaw

Lead member: Councillor Billy Christie

Recommendations:

A. That Cabinet note the financial reporting data for month 5, August 2022, relating to revenue budgetary control, showing a forecast net adverse variance at 31 August on service expenditure of £2.317m when corporate and funding items are included.

B. That CMT note the contents of Section 5 and approve the adjustments to the Capital Programme contained in Appendix 5b
That Cabinet note the contents of Section 5 and Appendix 5b of the report and approve the adjustments to the Capital Programme in the Table below:

	Budget 2022-23	Budget 2023-24	Budget 2024-25	Narrative
Corporate Services	£	£	£	
Invest to Save schemes - De-Carbonisation scheme	137,000			Additional spend covered by Grant
Business Systems - Environmental Asset Management	(240,000)	240,000		Reprofiled in line with projected spend
Business Systems - Revenue and Benefits	(700,000)	300,000	400,000	Reprofiled in line with projected spend
Business Systems - Spectrum Spatial Analyst Replacement (GIS)	(100,000)	100,000		Reprofiled in line with projected spend
Community and Housing				
Major Projects - Social Care H - Learning Disability Housing	(50,000)	(1,528,000)	1,578,000	Reprofiled in line with projected spend
Children, Schools and Families				
Unlocated Primary School Proj	(32,500)			Reprofiled in line with projected spend
Raynes Park - Schools Capital Maintenance	32,500			Reprofiled in line with projected spend
Medical PRU - PRU Expansion	30,000	(30,000)		Reprofiled in line with projected spend
Environment and Regeneration				
Pay and Display Machines	20,000			Virement from Car Park Upgrades
Car Park Upgrades	(20,000)			Virement to Pay and Display Machines
Parks - New Water Play Feature Wimbledon Park	43,000	(226,000)		Unspent SCIL Balance on Project Relinquished
Parks - Abbey Ward	8,240			Funded by NCIL
Parks - Figges Marsh	4,980			Funded by NCIL
Parks - Multi Use Sports Areas	6,400			Funded by NCIL
Parks- Wimbledon Park NCIL Ward	13,080			Funded by NCIL
Total	**(847,300)**	**(1,144,000)**	**1,978,000**	

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

1.1 This is the Period 5 monitoring report for 2022/23 presented in line with the financial reporting timetable.
This financial monitoring report provides -

1.1.1 A full year forecast projection as at period 5.
1.1.2 An update on the financial impact of Covid-19
1.1.3 An update on the capital programme and detailed monitoring information;
1.1.4 An update on Corporate Items in the budget 2022/23;
1.1.5 Progress on the delivery of the 2022/23 revenue savings

2. THE FINANCIAL REPORTING PROCESS

2.1 The Council's services are still under pressure due to the need to support businesses and residents, particularly vulnerable groups in need of social care and there has been a major reduction in the Council's income which is expected to continue for some time. The detrimental impact of Covid-19 continues to be monitored closely given its impact on service delivery.

2.2 The Council is also facing significant inflationary pressures in the supply of goods and services to the Council, energy costs, cost of borrowing and potential wage increases against budget add to the Council's financial challenges in 2022/23 and future years. Whereas higher interest rates will have a positive impact on our investment returns these will be overshadowed by the inflationary pressures the Council faces together with the potential for increased demands for some of the Council's services due to the cost of living crisis.

2.3 There are also significant pressures on the Dedicated Schools Grant (DSG) which are being monitored. The cumulative deficit at the end of 2021/22 was £26.930m and the deficit is forecast to continue to increase to £34.39m by the end of 2022/23 after the second tranche of Safety Valve funding. The Safety Valve programme is starting to have a positive impact, but progress is currently behind the agreed target.

2.4 Chief Officers, together with budget managers with support from Service Financial Advisers are responsible for keeping budgets under scrutiny and ensuring that expenditure within areas which are above budget are being actively and vigorously controlled and where budgets have favourable variances, these are retained until year end. Any final overall adverse variance on the General Fund will result in a call on balances.

3. 2022/23 FORECAST OUTTURN BASED UPON LATEST AVAILABLE DATA

Executive summary – At period 5 (to 30 August 2022), the year-end forecast is a net adverse variance of £8.393m on Net Service Expenditure; a favourable variance of £5.647m on Corporate Provisions; and a small adverse variance of £0.054m relating to Covid-19. A summary is provided on the following details and more detailed analysis by Department is set out in Section 4 of the report.

	Current Budget 2022/23 £000s	Year to Date Budget (Aug) £000s	Year to Date Actual (Aug) £000s	Full Year Forecast (Aug) £000s	Forecast Variance at year end (Aug) £000s	Forecast Variance at year end (July) £000s	Outturn Variance 2021/22 £000s
Department							
Corporate Services	30,090	12,314	14,298	31,051	961	1,144	645
Children, Schools and Families	60,867	21,748	15,747	62,296	1,429	1,202	2,426
Community and Housing	33,380	33,380	30,635	72,071	879	848	(699)
Public Health	(162)	1,502	(4,504)	(162)	0	0	
Environment & Regeneration	12,039	1,447	(4,764)	16,897	4,857	4,792	3,431
Overheads	(267)			0	267	267	
NET SERVICE EXPENDITURE	**135,948**	**70,391**	**51,412**	**182,153**	**8,393**	**8,253**	**5,803**
			6				
Corporate Items							
Impact of Capital on revenue budget	11,066	4,611	1,604	10,947	(119)	0	(235)
Other Central budgets	(13,849)	4,926	(464)	(19,478)	(5,628)	(2,428)	(17,298)
Levies	988	412	454	988	0	0	0
TOTAL CORPORATE PROVISIONS	**(1,795)**	**9,949**	**1,594**	**(7,542)**	**(5,747)**	**(2,428)**	**(17,533)**
Covid-19	**0**	**0**	**54**	**54**	54	52	176
TOTAL GENERAL FUND	**134,153**	**80,340**	**53,060**	**174,664**	**2,700**	**5,877**	**(11,554)**
FUNDING							
Revenue Support Grant	(5,350)	(2,229)	(2,354)	(5,350)	0	0	
Business Rates	(32,380)	0	(4,195)	(32,380)	0	0	
Other Grants	(25,602)	(10,667)	(10,906)	(26,031)	(429)	(429)	
Council Tax and Collection Fund	(103,973)	0	0	(103,973)	0	0	
COVID-19 emergency funding	0	0	(442)	0	0	0	710
Income compensation for SFC	0	0	0	0	0	0	
FUNDING	**(167,305)**	**(12,897)**	**(17,897)**	**(167,734)**	**(429)**	**(429)**	**710**
NET	**(33,152)**	**67,443**	**35,163**	**6,930**	**2,271**	**5,448**	**(10,844)**

The current level of GF balances is £14.0m and the minimum level reported to Council for this is £14.0m.

Covid-19 Financial Impact

The ongoing situation continues to make forecasting difficult as it is unclear if or when some service areas will see activity return to pre-Covid levels.

Covid Expenditure

Covid expenditure which is incremental is reported centrally on Corporate Items – Covid Costs. These are the incremental costs not covered by specific Covid grants.

Income shortfall

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

Savings unachieved

Departmental budgets are adjusted for the agreed savings targets for 2022/23 as part of the budget setting process. The savings which are now under pressure due to inflation and other factors are included in the forecast of the departments. This is inclusive of 2021/22 savings which are still under pressure where they have not been adjusted for. Further details are set out in Appendix 6.

Cashflow

The Covid-19 outbreak created pressure on the council's cash-flow, but the position has stabilised since the middle of 2021. Through prudent treasury cash flow management, the Council continues to meet any additional expenditure from its cash in balances in the bank and primarily from liquid cash balances held in Money Market Funds (MMFs).

From Summer 2021, with the stability and the confidence seen in the UK economy the fixed deposit rates started to go up and as a result the Council started to return to medium term fixed deposit to earn interest income from any short-term excess cash balances.

Since December 2021, the Bank of England has steadily increased the base rate from 0.10% to 2.25% in September 2022. Further increases are expected given the current forecasts for inflation and the Bank's overarching brief to bring inflation down to 2.0% over the medium-term. As a result of this policy the Council can expect to receive additional interest income on deposits, although much of this additional income has already been expected in the 2022/23 budget.

The Council still has a strong position on its liquidity and where the opportunity arises places excess cash in short-term deposits to generate income.

Cash flow is monitored daily, and the current forecast shows the Council has sufficient funds to meet its payment needs going forward over the medium term, but there still is a concern over the longer term in the context of the DSG deficit, subject to the use of Safety Valve funding. However, if a cash shortfall occurs, the Council has the option to borrow from the market to meet its needs.

4. DEPARTMENTAL SUMMARY OF CURRENT POSITION

Corporate Services

Division	Current Budget £000	Full year Forecast (August) £000	Full Year Forecast Variance (August) £000	Full Year Forecast Variance (July) £000	Outturn Variance 2021/22 £000
Customers, Policy & Improvement	5,530	5,652	203	415	(191)
Infrastructure & Technology	12,937	13,272	335	326	80
Corporate Governance	2,657	2,624	(33)	(6)	141
Resources	6,019	6,435	416	484	13
Human Resources	2,183	2,274	143	158	214
Corporate Other	764	662	(102)	(232)	388
Total (Controllable)	**30,090**	**30,920**	**962**	**1,144**	**645**

Overview

The department is currently forecasting an adverse variance of £910k at year end. This has moved favourable by £185k since period 4.

Customers, Policy and Improvement - £203k adverse variance

The variance has moved favourably by £212k since period 4. The movement is primarily due to difficulties in recruiting to vacancies within the Comms and Engagement team.

Adverse variances within the division include £23k within the Marketing and Communications team due to staffing, £311k within Press and Publications owing to use of agency staffing and unachievable income targets. Policy and strategy are also reporting a £52 overspend within its staffing budget lines, this will be funded by the underspend in Programme Office. There is also a net adverse variance of £17k in the Translations services due to under-achievement against the income budget as external demand remains low and £39k within Customer Contact.

These adverse variances are partly offset by favourable variances within the AD and Programme Office budgets of (£129k) and (£77k) respectively due to vacancies. A £51k budget of a vacant post within Programme Office will be used to fund a post in Policy and Strategy. The Voluntary Sector Coordination budget also has a favourable variance of (£44k) on grants expenditure.

Additional favourable variances include (£26k) due to an over-achievement against the cash collection saving, (£15k) in the Community Engagement team and (£15k) in the Complaints team due to staffing underspends and various running costs less than budget.

Infrastructure & Technology - £335k adverse variance

The adverse variance has moved favourable by £9k since period 4.

Many of the adverse variances within the division are due to reduced recharges resulting from the changes in working arrangements surrounding the covid-19 pandemic. These adverse variances include £191k on the Corporate Print Strategy and £118k on the PDC (Chaucer Centre). These are reviewed throughout the year and adjusted depending on the level of staff returning to the office.

The FM External account is also forecasting a £121k adverse variance due to the lack of commissions since the pandemic began, though the forecast is significantly improved on the outturn position for 2021/22. There is a variance on Corporate Contracts (£50k adverse) due to 2020/21 savings for reducing cleaning in corporate buildings remaining unachievable within the current circumstances. A further £56k adverse variance is within the Client Financial Affairs team, mainly relating to the unachieved saving (reference 2019-20 CS23) relating to the introduction of a charging scheme and agency cover for maternity leave.

IT Service Delivery is also forecasting an adverse variance of £25k owing to the use of agency staff and £36k on security services.

There are also multiple favourable variances within the division, such as on the Microsoft EA (Enterprise Agreement) which is forecast less than budgeted by £141k, £34k in Safety Services due to recruitment lag as well as contingency not expected to be required in year. A lag in recruitment has also resulted in a £44k favourable variance within Facilities. Within the Transactional services is a £30k staffing underspend due to a part vacant post.

Additional favourable variances include £101k for Postal Services. This offsets the forecast overspends on Printing and Photocopying where income targets are not expected to be achieved.

Corporate Governance – £33k favourable variance

The adverse variance has moved favourable by £28k since period 4.

The service is projecting underspend in the Information Team (£7k) due to a lag in the recruitment, (£10k) underspend in Democracy Services due to a 2 month lag in the recruitment of Democratic Services officer post and (£24k) underspend in members allowances.

The LBM Legal services is projecting a £30k favourable variance owing to the increase in income resulting from an increase in service provision.

SLLP (South London Legal Partnership) SLLP is currently forecasting £155k deficit overall, £27k is forecast to be LBM’s Share. The variance in SLLP is largely due to a reduction in income projection from chargeable hours. In the last three months, the service has done less chargeable work for the boroughs and has been prudent in their forecast. This will be reviewed and updated to reflect any changes in chargeable work.

Resources - £416k adverse variance

Within Resources there are multiple budgets forecasting adverse variances due to Covid-19. Resulting from Covid is an adverse variance forecast in the Bailiffs service of £211k (inclusive of the shared service element) as a result of unachieved income which will be monitored as the circumstances around the pandemic improve and the service is able to operate more fully. The Local Taxation Service has a £270k adverse variance due to anticipated under recovery on the court fees and projected increase in staffing costs.

A further adverse variance of £128k within AD resources due to consultancy costs for e5 upgrade and £72k within the budget management team due to a principal accountant for C&H finance team and 50% of Head of Finance's maternity cover till July 2022 and use of agency cover for existing vacancies.

Adverse variance of £55k is forecast on insurance premiums and £56k on pensions. Even though six schools moved out of the council cover, the insurance premium did not change significantly. The service is currently working on the open claims and are planning to reduce the annual insurance provision to the insurance fund to mitigate the overspend on the insurance premium. They are also doing detailed work on the properties and there is a possibility that a few of the properties can be removed from the insurance cover for next year and this will help to reduce the insurance premium from 2023/24.

The Financial Systems Team is forecasting a £16k adverse variance owing to salary budget pressure as well as revenue costs for upgrading the financial system planned for later this year.

Within the Benefits Administration services is a £183k favourable variance is largely due to grant receipts from DWP.

Favourable variances within Resources include £56k within Director of Corporate Services and time lag between the current director retiring and new director coming into post and £24k on the Chief Executive budget due to consultants and subscription budgets not required in year. The Support team within Revenues and Benefits has £19k favourable variances mainly against staffing costs and further £68k on business rates.

Human Resources – £143k adverse variance

This adverse variance is primarily due to agency cover in place against the AD budget (£114k variance) and staff side budget resulting from maternity leave (£8k).

Additionally, there is an adverse variance of (£30k) relating to the HR Transactions budget for the shared payroll system and iTrent client team charges from Kingston.

Corporate Items - £102k favourable variance

This is primarily due to (£351k) underspend in in redundancy payments. In addition to this, Coroners Courts received a (£273k) reimbursement from the Westminster Bridge Inquest resulting in a £264k projected underspend. Within this division is a £65k projected underspend on corporate funded items.

The above favourable variances are partly offset by an adverse variance in Housing Benefits Rent allowance subsidies of £576 and £76k spend on consultants within Project Chaplin.

Environment & Regeneration

Division	Current Budget £000	Full year Forecast (August) £000	Full Year Forecast Variance (August) £000	Full Year Forecast Variance (July) £000	Outturn Variance 2021/22 £'00
Public Protection	(15,500)	(12,197)	3,302	3,234	4,142
Public Space	17,612	18,611	998	1,050	157
Senior Management	1,176	1,235	60	22	(192)
Sustainable Communities	8,750	9,249	499	486	(675)
Total (Controllable)	**12,038**	**16,897**	**4,859**	**4,792**	**3,431**

Description	2022/23 Current Budget £000	Forecast Variance at year end (August) £000	Forecast Variance at year end (July) £000	2021/22 Variance at year end £000
Regulatory Services	631	255	199	38
Parking Services	(17,424)	2,979	3,002	4,181
Safer Merton & CCTV	1,294	69	33	(77)
Total for Public Protection	**(15,500)**	**3,302**	**3,234**	**4,142**
Waste Services	15,280	397	324	390
Leisure & Culture	584	373	462	(210)
Greenspaces	2,402	123	177	(93)
Transport Services	(654)	106	87	70
Total for Public Space	**17,612**	**998**	**1,050**	**157**
Senior Management & Support	1,176	60	22	(192)
Total for Senior Management	**1,176**	**60**	**22**	**(192)**
Future Merton	11,425	333	315	(708)
Building & Development Control	42	294	296	335
Property Management	(2,718)	(127)	(125)	(303)
Total for Sustainable Communities	**8,750**	**499**	**486**	**(675)**
Total Excluding Overheads	**12,038**	**4,859**	**4,792**	**3,431**

Overview

The department is currently forecasting an adverse variance of £4,895k at year end. The main areas of variance are Regulatory Services, Parking Services, Waste, Leisure & Culture, Greenspaces, Property Management, Development & Building Control and Future Merton.

Public Protection

Regulatory Services adverse variance of £255k

The section has cumulative income savings of £135k relating to potential commercial opportunities. Since the pandemic, the focus has been redirected from income generation to Covid-19 service delivery and service improvement including a major IT project.

Although the service has seen an increasing in licensing income from alcohol licencing, temporary notices and massage/special treatment licences, the service is still forecasting an income shortfall of £117k. Current forecasts estimate an adverse variance against the trading standards income budget of £95k, environmental health-pollution £56k and health & safety £41k.

The service is also anticipating a £14k overspend on electricity due to increase in rates.

The above adverse variances are partly offset by a £84k anticipated underspend within the partnership (RSP)

Parking Services adverse variance of £2,979k

This adverse variance improved by £23k since July.

Changes in travel patterns following Covid-19 continues to affect parking revenue across the board including PCN issuance, as well as on- and off-street income. Analysis to better understand the short and longer-term impact of this is ongoing, but the end of August forecasts shows adverse variances on PCN, P&D, and permit income of £810m, £739k, and £1.174m, respectively. This is primarily due to a reduction in expected income from across the various categories.

Other adverse variances within the service include staffing £200k, owing to the recruitment of additional CEOs and the use of agency staff, skip licences £103k, supplies and services £141k; and premises £79k. These adverse variances are being partially offset by a favourable variance on parking admin fee of £257k.

It should be noted that the section has a £3,800k budget expectation relating to a review of parking charges which were implemented on the 14th of January 2020. The new charges were designed to influence motorists' behaviour and reduce the use of private vehicles. The extent to which behaviour has been affected has been masked by the impact of Covid-19, but work continues to try and better understand this. A recent review of the budget expectation has indicated there may be a shortfall of £1,800k p.a.

<u>Public Space</u>

Waste Services adverse variance of £397k

The adverse variance has increased by £73k since period July. This is owing to the increase in Grath Road Tip core contract by Viola £34k and £38k subscriptions for fix my streets.

An adverse variance of £189k is also being forecast in relation to the Household, Reuse, Recycling Centre (HRRC), mainly as a result of extending the current contract during 2020/21, via a contract variation, to both minimise future costs and to align the contract period with the other SLWP boroughs. The service is currently exploring alternative access for residents to neighbouring sites along with implementing improvements to the current booking system which has contributed to the management of waste volumes. To date there are 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. There is an additional variance of £140k being forecast against the SLWP management fee.

These adverse variances are partly offset by favourable variance on disposal costs of (£122k). The current forecast is at par with last year's actuals and is despite changes to our residents' working arrangements, where we have seen a greater increase in the number of households now working from home post pandemic resulted in an increase in overall domestic waste across all kerbside collection services. This section will continue to be closely monitored and the service is currently supporting SLWP in the planning of the re-procurement of both Food and Garden waste processing services which currently expire this financial year.

Other favourable variances include (£106k) on the Council's Environmental Enforcement services in respect of enforcing and issuing Fix Penalty Notices for littering and (£105k) on employee related spend.

Included in this section are savings target of £104k (ENV2022-23 01) for disposal processing savings (Food Waste Recyclate). The service is projecting to deliver these savings.

Leisure & Culture adverse variance of £373k

Due to the unprecedented increase in energy bills, the service is currently forecasting to spend double its leisure centre utilities budget resulting in a variance of £434k. Potential under recovery lettings income of £25k as we currently have one tenant in Morden Assembly Hall.

These adverse variances are partly offset by the following favourable variances on employees (£89k) and supplies and services (£8k).

During the pandemic, Merton Council issued a loan of £575k to GLL to help it keep afloat. The loan was repaid in full in June however, GLL are now requesting a 25% reduction in guaranteed income so that they can fully recover from the pandemic. This is currently under negotiation. In addition, as a company they are facing hugely increased energy bills across board.

Greenspaces adverse variance of £123k

Although the service is starting to recover post Covid, the service is projecting income under recovery of £130k; includes £90k under recovery in Canon Park income, £45k park and display income and £40k parks and recreational grounds rental income. This under recovery in income is partly offset by £110k anticipated over recovery in events income and £31k on parks operations income.

The service is currently projecting £102k overspend on gas and electricity owing to the unprecedented increase in energy prices.

Additional overspends include £54k on staffing due to the use of agency staff for the tree inspector for highways.

The above is partly offset by £157k projected underspend in tree works against a budget of £712k.

<u>Sustainable Communities</u>

Future Merton adverse variance of £333k

The reason for the adverse variances on Highways Maintenance of £220k is mainly due to expected cost of reactive repairs but also some over-spend for 1) Bishopsford Bridge, 2) traffic signals (where TfL charges have increased), and 3) a small under achievement on JCD income (now only approx. £13k below target).

Additional adverse variances include Street Lighting £340k, due to the significant increase in energy costs, under recovery in income from Merantun £100k and £100k on Local Plan Fees.

The above adverse variances are partly offset by anticipated underspends on CPZs (£89k) and staff (£100k); and an over-achievement in income on Temp traffic orders (£120k), , streetworks/permitting (£75k) and CIL income (£60k)

Property Management favourable variance of £127k

The principal reason is a favourable variance on employees of £149k due to an underspend being forecast on salaries against a budget of £320k. There is also a favourable variance relating to exceeding the commercial rental income expectations (£256k) due to rent reviews in line with the tenancy agreements which is being offset by an adverse variance on premises related expenditure of £85k, for example, building improvements, utilities, repairs & maintenance costs and £130k on supplies & services related expenditure, for example, on employment of consultants to progress rent reviews due to lack of internal resource, and valuations to support asset valuations and potential disposals.

Building and Development Control adverse variance of £294k

The adverse variance is primarily due to a £156k under recovery in Building control income and £357k adverse variance on employees. This adverse variance is partly offset by a £139k anticipated over recovery in Development Control income and £92k supplies and services underspend.

The services expect that income will undoubtedly be higher than currently projected but have been prudent in calculating forecasts to avoid being overly optimistic early in the year.

Children Schools and Families

Children, Schools and Families (£000's)	2022/23 Current Budget	Full Year Forecast	Forecast Variance August	Forecast Variance July	2021-22 Year Variance
Education					
Education Budgets	£ 18,947	£ 19,983	£ 1,037	£ 1,104	£ 394
Depreciation	£ 9,801	£ 9,801	£ -	£ -	£ -
Other Education Budgets	£ 135	£ 135	£ -	£ -	-£ (114)
Education Services Grant	-£ (1,062)	-£ (1,062)	£ -	£ -	-£ (12)
Education Sub-total	**£ 27,821**	**£ 28,857**	**£ 1,037**	**£ 1,104**	**£ 268**
Other CSF					
Child Social Care & Youth Inclusion	£ 22,183	£ 23,526	£ 1,343	£ 1,552	£ 2,009
Cross Department	£ 875	£ 566	-£ (310)	-£ (830)	£ -
PFI Unitary Costs	£ 8,409	£ 8,409	£ -	£ -	£ 766
Pension and Redundancy Costs	£ 1,624	£ 982	-£ (641)	-£ (624)	-£ (617)
Other CSF Sub-total	**£ 33,091**	**£ 33,483**	**£ 392**	**£ 98**	**£ 2,158**
Grand Total	**£ 60,912**	**£ 62,340**	**£ 1,429**	**£ 1,202**	**£ 2,426**

Summary

The department is forecasting an overspend of £1.4m, as at period 5 compared £1.2m as at period 4 and £2.4m overspent at year end.

As in previous periods, the greatest impact on the forecast since is the continuing dependency on agency social workers, the high cost of social care placements, high levels of general inflation and rising energy costs. We are making progress with recruitment of permanent social workers, but it will remain a pressure for the rest of the year. We have also made progress with the placement budgets. However, the general high level of inflation is having an impact across a range of services.

The Dedicated Schools Grant (DSG), which sits outside of the General Fund, is showing a deficit of £10.2m compared to £10.4m in period 4 and £13.5m at year end. The Safety Valve agreement is a five-year agreement with the DfE that is based on getting to balance in the fifth year. It will remain in deficit until then and DfE are proving £28m of funding towards that. We are making good progress against all of the agreed actions and have made significant savings to date.

Of the savings agreed for 2022/23, the Shorts Breaks Review savings (£200k) are outstanding due to delays in the project. The savings on transport (£150k) are no longer achievable due to the rising cost of transport. Apart from the high cost of fuel, which may be temporary, there is a shortage of drivers and fewer operators in the market post-COVID.

Local Authority Services

Local Authority Funded Services (£000's)	Budget	August Variance	July Variance	202122 Outturn Variance
Child Social Care and Youth Inclusion				
Senior Management	£ 303	-£ (31)	-£ (80)	£ 429
Head of Help & Family Assessment	£ 3,070	-£ (304)	-£ (151)	-£ (676)
Head of Family Support & Safeguarding	£ 4,382	£ 810	£ 1,893	£ 2,019
Head of Corporate Parenting	£ 12,461	£ 1,025	£ 598	£ 809
Head of Adolescent and Safeguarding	£ 1,968	-£ (157)	-£ (709)	-£ (572)
CSC & Youth Incl Total	**22,184**	**1,343**	**1,551**	**2,009**
Education				
Contracts, Proc & School Org	£ 7,854	£ 1,551	£ 1,557	£ 409
Early Years & Children Centres	£ 4,191	-£ (84)	£ 8	-£ (311)
Education - School Improvement	£ 64	£ 68	£ 13	-£ (1)
Education Inclusion	£ 1,815	-£ (5)	£ 54	-£ (131)
Schools Delegated Budget	£ -	£ -	£ -	-£ (3)
SEN & Disability Integrat Serv	£ 2,037	-£ (56)	£ 123	£ 49
Senior Management	£ 1,985	-£ (234)	-£ (234)	£ 364
Policy, Planning & Performance	£ 692	-£ (50)	-£ (248)	£ 75
Departmental Business Support	£ 308	-£ (153)	-£ (168)	-£ (57)
Education Total	**£ 18,946**	**£ 1,037**	**£ 1,105**	**£ 394**
Other CSF				
Joint Commissioning & Partnrsh	£ 875	-£ (310)	-£ (830)	£ 0
PFI Unitary Charges	£ 8,409	£ -	£ -	£ 766
Depreciation	£ 9,801	£ -	£ -	-£ (0)
Other Education Budgets	£ 135	£ -	£ -	-£ (114)
Education Services Grant	-£ (1,062)	£ -	£ -	-£ (12)
Pension & Redundancy Costs	£ 1,624	-£ (641)	-£ (624)	-£ (617)
Education Total	**£ 19,782**	**-£ (951)**	**-£ (1,454)**	**£ 23**
LA Total	**£ 60,912**	**£ 1,429**	**£ 1,202**	**£ 2,426**

Child Social Care & Youth Inclusion

Overall CSC&YI forecast overspend has come down by £210k since last period. There are a number of movements between the budgets within this service, which reflect the movement of budgets and spend as a result of the re-structure and rationalisation of the coding structure.

The main pressures in Child Social Care & Youth Inclusion budget remain the dependency on and increasing cost of agency social workers and the cost of placements for looked alter children. However, we continue to make headway, with eight Merton trained social workers replacing agency workers in September.

We are making progress on reducing out the number of agency workers, but we will remain dependant on agency social workers for some time, and rates have been increasing steadily across London. By the end of last year hourly rates had increased by an average of £4ph and due to the restructuring of this division the use of agency social workers increased from 67 to 92. This situation continues to improve gradually and as of mid Sept 2022, the number of agency staff had reduced to 55, compared to 63 in July. Merton has signed up to a pan-London pledge which caps agency rates.

We are continually recruiting to vacant posts and trying to persuade agency social workers to convert to permanent contracts. We will launch a recruitment campaign in the post-holiday period showcasing our offer to the workforce alongside celebrating the successes of Social Care in the borough.

It is difficult to predict recruitment success in such a competitive labour market, but we have eight trainees who will be ready to start case holding in September and who will replace agency social workers. The forecast includes a prudent estimate of the impact reduced use of agency staff.

The cost of residential placements remains a concern. Work continues to review high-cost placements regularly with a view to moving to placements with better outcomes and lower costs.

Education

The Education forecast overspend has reduced by £170k from £1.20m to £1.03m. The Education budget is facing significant pressures in the cost of transport. The number of children with an Education Health & Care Plan (EHCP) which includes home to school transport has been increasing in recent years. The Safety Valve plan aims to reduce the number of plans and is starting to have an impact overall, but the cohort with transport tend to have more complex needs. We have opened a new 80 place special school annexe in September, with 40 places filled so far. We have in principle agreement from DfE for them to fund a new special free school in the borough. The refreshed transport policy is being applied to new applications and there will be a focus on transport in reviews from the start of the new term.

COVID has reduced the number of taxi firms in the market, reducing competition. The shortage of drivers and increased fuel costs is pushing up the costs of all forms of transport. This is reflected in the increased from year-end in the forecast overspend from £0.39m to £1.6m. That forecast reflects the expected spike in transport needs in September with the start of the new school year.

The joint commissioning and partnerships budget has been reviewed to assess likely activity and spend for the year across a range of services, which has reduced the underspend by £0.5m. As a result of which the projected underspend has reduced to £310k.

Dedicated Schools Budget (£000's)	Budget		August Variance		July Variance		202122 Outturn Variance	
Education								
Contracts, Proc & School Org	£	286	£	20	£	20	-£	(16)
Early Years & Children Centres	£	15,823	-£	(519)	-£	(733)	-£	(3,348)
Education - School Improvement	£	1,120	£	45	£	85	-£	(41)
Education Inclusion	£	1,464	-£	(13)	£	66	£	99
SEN & Disability Integrat Serv	£	24,075	£	9,112	£	9,101	£	13,899
Sub-total	**£**	**42,768**	**£**	**8,645**	**£**	**8,539**	**£**	**10,593**
CSC & Youth Inclusion								
DSG - Child Social Care & Youth Incl	£	42	£	-	£	-	-£	(7)
Sub-total	**£**	**42**	**£**	**-**	**£**	**-**	**-£**	**(7)**
Schools Delegated Budget								
DSG Reserve	**£**	**-**	**-£**	**(1,200)**	**-£**	**(1,200)**	**-£**	**(2)**
Retained Schools Budgets	£	2,828	-£	(1,290)	-£	(1,363)	-£	(417)
Schools Delegated Budget	-£	(45,683)	£	4,115	£	4,485	£	3,387
Sub-total	**-£**	**(42,855)**	**£**	**1,625**	**£**	**1,922**	**£**	**2,967**
DSG Total	**-£**	**(45)**	**£**	**10,270**	**£**	**10,461**	**£**	**13,553**

Dedicated Schools Grant (DSG) and Safety Valve

The Safety Valve plan agreed with the DfE is a five-year plan to bring the DSG budget into balance. We are not expected to achieve that balance before the fifth year. However, we are making good progress. As at period 5, the DSG forecast is an overspend of £10.3m against the year end target of £6.4m compared to £10.6m in period 3 and £13.5m at year end.

In the Schools Bill and the SEND Green Paper, the government has recognised that the current SEND system is broken. The Schools Bill includes provision to try to ensure that mainstream schools are inclusive of those with SEND, and the Green Paper proposes significant changes to the SEND process. A failure in funding keeping pace with demand and costs have combined with policy changes (such as the extension in responsibility to age 25) to leave the majority of authorities in England with rising demand and increasing deficits. Merton in particular has faced a high level of EHCPs and the impact of having a significant amount of expensive independent sector provision in the area.

Merton was invited to join the second tranche of the Safety Valve programme process in July 2021. The programme is a mechanism for the DfE to provide deficit funding to local authorities in recognition of the significant pressures. The agreement with the DfE in March 2022 commits them to £28.8m deficit funding, of which £11.6m has been paid upfront. The remainder will be paid over five years subject to meeting the agreement conditions. Following submission of the first monitoring report to DfE, the DfE approved the release of the first instalment of the 2022/23 payment of £875k.

The number of EHCPs has stabilised and although referrals for EHCP assessments are fairly consistent, the proportion accepted for assessment has dropped from 92% in 2021 to 70% in 2022. This tells us that whilst our processes for agreeing to assess are tighter, there is more work to do with partners on appropriate referrals and alternative support and funding, including support ordinarily available in mainstream schools. At present health contributions to EHCPs is below that set out in the plan, although it is a case by case decision and therefore difficult to predict.

A key part of the Merton SEND plan is the expansion of local maintained special school places. The preponderance of expensive independent special school provision is a major factor in our deficit and across southwest London and Surrey. Our capital bid to DfE for the delivery of new places was successful and the first major expansion, the Whatley Avenue annexe to Melrose School, opened in September, keeping pupils local and providing alternatives to expensive independent sector provision. The new in-borough places provided have already achieved £1.1m in reduced costs to meet children's educational needs and is doing so closer to home.

We have in principle approval from DfE for the delivery of a new special school in borough, which is a key part of the plan. We have met with the DfE and agreed a timetable. We will be submitting the full application shortly.

Community and Housing Summary Position

Overview

Community and Housing is currently forecasting an unfavourable position as of August of £879k which is an increase of £32k since July. Adult Social Care unfavourable was reduced by £90k, Housing increased by £131k, Libraries forecast reduced by £10k and Merton Adult Learning and Public Health continues to forecast a breakeven position.

Adult Social Care is currently forecasting an unfavourable variance of £528k. However, due to the significant increase in demand for packages of care and inflationary pressures and thus as a result this budget is currently forecasting an overspend. This is also due to a combination of additional issues such as expensive packages of care for new customers, increase in Mental Health customers, and a movement from less expensive domiciliary care to long term nursing.

Community & Housing	2022/23 Current Budget £ 'm	2022/23 Full Year Forecast £ 'm (Aug)	2022/23 Full Year Variance £'m (Aug)	2022/23 Full Year Variance £'m (Jul)	2022/23 Outturn Variance £'m (Mar'22)
Adult Social Care	60,517	61,045	528	618	(881)
Libraries and Heritage	2,499	2,521	22	31	105
Merton Adult Learning	4	4	0	0	0
Housing General Fund	3,519	3,848	329	198	77
Public Health	(162)	(162)	0	0	0
Total Favourable/ Unfavourable	66,377	67,256	879	847	(699)

Adult Social Care

The department continues to forecast an increase in demand for services which is driven partly due to living with the long-term effects of Covid and partly by an increase in the older people cohort, both in terms of volume and increasing frailty. There has been a consistent increase in placements since April, total new clients in August were 44 making total to date of 246. However, in consideration of the increase in demand the service has implemented new procedures to monitor placements daily. The placement forecast is based on Mosaic expenditure data to August 2022 and income based is based on 2021/22 billing data plus estimated income based on increase in customer numbers.

In terms of the new customers the majority were in long stay residential, supported living and a move from domiciliary care to residential nursing care. Additionally, there is a steady increase in mental health customers which is also the trend seen in the neighbouring boroughs. The current placement forecast includes a number of high cost transitions customers which the service is currently seeking clarification regarding contributions from external parties.

It should also be noted that the Financial Assessment Team have had a few vacancies but despite the scarcity of experienced Financial Assessment officers the team has made two permanent appointments who are now in post and undertaking the necessary learning to enable them to manage a full caseload. The Team's administration officer has also been successful in being selected to act up into an Assessment Officer role for a fixed term and is due to commence this from the beginning of October. Two temporary officers have also been recruited from Civica and will commence work in early October. The Team continues to prioritise assessments for residential care and high-cost community packages in order to manage risk. The additional resources now recruited will enable the team to manage any remaining backlog and return to a position of managing incoming work without any delays.

Monthly Movements in Packages of Care April 2022 to Aug 2022

Month	New Customers	Deceased Customers	Customers No Longer Receiving a Service	Net Movement
April'22	44	-21	-23	0
May'22	53	-21	-49	-17
June'22	51	-12	-15	24
July'22	54	-33	-21	0
Aug'22	44	-24	-37	-17
Total	**246**	**-111**	**-145**	**-10**
Annual (to date) Average 2022/23	**49**	**-22**	**-29**	**-2**
Annual Average 2021/22	**50**	**-17**	**-20**	**13**
Annual Average 2020/21	**37**	**-27**	**-17**	**-7**
Annual Average 2019/21	**34**	**-24**	**-24**	**-14**
Annual Average 2018/19	**36**	**-23**	**-25**	**-11**

The above table to shows that to August there were 246 new customers, 111 deaths and 145 customers no longer requiring a service. It is also important to note that customers are presenting with increased frailty, and more complex need which affects costs.

The sustained growth in out of hospital demand continues and has not returned to the pre-COVID levels as reflected in the forecasted placements expenditure to August 2022. It is expected that the government's recent announcement regarding the additional £500m for Adult Social Care discharge fund could assist with this pressure. However, the allocation or distribution source is unclear at the moment.

Discharge activity is expected to remain under severe pressure into 2022/23 as general hospital activity is at record levels, compounded by additional recent Covid admissions, together with an ever-growing backlog of elective procedures.

The department was successful in securing an allocation for winter pressures however amount secured was less than amount received in 2021/22.

<u>Description of Pathways: -</u>

Pathway 0- 50 % of Clients

- People discharged requring minimal support,or interventions from health and social care services.

Pathway 1- 45% of clients

- People who are discharged and able to return home with a new, additional or a restarted package of care.

Pathway 2- 4% of clients

- People who discharged with a short term intensive support package at a 24 hour bed based setting before returning home.

Pathway 3-1% of clients

- People who require 24 hours bed based care

Comparison of Discharge Activities 2021/22 to August 2022

Discharge Activities April to August 2021/22

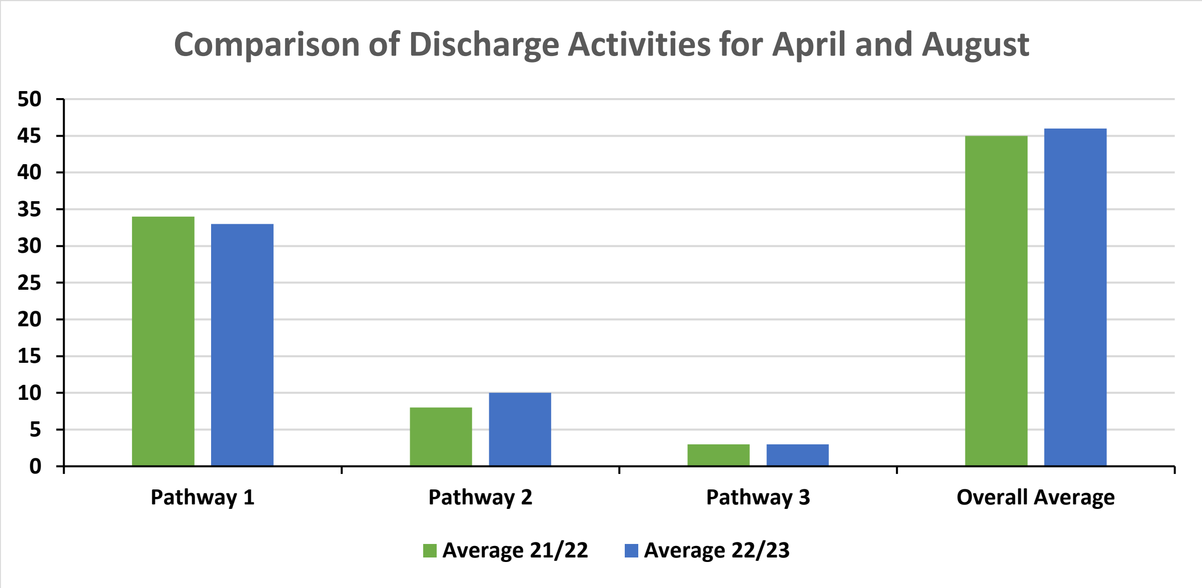
Week Commencing	Pathway 1	Pathway 2	Pathway 3	Grand Total
Grand Total	757	172	62	991
Average	**34**	**8**	**3**	**45**

NB: No information on pathway 0

Discharge Activities April to August 2022/23

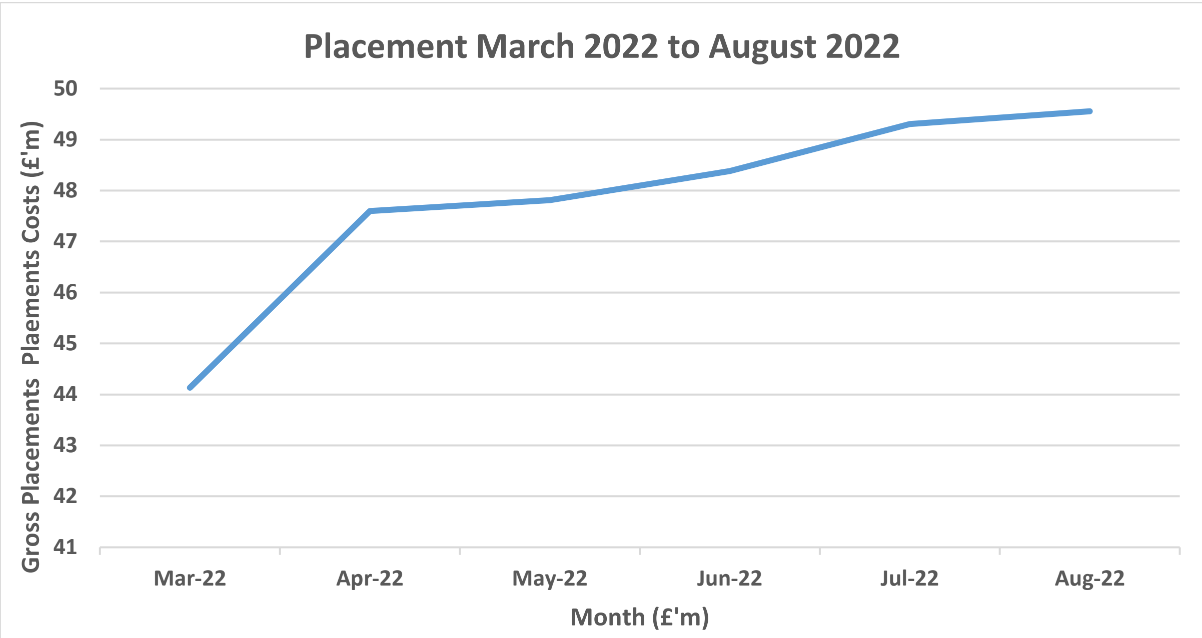
Week Commencing	Pathway 1	Pathway 2	Pathway 3	Grand Total
Grand Total	724	224	61	1009
Average	**33**	**10**	**3**	**46**

Bar Chart depicting comparison of the average discharge activities between April to August 2021/22 and 2022/23



The above graph shows an increase, on par or slight decrease on Pathways as compared to 2021/22.

Graph of Gross Placement Forecast from April 2020 to August 2022



The above representation shows a marked increase between March 2022 to April and continues to increase as per the graph above. Using linear forecast potentially by December 2022 estimated gross placement cost could potentially be £52m assuming all things remain equal.

Adult Social Care Internal Provision –unfavourable Variance - £13k

Direct Provision which is included in Adult Social Care above and is currently forecasting an unfavourable position.

The service is dealing with a small number of long - term sickness cases in key areas, and there is also currently a shortage of available bank staff to cover some residential and supported living shifts which has led to staff working overtime to ensure safe staffing levels. Currently looking at a further recruitment campaign to add more bank staff and therefore reduce overtime expenditure. There is additional spending in the Merton Employment Team to support the Employment Pilot, and that should be rectified in the next month's forecast. An additional amount of £11k has been added to the forecast to cover anticipated utilities due to that cost-of-living pressures.

Library & Heritage Service- Unfavourable Variance - £22k

This service is forecasting an unfavourable variance of £22k in August 2022, which is a reduction of £10k. The overspend has reduced due to an improved income outlook although the service is still forecasting to overspend on utilities by £27k, which is incorporated into the forecast.

New services are due to be launched this autumn including new Health & Wellbeing Zones and two further Cost of Living events run to support residents. Libraries are also established as warm banks that will provide shelter and warmth for any resident during the winter months.

Adult Learning- Breakeven position

Adult Learning continues to forecast a breakeven position. Merton Adult Learning is fully funded by external grants from the GLA (Greater London Authority) and ESFA (Education and Skills Funding Agency).

New funding streams are being allocated to enhance curriculum provision around mathematics (Multiply government initiative) and green skills. The service is in the process of awarding new provider contracts to support with some of this.

Housing General Fund- unfavourable variance - £329k

This service is currently forecasting an unfavourable variance which has increased since July by £131k. Current unfavourable variance is made up of a revised forecast on customer contributions, increase in temporary accommodation expenditure, and rent deposits.

Temporary Accommodation (TA) numbers and cost increased in August. The borough now has 284 families in TA which is a net increase of 14 since July.

The demand for accommodation continues to exceed supply, which creates difficulties in the re-housing of households with acute housing need including those living in expensive temporary accommodation. Thus, the service is finding it extremely difficult to source properties in the Private Sector Housing market.

Housing	Total Budget 2022/23 £000	Forecast Expenditure (Aug'22) £'000	Forecast Variances (Aug'22) £'000	Forecast Variances (Jul'22) £'000	Outturn Variances (March'22) £000
Temporary Accommodation-Expenditure	2,544	4,193	1,649	1,482	1,346
Temporary Accommodation-Client Contribution	(140)	(250)	(110)	(190)	(177)
Temporary Accommodation-Housing Benefit Income	(2,087)	(3,555)	(1,468)	(1,468)	(465)
Temporary Accommodation-Subsidy Shortfall	322	1,640	1,318	1,436	838
Temporary Accommodation-Grant	0	(961)	(961)	(981)	(1,514)
Subtotal Temporary Accommodation	639	1,067	428	309	28
Housing Other Budgets	2,880	2,781	(99)	(111)	49
Total Controllable (Favourable)/Unfavourable Variance	3,519	3,848	329	198	77

Analysis of Housing and Temporary Accommodation Expenditure to August 2022

Number of Households in Temporary Accommodation in Previous years

Previous Financial Years (Month' Year)	Annual Numbers at Financial Year End
Mar'17	186
Mar'18	**165**
Mar'19	174
Mar'20	**199**
Mar'21	197
Mar'22	**230**

The total numbers in temporary accommodation (TA) in March 2022 was 230 which is an overall increase of 17% on March 2021. The numbers in (TA) continues to increase since March as demonstrated below.

Current Financial Years (Month' Year)	Numbers In	Numbers Out	Net Movement
Apr'22	18	15	233
May'22	28	7	254
June'22	21	16	259
July'22	19	8	270
Aug'22	26	12	284

The table above shows the total numbers in temporary accommodation (TA) to August 2022. This shows that net numbers in (TA) is increased by 51 since April. Based on numbers to date the numbers in TA could potentially increase to 335 by December. However, this is significantly lower than most of LBM's neighbouring boroughs.

Numbers in Temporary Accommodation as of March 2022 in neighbouring boroughs

Sutton - 844
Kingston - 837
Richmond - 314
Croydon - 1988
Bromley - 1653
Wandsworth - 2894

Statistical Data from Department of Levelling up, Housing and Communities (Extract-March'22)

This is due to a combination of factors: -

1. Increase in demand, primarily from the end of assured short tenancies (AST) and domestic abuse cases, but also family evictions, hospital discharges, prison releases and some cases from Ukraine
2. Fewer private sector rentals
3. Increase in numbers of customers going into TA

Feedback from other boroughs is that this situation is London wide and since January in some cases there has been a doubling of homelessness applications. There was an improvement in available properties from Capital Letters during June, though supply dropped again in July. However, rent deposit staff were able to find alternative sources of PRS properties so there were 12 moves during the month. Early indications are that September supply from capital letters has been considerably down on previous months.

Lastly, the service is working with colleagues in the housing benefit team to chase cases that have not yet received assessments. This is the reason for an additional in the member of staff in the team as another of staff is required to progress this work. Our modelling suggests there could be significant sums from previous years, Housing Benefit forms were submitted but not processed thus the team are producing data on this to share with colleagues in the Housing Benefits so that urgent action can be taken.

Public Health –Breakeven position

The service is forecasting a breakeven position in August 2022.

Potential Cost pressures

The service has agreed a financial position for CLCH Integrated Sexual health services to March 2024 and a financial position for CLCH children's contract (health visitors and school nurses) to March 2023. Further negotiations are required on the financial agreement for the 2023/24 children's contracts (health visiting and school nursing), including any potential inflationary increases and managing cost pressures on service.

Covid-19 Related Programmes

The team continues with the Covid-19 resilience programme, funded by the Contain Outbreak Management Fund (COMF) in 2022/23. COMF will be utilised in line with terms and conditions of the grant by March 2023.

Substance Misuse

The service also secured additional funding which is the Supplemental Substance Misuse Treatment and Recovery grant for 2022-2025 for the Department of Health and Social Care. This funding is to be used to increase the boroughs investment in drug and alcohol treatment and recovery. Thus, to be used co-ordinate and commission a provider, encourage, increase, and enhance treatment capacity and quality. At this stage, only the 2022-23 allocation is confirmed with future years investment subject to DHSC confirmation.

CORPORATE ITEMS

The details comparing actual expenditure up to 31 August 2022 against budget are contained in Appendix 1. COVID-19 corporate expenditure is again shown on a separate line but it is intended that in future all covid related expenditure will be charged to the appropriate service:-

Corporate Items	Current Budget 2022/23 £000s	Full Year Forecast (Aug.) £000s	Forecast Variance at year end (Aug.) £000s	Forecast Variance at year end (July) £000s	Outturn Variance 2021/22 £000s
Impact of Capital on revenue budget	**11,066**	**10,947**	**(119)**	**0**	**(235)**
Investment Income	(396)	(938)	(542)	(542)	(143)
Pension Fund	503	503	0	0	0
Pay and Price Inflation	6,076	5,786	(290)	960	(1,945)
Contingencies and provisions	19,916	15,226	(4,690)	(2,740)	(17,212)
Income Items	(4,223)	(4,223)	0	0	10
Appropriations/Transfers	(10,131)	(10,237)	(106)	(106)	1,972
Central Items	**11,744**	**6,116**	**(5,628)**	**(2,428)**	**(17,318)**
Levies	988	988	0	0	0
Depreciation and Impairment	(25,593)	(25,593)	0	0	20
TOTAL CORPORATE PROVISIONS	**(1,795)**	**(7,542)**	**(5,747)**	**(2,428)**	**(17,533)**
COVID-19 Emergency expenditure	0	54	54	52	235
TOTAL CORPORATE EXPENDITURE inc. COVID-19	**(1,795)**	**(7,488)**	**(5,693)**	**(2,376)**	**(17,298)**

Based on expenditure to 31 August 2022, a favourable variance of £5.693m including Covid (£5.747m excluding covid) is forecast for corporate expenditure items. This is a favourable movement of £3.317m including Covid (£3.319m excluding Covid) on the July forecast and the reasons for this are:-

1. Based on July monitoring and taking into account the impact of slippage following draft outturn 2021/22, the forecast of capital financing costs arising from the capital programme is for a favourable variance of £119k against the 2022/23 budget.

2. Based on the latest estimates for the change in the DSG Deficit in 2022/23, there is a decrease of £200k in the use of the provision for this purpose.

3. Corporate Covid costs have increased by £2k between July and August.

4. Given the extreme pressure on service budgets from the increased inflation a review of corporate budgets has been undertaken and with careful management favourable variances can be achieved against the following budgets:-

Budget	Variance £000
Pay inflation – provision for national minimum wage	(250)
Provision for Excess inflation	(1,000)
Redundancy/Pension strain	(250)
Replenish Reserves	(750)
Covid impact on income	(750)
Total Favourable Variance	**(3,000)**

5 Capital Programme 2022-26

5.1 The Table below shows the movement in the 2022/26 corporate capital programme since the last monitoring report:

Depts	Current Budget 22/23	Variance	Revised Budget 22/23	Current Budget 2023-24	Variance	Revised Budget 23/24	Current Budget 2024-25	Variance	Revised Budget 24/25	Current Budget 2025-26	Variance	Revised Budget 25/26
Corporate Services	8,195	(903)	**7,292**	19,558	640	**20,198**	4,755	400	**5,155**	12,427		**12,427**
Community & Housing	995	(50)	**945**	2,495	(1,528)	**967**	1,177	1,578	**2,755**	1,237		**1,237**
Children Schools & Families	9,108	30	**9,138**	7,013	(30)	**6,983**	8,737		**8,737**	3,479		**3,479**
Environment and Regeneration	16,058	76	**16,133**	10,509	(226)	**10,283**	6,114		**6,114**	22,923		**22,923**
Total	**34,355**	**(847)**	**33,507**	**39,576**	**(1,144)**	**38,432**	**20,783**	**1,978**	**22,761**	**40,066**	**0**	**40,066**

5.2 The table below summarises the position in respect of the 2022/23 Capital Programme as at August 2022. The detail is shown in Appendix 5a.

Capital Budget Monitoring - August 2022

Department	Actuals	Year to Date Budget	Variance	Final Budget 2022-23	Forecast Outturn 2022-23	Forecast Variance 2022-23
Corporate Services	1,003,728	1,521,047	(517,319)	7,292,170	7,292,523	353
Community and Housing	275,901	261,840	14,061	944,530	944,530	0
Children Schools & Families	2,169,122	117,915	2,051,207	9,137,400	9,137,400	0
Environment and Regeneration	3,065,544	3,835,422	(769,878)	16,133,290	16,133,290	(0)
Total	**6,514,295**	**5,736,224**	**778,071**	**33,507,390**	**33,507,743**	**353**

a) Corporate Services – After the adjustments in the Table below budget managers are projecting full spend on all budgets.

		Budget 2022-23	Budget 2023-24	Budget 2024-25	Narrative
-		£	£	£	
Corporate Services					
Invest to Save schemes - De-Carbonisation scheme	(1)	137,000			Additional spend covered by Grant
Business Systems - Environmental Asset Management	(1)	(240,000)	240,000		Reprofiled in line with projected spend
Business Systems - Revenue and Benefits	(1)	(700,000)	300,000	400,000	Reprofiled in line with projected spend
Business Systems - Spectrum Spatial Analyst Replacement (GIS)	(1)	(100,000)	100,000		Reprofiled in line with projected spend
Total		**(903,000)**	**640,000**	**400,000**	

(1) Requires Cabinet approval

b) Community and Housing – After the adjustments in the Table below budget managers are projecting full spend on all budgets.

		Budget 2022-23	Budget 2023-24	Budget 2024-25	Narrative
		£	£	£	
Community and Housing					
Major Projects - Social Care H - Learning Disability Housing	(1)	(50,000)	(1,528,000)	1,578,000	Reprofiled in line with projected spend

(1) Requires Cabinet approval

c) Children, Schools and Families – After the adjustments in the Table below budget managers are projecting full spend on all budgets.

		Budget 2022-23	Budget 2023-24	Narrative
		£	£	
Children, Schools and Families				
Unlocated Primary School Proj	(1)	(32,500)		Reprofiled in line with projected spend
Raynes Park - Schools Capital Maintenance	(1)	32,500		Reprofiled in line with projected spend
Medical PRU - PRU Expansion	(1)	30,000	(30,000)	Reprofiled in line with projected spend
Total		**130,000**	**(30,000)**	

(1) Requires Cabinet approval

The Melrose School expansion is a major scheme which completed at the end of February 2022, some three months later than programmed. The contract is subject to a series of cost claims by the contractor which are being considered line by line by the council's appointed project manager, quantity surveyor and the design consultant. The previously increased budget for the scheme is fully committed, any further costs will require further budget approval.

The Authority is also awaiting the final account for one element of the Harris Academy Wimbledon.

d. Environment and Regeneration – After the adjustments in the Table below budget managers are forecasting full spend on their budgets.

		Budget 2022-23	Budget 2023-24	Narrative
		£	£	
Environment and Regeneration				
Pay and Display Machines	(1)	20,000		Virement from Car Park Upgrades
Car Park Upgrades	(1)	(20,000)		Virement to Pay and Display Machines
New Water Play Feature Wimbledon Park	(1)	43,000	(226,000)	Unspent SCIL Balance on Project Relinquished
Parks - Abbey Ward	(1)	8,240		Funded by NCIL
Parks - Figges Marsh	(1)	4,980		Funded by NCIL
Parks - Multi Use Sports Areas	(1)	6,400		Funded by NCIL
Parks- Wimbledon Park NCIL Ward	(1)	13,080		Funded by NCIL
Total		**75,700**	**(226,000)**	

Wimbledon Park Splash Pool works are complete to upgrade the existing facility, the new splash pool is waiting the AELTC development of Wimbledon Park Golf Course so the SCIL budget is being relinquished back into the SCIL pot slipped into 2023-24.

Final accounts are still outstanding with some contractors on both Canons Parks for the People and Bishopsford (Mitcham) Bridge.

5.3 Appendix 5c shows the revised funding of the proposed budget for 2022/25

5.4 The table below summarises the movement in the Capital Programme for 2022/23 since its approval in March 2022 (£000s):

Depts.	Original Budget 22/23	Net Slippage 2021/22	Adjustments	New External Funding	New Internal Funding	Re-profiling	Revised Budget 22/23
Corporate Services	8,522	5,454		137	161	(6,982)	**7,292**
Community & Housing	2,530	87			50	(1,723)	**945**
Children Schools & Families	6,441	888	422	2,287		(901)	**9,138**
Environment and Regeneration	15,118	3,489	(12)	828	1,051	(4,340)	**16,133**
Total	**32,611**	**9,919**	**410**	**3,252**	**1,261**	**(13,946)**	**33,507**

5.5 The table below compares capital expenditure (£000s) to August 2022 to that in previous years':

Depts.	Spend To August 2019	Spend To August 2020	Spend to August 2021	Spend to August 2022	Variance 2019 to 2022	Variance 2020 to 2022	Variance 2021 to 2022
CS	900	635	542	1,004	103	369	462
C&H	354	120	439	276	(78)	156	(163)
CSF	3,482	464	1,865	2,169	(1,313)	1,705	304
E&R	1,554	2,057	4,346	3,066	1,511	1,008	(1,281)
Total Capital	**6,290**	**3,275**	**7,192**	**6,514**	**224**	**3,239**	**(678)**

Outturn £000s	23,161	16,930	21,776	
Budget £000s				33,507
Projected Spend August 2022 £000s				33,508
Percentage Spend to Budget				19.44%
% Spend to Outturn/Projection	27.16%	19.35%	33.03%	19.44%
Monthly Spend to Achieve Projected Outturn £000s				3,613

5.6 August is five months into the financial year and departments have spent just over 19% of the budget. Spend to date is higher than two of the last three previous financial years

Department	Spend To July 2022 £	Spend To August 2022 £	Increase £
CS	778,116	1,003,728	225,612
C&H	246,294	275,901	29,607
CSF	1,183,089	2,169,122	986,034
E&R	2,226,307	3,065,544	839,236
Total Capital	**4,433,806**	**6,514,295**	**2,080,489**

5.7 During August 2022 officers spent just under £2.1 million, to achieve year end spend officers would need to spend approximately £3.6 million each month to year end. Finance officers will continue to review in detail the projected outturn with budget managers.

6.0 DELIVERY OF 2022/23 SAVINGS

Department	Target Savings 2022/23	Projected Savings 2022/23	2023/24 Expected Shortfall
	£000	£000	£000
Corporate Services	695	395	300
Children Schools and Families	1,888	1,338	550
Community and Housing	1,659	305	1,354
Environment and Regeneration	1,148	549	599
Total	**5,390**	**2,587**	**2,803**

Appendix 6 provides a breakdown on Directorate savings.

1) CONSULTATION UNDERTAKEN OR PROPOSED

- All relevant bodies have been consulted.

2) TIMETABLE

- Following current financial reporting timetables.

3) FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

- All relevant implications have been addressed in the report.

4) LEGAL AND STATUTORY IMPLICATIONS

- All relevant implications have been addressed in the report.

5) HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

- Not applicable

6) CRIME AND DISORDER IMPLICATIONS

- Not applicable

7) RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

- The risk of part non-delivery of savings is already contained on the key strategic risk register and will be kept under review.

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

Appendix 1- Detailed Corporate Items table
Appendix 2 – Pay and Price Inflation
Appendix 3 – Treasury Management: Outlook
Appendix 4 - Next Debt update will be in Period 6
Appendix 5a – Current Capital Programme
Appendix 5b - Detail of Virements
Appendix 5c - Summary of Capital Programme Funding
Appendix 6- Progress on Savings 2021/22 (revised and simplified format)

8) BACKGROUND PAPERS

- Budgetary Control files held in the Corporate Services department.

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APPENDIX 1

3E.Corporate Items	Council 2022/23 £000s	Current Budget 2022/23 £000s	Year to Date Budget (Aug.) £000s	Year to Date Actual (Aug.) £000s	Full Year Forecast (Aug.) £000s	Forecast Variance at year end (Aug.) £000s	Forecast Variance at year end (July) £000s	Outturn Variance 2021/22 £000s
Cost of Borrowing	11,066	11,066	4,611	1,604	10,947	(119)	0	(235)
Impact of Capital on revenue budget	**11,066**	**11,066**	**4,611**	**1,604**	**10,947**	**(119)**	**0**	**(235)**
Investment Income	**(396)**	**(396)**	**(132)**	**(425)**	**(938)**	**(542)**	**(542)**	**(143)**
Pension Fund	**503**	**503**	**209**	**0**	**503**	**0**	**0**	**0**
Corporate Provision for Pay Award	3,468	2,076	865	0	4,036	1,960	1,960	(195)
Corporate Provision for National Minimum Wage	1,500	1,500	625	0	250	(1,250)	(1,000)	(1,500)
Provision for excess inflation	2,500	2,500	1,042	0	1,500	(1,000)	0	(250)
Pay and Price Inflation	**7,468**	**6,076**	**2,532**	**0**	**5,786**	**(290)**	**960**	**(1,945)**
Contingency	1,500	1,392	580	0	1,392	0	0	(488)
Bad Debt Provision	1,500	1,500	625	0	1,500	0	0	(2,397)
Loss of income arising from P3/P4	400	400	167	0	200	(200)	(200)	(200)
Loss of HB Admin grant	23	23	9	0	23	0	0	(23)
Apprenticeship Levy	450	450	188	109	450	0	0	(69)
Revenuisation and miscellaneous	6,028	5,608	2,337	12	3,858	(1,750)	0	(3,153)
Growth - Provision against DSG	10,543	10,543	4,393	0	7,803	(2,740)	(2,540)	(10,882)
Contingencies and provisions	**20,444**	**19,916**	**8,298**	**121**	**15,226**	**(4,690)**	**(2,740)**	**(17,212)**
Other income	0	0	0	(0)	0	0	0	10
CHAS IP/Dividend	(2,223)	(4,223)	(1,760)	(2,120)	(4,223)	0	0	0
Income items	**(2,223)**	**(4,223)**	**(1,760)**	**(2,120)**	**(4,223)**	**0**	**0**	**10**
Appropriations: CS Reserves	(2,167)	(2,167)	(903)	0	(2,167)	0	0	0
Appropriations: E&R Reserves	(1,314)	(1,314)	(547)	0	(1,314)	0	0	0
Appropriations: CSF Reserves	(300)	(340)	(142)	(40)	(340)	0	0	0
Appropriations: C&H Reserves	(104)	(104)	(43)	0	(104)	0	0	0
Appropriations:Public Health Reserves	(93)	(93)	(39)	0	(93)	0	0	0
Appropriations:Corporate Reserves	(8,112)	(6,112)	(2,547)	2,000	(6,218)	(106)	(106)	1,972
Appropriations/Transfers	**(12,091)**	**(10,131)**	**(4,221)**	**1,960**	**(10,237)**	**(106)**	**(106)**	**1,972**
Depreciation and Impairment	**(25,593)**	**(25,593)**	**0**	**0**	**(25,593)**	**0**	**0**	**20**
Central Items	**(822)**	**(2,783)**	**9,537**	**1,140**	**(8,531)**	**(5,747)**	**(2,428)**	**(17,533)**
Levies	**988**	**988**	**412**	**454**	**988**	**0**	**0**	**0**
TOTAL CORPORATE PROVISIONS	**166**	**(1,795)**	**9,949**	**1,594**	**(7,542)**	**(5,747)**	**(2,428)**	**(17,533)**
COVID-19 Emergency expenditure	0	0	0	54	54	**54**	52	235
Sub-total: COVID-19 Expenditure	0	0	0	54	54	54	52	235
TOTAL CORPORATE EXPENDITURE inc. COVID-19	**166**	**(1,795)**	**9,949**	**1,648**	**(7,488)**	**(5,693)**	**(2,376)**	**(17,298)**

APPENDIX 2

Pay and Price Inflation as at August 2022 Monitoring

In 2022/23, the budget includes 2% for increases in pay and 2.5% for increases in general prices, with an additional amount of £2.5m which will be held to assist services that may experience price increases greatly in excess of the inflation allowance provided when setting the budget. With CPI inflation currently at 9.9% and RPI at 12.3% and the Council's overall revenue budget under extreme pressure, this budget will be retained as cover and only released in exceptional circumstances.

Pay:

For 2022/23 the final pay award has not been agreed but provision of 2% was included in the MTFS.

As reported to Cabinet in the period 2 (May) monitoring report, on 6 June 2022, the three local government unions, UNISON, GMB and Unite, representing 1.4 million council and school employees, submitted a pay claim for staff in England, Wales and Northern Ireland.

The 2022 claim, which would apply from the start of April 2022, would see council employees receive either a £2,000 rise at all pay grades or the current rate of RPI (presently 11.7%), whichever is higher for each individual.

On 25 July 2022, the National Employers agreed to make the following one-year (1 April 2022 to 31 March 2023), final offer to the unions representing the main local government NJC workforce:

- With effect from 1 April 2022, an increase of £1,925 on all NJC pay points 1 and above
- With effect from 1 April 2022, an increase of 4.04 per cent on all allowances
- With effect from 1 April 2023, an increase of one day to all employees' annual leave entitlement
- With effect from 1 April 2023, the deletion of pay point 1 from the NJC pay spine

This offer would achieve a bottom rate of pay of £10.50 with effect from 1 April 2022 (which equates to a pay increase of 10.50 per cent for employees on pay point 1); everyone on the NJC pay spine would receive a minimum 4.04 per cent pay increase; and the deletion of pay point 1 on 1 April 2023, would increase the bottom rate to £10.60 (providing 10p headroom above the current upper-end forecast for the NLW on that date), pending agreement being reached on a 2023 pay award.

Potential rates of pay for London from 1 April 2022 based on the national employers' pay offer to the unions representing Local Government Services employees.

- With effect from 1 April 2022 the national offer is for a pay increase of £1,925 on all NJC pay points.
- In London this translates to an equivalent offer of £2,229 on all Outer London pay points and an increase of £2,355 on all Inner London pay points.
- Allowances to be increased by 4.04%

As previously reported, given the current pressure that pay negotiations are under, and the continuing upward forecast for inflation in the coming months, it is clear that the current 2% provision will not be sufficient.

The previous forecast outturn in June (Period 3) assumed a pay award of 5% and an unfavourable variance of c. £2.970m but this is increased to 6% in the July forecast leading to an unfavourable variance of £3.960m.

Unions are balloting their members on the offer. There are three recognised unions involved, Unison, GMB and Unite. Unison members have voted to accept the offer whilst the outcome of the GMB and Unite ballots will not be known until October.

If this level of pay award is agreed, it is currently proposed to mitigate this by a one-off contribution from reserves of £2m in 2022/23.

<u>Prices:</u>
The Consumer Prices Index (CPI) rose by 9.9% in the 12 months to August 2022, down from 10.1% in July. On a monthly basis, CPI rose by 0.5% in August 2022, compared with a rise of 0.7% in August 2021. A fall in the price of motor fuels made the largest downward contribution to the change in both the CPIH and CPI annual inflation rates between July and August 2022. Rising food prices made the largest, partially offsetting, upward contribution to the change in the rates.

The Consumer Prices Index including owner occupiers' housing costs (CPIH) rose by 8.6% in the 12 months to August 2022, down from 8.8% in July. On a monthly basis, CPIH rose by 0.5% in August 2022, compared with a rise of 0.6% in August 2021. The largest upward contributions to the annual CPIH inflation rate in August 2022 came from housing and household services (principally from electricity, gas and other fuels, and owner occupiers' housing costs), transport (principally motor fuels), and food and non-alcoholic beverages.

The RPI rate for August 2022 was 12.3%, which is unchanged from July 2022.

<u>Outlook for inflation:</u>
The Bank of England's Monetary Policy Committee (MPC) sets monetary policy to meet the 2% inflation target and in a way that helps to sustain growth and employment.

At its meeting ending on 21 September 2022, the MPC voted to increase Bank Rate by 0.5 percentage points, to 2.25%. Five members voted to raise Bank Rate by 0.5 percentage points, three members preferred to increase Bank Rate by 0.75 percentage points, to 2.5%, and one member preferred to increase Bank Rate by 0.25 percentage points, to 2%. The Committee also voted unanimously to reduce the stock of purchased UK government bonds, financed by the issuance of central bank reserves, by £80 billion over the next twelve months, to a total of £758 billion, in line with the strategy set out in the minutes of the August MPC meeting.

The next Bank of England MPC base rate decision is on 3 November 2022.

In the minutes to the September meeting, the MPC gave a bleak economic outlook stating that "In the August Monetary Policy Report, the MPC noted that the risks around its projections from both external and domestic factors were exceptionally large, given the very large increase in wholesale gas prices since May and the consequent impacts on real incomes for UK households and on CPI inflation.

Since August, wholesale gas prices have been highly volatile, and there have been large moves in financial markets, including a sharp increase in government bond yields globally. Sterling has depreciated materially over the period.

Uncertainty around the outlook for UK retail energy prices has nevertheless fallen, following the Government's announcements of support measures including an Energy Price Guarantee. The Guarantee is likely to limit significantly further increases in CPI inflation, and reduce its volatility, while supporting aggregate private demand relative to the Committee's August projections. An additional Growth Plan announcement is scheduled to take place shortly after this MPC meeting, which is expected to provide further fiscal support, and is likely to contain news that is material for the economic outlook. Once this announcement has been made, and as part of its November MPC round, the Committee will make a full assessment of the impact on demand and inflation from all these announcements, along with other news, and determine further implications for monetary policy….. Nevertheless, energy bills will still go up and, combined with the indirect effects of higher energy costs, inflation is expected to remain above 10% over the following few months, before starting to fall back.

The MPC's remit is clear that the inflation target applies at all times, reflecting the primacy of price stability in the UK monetary policy framework. The framework recognises that there will be occasions when inflation will depart from the target as a result of shocks and disturbances. The economy has been subject to a succession of very large shocks. Monetary policy will ensure that, as the adjustment to these shocks continues, CPI inflation will return to the 2% target sustainably in the medium term. Monetary policy is also acting to ensure that longer-term inflation expectations are anchored at the 2% target."

On 26 September the Governor of the Bank of England made the following statement:-
"The Bank is monitoring developments in financial markets very closely in light of the significant repricing of financial assets. In recent weeks, the Government has made a number of important announcements. The Government's Energy Price Guarantee will reduce the near-term peak in inflation. Last Friday the Government announced its Growth Plan, on which the Chancellor has provided further detail in his statement today. I welcome the Government's commitment to sustainable economic growth, and to the role of the Office for Budget Responsibility in its assessment of prospects for the economy and public finances.

The role of monetary policy is to ensure that demand does not get ahead of supply in a way that leads to more inflation over the medium term. As the MPC has made clear, it will make a full assessment at its next scheduled meeting of the impact on demand and inflation from the Government's announcements, and the fall in sterling, and act accordingly. The MPC will not hesitate to change interest rates as necessary to return inflation to the 2% target sustainably in the medium term, in line with its remit."

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

Table: Forecasts for the UK Economy

Source: HM Treasury - Forecasts for the UK Economy (September 2022)			
2022 (Quarter 4)	Lowest %	Highest %	Average %
CPI	7.4	14.0	10.2
RPI	8.7	17.7	13.1
LFS Unemployment Rate	3.6	4.5	4.1
2023 (Quarter 4)	Lowest %	Highest %	Average %
CPI	0.9	7.6	4.0
RPI	1.6	8.9	5.1
LFS Unemployment Rate	3.2	5.0	4.3

Note the wide range between highest and lowest forecasts which reflects the volatility and uncertainty arising from volatile fuel and utility costs impacting on the cost of living and the difficulty of forecasting how the situation will evolve. Clearly where the level of inflation during the year exceeds the amount provided for in the budget, this will put pressure on services to stay within budget and will require effective monitoring and control.

Independent medium-term projections for the calendar years 2022 to 2026 are summarised in the following table:-

Source: HM Treasury - Forecasts for the UK Economy (August 2022)					
	2022	2023	2024	2025	2026
	%	%	%	%	%
CPI	8.3	4.7	1.3	1.6	1.8
RPI	9.1	6.5	2.4	3.1	3.4
LFS Unemployment Rate	3.9	4.2	4.2	3.8	3.7

APPENDIX 3

Treasury Management: Outlook

The Bank's Monetary Policy Committee (MPC) sets monetary policy to keep inflation low and stable, which supports growth and jobs. Subject to maintaining price stability, the MPC is also required to support the Government's economic policy. The Government has set the MPC a target for the 12-month increase in the Consumer Prices Index of 2%.

The MPC currently uses two main monetary policy tools.

1. setting the interest rate that banks and building societies earn on deposits, or 'reserves', placed with the Bank of England — this is Bank Rate.
2. buying government and corporate bonds, financed by the issuance of central bank reserves — this is asset purchases or quantitative easing.

At its meeting ending on 21 September 2022, the MPC voted to increase Bank Rate by 0.5 percentage points, to 2.25%. Five members voted to raise Bank Rate by 0.5 percentage points, three members preferred to increase Bank Rate by 0.75 percentage points, to 2.5%, and one member preferred to increase Bank Rate by 0.25 percentage points, to 2%. The Committee also voted unanimously to reduce the stock of purchased UK government bonds, financed by the issuance of central bank reserves, by £80 billion over the next twelve months, to a total of £758 billion, in line with the strategy set out in the minutes of the August MPC meeting.

The next Bank of England MPC base rate decision is on 3 November 2022.

The MPC outlined the background behind the August decision as "the MPC's remit is clear that the inflation target applies at all times, reflecting the primacy of price stability in the UK monetary policy framework. The framework recognises that there will be occasions when inflation will depart from the target as a result of shocks and disturbances. The economy has been subject to a succession of very large shocks. Monetary policy will ensure that, as the adjustment to these shocks continues, CPI inflation will return to the 2% target sustainably in the medium term. Monetary policy is also acting to ensure that longer-term inflation expectations are anchored at the 2% target. There have been further signs since the August Report of continuing strength in domestically generated inflation. In and of itself, the Government's Energy Price Guarantee will lower and bring forward the expected peak of CPI inflation. For the duration of the Guarantee, this might be expected to reduce the risk that a long period of externally generated price inflation leads to more persistent domestic price and wage pressures, although that risk remains material. The labour market is tight and domestic cost and price pressures remain elevated. While the Guarantee reduces inflation in the near term, it also means that household spending is likely to be less weak than projected in the August Report over the first two years of the forecast period. All else equal, and relative to that forecast, this would add to inflationary pressures in the medium term."

The MPC is clear that it "will take the actions necessary to return inflation to the 2% target sustainably in the medium term, in line with its remit. Policy is not on a pre-set path. The Committee will, as always, consider and decide the appropriate level of Bank Rate at each meeting. The scale, pace and timing of any further changes in Bank Rate will reflect the Committee's assessment of the economic outlook and inflationary pressures. Should the outlook suggest more persistent inflationary pressures, including from stronger demand, the Committee will respond forcefully, as necessary."

In the August 2022 Monetary Policy report the MPC has used the following projections implied by current data trends:-

	Projections (August 2022)			
	2022 Q.3	2023 Q.3	2024 Q.3	2025 Q.3
GDP	2.3	(2.1)	0.0	0.4
CPI Inflation	9.9	9.5	2.0	0.8
LFS Unemployment Rate	3.7	4.4	5.5	6.3
Excess Supply/Excess Demand	0.75	-2.25	-3.25	-3.75
Bank Rate	1.6	3.0	2.5	2.2

The conclusions that the MPC reach in the August 2022 Monetary Policy Report are supported by the following Key Judgements:-

Key judgement 1: in the baseline forecast, persistently high gas and other commodity prices continue to put upward pressure on global consumer price inflation and depress global growth in the near term before their effects gradually dissipate.

Key judgement 2: given the sharp decline in household real incomes, consumer spending falls over the next year and the UK economy enters recession. Consumption falls by less than income, however, as households, in aggregate, reduce their saving. GDP growth is weak thereafter, even though the pressures on real incomes ease somewhat.

Key judgement 3: given elevated recruitment difficulties and strong labour demand, firms respond initially to the weakness in spending by using their existing inputs less intensively. So although economic slack emerges in 2022 Q4, the labour market remains tight over the next year and unemployment only starts to rise above its current level in mid-2023. It reaches 6¼% at the end of the forecast period, with slack building to 3¾% of potential GDP.

Key judgement 4: : domestic price pressures remain strong over the first half of the forecast, as nominal wage growth strengthens and many companies are able to protect their margins. But the building degree of economic slack moderates these forces and inflation expectations adjust downwards quickly as external pressures abate and inflation itself begins to fall. Domestic pressures therefore fade and, conditioned on the market yield curve, inflation is around the 2% target in two years' time and well below it in three years.

Appendix 5a

Capital Budget Monitoring – August 2022

Description	Actuals	Year to Date Budget	Variance	Current Budget 2022-23	Forecast Outturn 2022-23	Forecast Variance 2022-23
Capital	**6,514,295**	**5,736,224**	**778,071**	**33,507,390**	**33,507,743**	**353**
Corporate Services	**1,003,728**	**1,521,047**	**(517,319)**	**7,292,170**	**7,292,523**	**353**
Customer Contact Programme	0	0	0	518,000	518,000	0
Works to other buildings	194,376	308,604	(114,228)	1,189,720	1,150,108	(39,612)
Civic Centre	19,152	90,000	(70,848)	360,000	399,501	39,501
Invest to Save schemes	203,521	244,917	(41,396)	854,560	854,214	(346)
Business Systems	650	414,500	(413,850)	1,433,940	1,433,940	0
Social Care IT System	0	0	0	281,000	281,000	0
Disaster recovery site	19,551	94,080	(74,529)	94,080	94,080	0
Planned Replacement Programme	96,618	368,946	(272,328)	1,229,820	1,229,820	0
Acquisitions Budget	469,860	0	469,860	469,050	469,860	810
Westminster Ccl Coroners Court	0	0	0	862,000	862,000	0
Corporate Capital Contingency	0	0	0	0	0	0
Compulsory Purchase Order	0	0	0	0	0	0
Community and Housing	**275,901**	**261,840**	**14,061**	**944,530**	**944,530**	**0**
Telehealth	0	0	0	30,400	30,400	0
Disabled Facilities Grant	275,901	261,840	14,061	885,130	885,130	0
Major Projects - Social Care H	0	0	0	0	0	0
Major Library Projects	0	0	0	5,000	5,000	0
Libraries IT	0	0	0	24,000	24,000	0

Capital Budget Monitoring – August 2022

Description	Actuals	Year to Date Budget	Variance	Current Budget 2022-23	Forecast Outturn 2022-23	Forecast Variance 2022-23
Children Schools & Families	**2,169,122**	**117,915**	**2,051,207**	**9,137,400**	**9,137,400**	**0**
Primary Schools	**412,434**	**0**	**412,434**	**2,943,100**	**2,943,100**	**0**
Hollymount	40	0	40	4,200	4,200	0
West Wimbledon	24,724	0	24,724	158,610	158,610	0
Hatfeild	68,235	0	68,235	85,290	85,290	0
Hillcross	38,041	0	38,041	220,110	220,110	0
Joseph Hood	136	0	136	15,000	15,000	0
Dundonald	7,548	0	7,548	24,080	24,080	0
Merton Park	(809)	0	(809)	14,500	14,500	0
Pelham	15,731	0	15,731	126,000	126,000	0
Poplar	3,055	0	3,055	40,000	40,000	0
Wimbledon Chase	37,886	0	37,886	185,390	185,390	0
Wimbledon Park	48,034	0	48,034	164,130	164,130	0
Abbotsbury	19,137	0	19,137	137,000	137,000	0
Malmesbury	9,731	0	9,731	47,000	47,000	0
Morden	10,824	0	10,824	75,000	75,000	0
Bond	14,327	0	14,327	52,000	52,000	0
Cranmer	8,551	0	8,551	250,830	250,830	0
Gorringe Park	18,558	0	18,558	60,000	60,000	0
Haslemere	271	0	271	251,740	251,740	0
Liberty	(487)	0	(487)	80,490	80,490	0
Links	34,364	0	34,364	114,850	114,850	0
Singlegate	33,028	0	33,028	145,000	145,000	0
St Marks	(2,484)	0	(2,484)	68,760	68,760	0
Lonesome	18,723	0	18,723	190,000	190,000	0
Sherwood	8,443	0	8,443	150,150	150,150	0
William Morris	(3,170)	0	(3,170)	18,420	18,420	0
Unlocated Primary School Proj	0	0	0	264,550	264,550	0

Appendix 5a

Capital Budget Monitoring – August 2022

Description	Actuals	Year to Date Budget	Variance	Current Budget 2022-23	Forecast Outturn 2022-23	Forecast Variance 2022-23
Secondary	**60,723**	**0**	**60,723**	**363,800**	**363,800**	**0**
Harris Academy Morden	0	0	0	135,000	135,000	0
Harris Academy Merton	0	0	0	34,170	34,170	0
Raynes Park	45,600	0	45,600	135,000	135,000	0
Ricards Lodge	0	0	0	21,610	21,610	0
Rutlish	13,964	0	13,964	23,080	23,080	0
Harris Academy Wimbledon	1,160	0	1,160	14,940	14,940	0
SEN	**1,547,751**	**0**	**1,547,751**	**5,032,160**	**5,032,160**	**0**
Perseid	(6,196)	0	(6,196)	299,490	299,490	0
Cricket Green	(15,000)	0	(15,000)	46,120	46,120	0
Melrose	368,292	0	368,292	589,000	589,000	0
Melrose Whatley Ave SEN	877	0	877	0	0	0
Unlocated SEN	1,102,685	0	1,102,685	2,972,940	2,972,940	0
Melbury College - Smart Centre	3,813	0	3,813	155,000	155,000	0
Medical PRU	49,400	0	49,400	431,700	431,700	0
Perseid Lower School	0	0	0	100,000	100,000	0
Other	**148,214**	**117,915**	**30,299**	**798,340**	**798,340**	**0**
CSF Safeguarding	295	0	295	152,000	152,000	0
Devolved Formula Capital	147,385	117,915	29,470	353,740	353,740	0
Children's Centres	279	0	279	55,000	55,000	0
Youth Provision	255	0	255	237,600	237,600	0

Capital Budget Monitoring – August 2022

Description	Actuals	Year to Date Budget	Variance	Current Budget 2022-23	Forecast Outturn 2022-23	Forecast Variance 2022-23
Environment and Regeneration	**3,065,544**	**3,835,422**	**(769,878)**	**16,133,290**	**16,133,290**	**(0)**
On Street Parking - P&D	157,235	201,034	(43,799)	492,780	492,780	(0)
Off Street Parking - P&D	57,789	192,853	(135,064)	1,474,510	1,474,510	0
CCTV Investment	90,373	291,081	(200,708)	1,015,840	1,015,840	0
Public Protection and Developm	0	0	0	50,000	50,000	0
Fleet Vehicles	0	214,668	(214,668)	748,470	748,470	0
Alley Gating Scheme	0	0	0	46,000	46,000	0
Waste SLWP	219,259	102,000	117,259	433,430	433,430	0
Street Trees	23,187	0	23,187	103,990	103,990	0
Raynes Park Area Roads	3,635	0	3,635	43,500	43,500	0
Highways & Footways	1,771,476	1,393,269	378,207	5,813,320	5,813,320	0
Cycle Route Improvements	48,153	118,107	(69,954)	398,640	398,640	0
Mitcham Area Regeneration	35,420	336,685	(301,265)	1,083,950	1,083,950	0
Wimbledon Area Regeneration	102,533	359,889	(257,356)	1,265,870	1,265,870	0
Morden Area Regeneration	0	0	0	150,000	150,000	0
Borough Regeneration	169,112	184,842	(15,730)	807,140	807,140	0
Property Management Enhancement	0	0	0	35,000	35,000	0
Wimbledon Park Lake and Waters	390,057	156,063	233,994	520,210	520,210	0
Sports Facilities	23,538	94,566	(71,028)	315,220	315,220	0
Parks	(26,222)	190,365	(216,587)	1,335,420	1,335,420	0

Appendix 5b

Virement, Re-profiling and New Funding - August 2022

		2022/23 Budget	Virements	Funding Adjustments	Reprofiling	Revised 2022/23 Budget	2023/24 Budget	Movement	Revised 2023/24 Budget	Narrative
-	-	£	£		£	£	£		£	
Corporate Services	-					**0**			**0**	
Invest to Save schemes - De-Carbonisation scheme	**(1)**	**57,810**		137,000		**194,810**				Additional spend covered by Grant
Business Systems - Environmental Asset Management	(1)	**240,000**			(240,000)	**0**	**0**	240,000	**240,000**	Reprofiled in line with projected spend
Business Systems - Revenue and Benefits	(1)	**700,000**			(700,000)	**0**	**0**	300,000	**300,000**	Reprofiled in line with projected spend
Business Systems - Spectrum Spatial Analyst Replacement (GIS)	(1)	**270,000**			(100,000)	**170,000**	**0**	100,000	**100,000**	Reprofiled in line with projected spend
Community and Housing										
Major Projects - Social Care H - Learning Disability Housing	**(1)**	**50,000**			**(50,000)**	**0**	**1,528,000**	(1,528,000)	**0**	Reprofiled in line with projected spend
Children, Schools and Families										
Unlocated Primary School Proj	**(1)**	**297,050**	(32,500)			**264,550**			**0**	Reprofiled in line with projected spend
Raynes Park - Schools Capital Maintenance	**(1)**	**102,500**	32,500			**135,000**	**0**		**0**	Reprofiled in line with projected spend
Medical PRU - PRU Expansion	**(1)**	**401,700**			30,000	**431,700**	**60,000**	(30,000)	**30,000**	Reprofiled in line with projected spend
Environment and Regeneration	-	-	-	-	-	-	-	-	-	-
Pay and Display Machines	**(1)**	386,780	20,000	-	-	**406,780**	-	-	**0**	Virement from Car Park Upgrades
Car Park Upgrades	**(1)**	794,510	(20,000)	-	-	**774,510**	-	-	**0**	Virement to Pay and Display Machines
New Water Play Feature Wimbledon Park	**(1)**	0		-	43,000	**43,000**	226,000	(226,000)	**0**	Unspent SCIL Balance on Project Relinquished
Parks - Abbey Ward	**(1)**	**40,000**		8,240		**48,240**			**0**	Funded by NCIL
Parks - Parkes Investment (Figges Marsh)	**(1)**	**266,210**		4,980		**271,190**			**0**	Funded by NCIL
Parks - Multi Use Sports Areas	**(1)**	**175,000**		6,400		**181,400**			**0**	Funded by NCIL
Parks- Wimbledon Park NCIL Ward	**(1)**	**0**		13,080		**13,080**			**0**	Funded by NCIL
Total	**(1)**	**3,781,560**	**0**	**169,700**	**(1,017,000)**	**2,934,260**	**1,814,000**	**(1,144,000)**	**670,000**	

(1) Requires Cabinet approval **(2) Requires Council Approval**

Appendix 5b

Virement, Re-profiling and New Funding - August 2022

		2024/25 Budget	Movement	Revised 2024/25 Budget	2025/26 Budget	Movement	Revised 2025/26 Budget	Narrative
		£	£	£	£		£	
Corporate Services								
Business Systems – Revenue and Benefits	(1)	**0**	400,000	**400,000**	**0**		**0**	Reprofiled in line with projected spend
Community and Housing								
Major Projects - Social Care H - Learning Disability Housing	(1)	**150,000**	1,578,000	**1,728,000**	**0**		**0**	Reprofiled in line with projected spend
Total		**150,000**	**1,978,000**	**2,128,000**	**0**	**0**	**0**	

(1) Requires Cabinet approval **(2) Requires Council Approval**

Capital Programme Funding Summary 2022/23

	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
July 22 Monitoring	**16,278**	**18,077**	**34,355**
Corporate Services			
Invest to Save schemes - De-Carbonisation scheme	**0**	**137**	**137**
Business Systems - Environmental Asset Management	**(240)**	**0**	**(240)**
Business Systems - Revenue and Benefits	**(700)**	**0**	**(700)**
Business Systems - Spectrum Spatial Analyst Replacement (GIS)	**(100)**	**0**	**(100)**
Community and Housing			
Major Projects - Social Care H - Learning Disability Housing	**0**	**(50)**	**(50)**
Children, Schools and Families			
Medical PRU - PRU Expansion	**0**	**30**	**30**
Environment and Regeneration			
Parks - New Water Play Feature Wimbledon Park	**0**	**43**	**43**
Parks - Abbey Ward	**0**	**8**	**8**
Parks - Parkes Investment (Figges Marsh)	**0**	**5**	**5**
Parks - Multi Use Sports Areas	**0**	**6**	**6**
Parks- Wimbledon Park NCIL Ward	**0**	**13**	**13**
Proposed August Monitoring	**15,238**	**18,270**	**33,507**

Capital Programme Funding Summary 2023/24

	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
July 22 Monitoring	**12,198**	**27,378**	**39,576**
Corporate Services			
Business Systems - Environmental Asset Management	**240**	**0**	**240**
Business Systems - Revenue and Benefits	**300**	**0**	**300**
Business Systems - Spectrum Spatial Analyst Replacement (GIS)	**100**	**0**	**100**
Community and Housing			
Major Projects - Social Care H - Learning Disability Housing	**0**	**(1,528)**	**(1,528)**
Childrens, Schools and Families			
Medical PRU Expansion	**0**	**(30)**	**(30)**
Environment & Regeneration			
New Water play Feature	**0**	**(226)**	**(226)**
Proposed August Monitoring	**12,838**	**25,594**	**38,432**

Appendix 5c

Capital Programme Funding Summary 2024/25

	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
Proposed July Monitoring	10,619	10,164	20,783
Corporate Services			
Business Systems - Revenue and Benefits	400	0	400
Community and Housing			
Major Projects - Social Care H - Learning Disability Housing	0	1,578	1,578
Proposed August Monitoring	11,019	11,742	22,761

Appendix 6 Progress on Savings expected in 2022/2

PROGRESS ON 2022/23 SAVINGS
DEPARTMENT: CORPORATE SERVICES SAVINGS PROGRESS 2022/23

Ref	Description of Saving	2022/23 Savings Required £000	2022/23 Savings Forecast £000	Shortfall	RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Under spend? Y/N
Savings due in 22/23								
2019-20 CS04	Reduce strategic partner grant by 10%	78	78	0	G	John Dimmer		
2019-20 CS28	Cash collection reduction	13	13	0	G	Sean Cunniffe		
2020-21 CS7	Staff reductions	75	75	0	G	Sean Cunniffe		
2022-23 CS5	Customer, Policy & Improvement – Registrars Service	32	32	0	G	Sean Cunniffe		
2022-23 CS6	Customer, Policy & Improvement – Cash Collection	20	20	0	G	Sean Cunniffe		
2022-23 CS8	Customer, Policy & Improvement – Customer Contact	15	15	0	G	Sean Cunniffe		
2020-21 CS11	Commercial Services - restructure	50	0	50	R	Tina Dullaway	Will not be achieved - awaiting approval from CMT to implement the findings of the Commercial Services review. Due to go to CMT 07.07.22	
2018-19 CS08	Increase in income from Enforcement Service	20	0	20	R	David Keppler	Not achievable in year due to covid	
2022-23 CS1	Resources - AD budget	10	10	0	G	Roger Kershaw		
2022-23 CS2	Resources - AD budget	15	15	0	G	Roger Kershaw		
2022-23 CS3	Resources - Insurance	25	25	0	G	Nemashe Sivayogan		
2022-23 CS4	HR - Payroll	15	15	0	G	Liz Hammond		
2022-23 CS9	Corporate Governance - AD Budget	3	3	0	G	Louise Round		
2022-23 CS10	Corporate Governance - Electoral Services and Democratic services	15	15	0	G	Andrew Robertson		
2022-23 CS12	Corporate Governance - Information Team	29	29	0	G	Paul Phelan		
2022-23 CS13	Corporate items	50	50	0	G	Martin Hone		
Prior Year savings not delivered in 2021/22								
2018-19 CS07	Retender of insurance contract	25	0	25	R	Nemashe Sivayogan	Expected saving to be reviewed following six schools leaving the insurance SLA, new contract has delivered cost savings but there is shortfall against the budgeted saving due to original pressures in the budget	Y
2018-19 CS08	Increase in income from Enforcement Service	15	0	15	R	David Keppler	Not achievable in year due to covid	Y
2021-22 CS11	Review of shared Bailiff service with Sutton	40	0	40	R	David Keppler	Not achievable in year due to covid	Y
2019-20 CS26	Review of contract arrangements	120	0	120	R	Liz Hammond	The iTrent contract renewal did not proceed to an early exit as previously expected and the savings will now not start until 22/23.	Y
2019-20 CS23	Implement a means assessed charging scheme for appointeeships undertaken by the CFA team.	30	0	30	R	Tina Dullaway	Charging scheme yet to be agreed and implemented	Y
	Total CS Savings for 2022/23	**695**	**395**	**300**				

PROGRESS ON 2022/23 SAVINGS
CHILDREN, SCHOOLS AND FAMILIES SAVINGS PROGRESS: 2022-23

Ref	Description of Saving	2022/23 Savings Required £000	2022/23 Savings Achieved/ Expected £000	Shortfall	RAG	Responsible Officer	Comments
Savings due in 22/23							
CSF2019-12	Review of public health commissioned services	**N/A**	**N/A**	**N/A**	**N/A**	Dheeraj Chibber	This saving has been cancelled
CSF2019-16	National Minimum rate for Fostering/Guardianship/Adoption	**20**	**20**	**0**	G	Dheeraj Chibber	
CSF2019-17	Increased use of in-house foster care	**40**	**40**	**0**	G	Dheeraj Chibber	
CSF2019-18	Review and reshape shortbreaks provision	**200**	**0**	**200**	A	Elizabeth Fitzpatrick	Review delayed
CSF2019-19	SEND travel assistance	**150**	**0**	**150**	R	Elizabeth Fitzpatrick	There seems little prospect of transport costs reducing for the foreseeable future
2021-22 CSF01	Education & Early Help -Reduction made in provision for PFI Unitary Charges	**450**	**450**	**0**	G	Elizabeth Fitzpatrick	There may be an impact in 2029/30 when the PFI reserve may not be adequate
2021-22 CSF03	CSF - Ongoing underspend	**200**	**200**	**0**	G	Dheera Chibber/Elizabeth Fitzpatrick	
CSF1-22/23	School Meals PFI	**100**	**100**	**0**	G	Elizabeth Fitzpatrick	as above
CSF2-22/23	Education - Office Efficiencies	**50**	**50**	**0**	G	Elizabeth Fitzpatrick	
CSF3-22/23	Education Inclusion - Streamlined Activities	**28**	**28**	**0**	G	Elizabeth Fitzpatrick	
CSF4-22/23	CSC Placements - Demand Management and Commissioning			**0**		Dheerah Chibber	High inflation will drive up unit costs
Prior Year savings not delivered in 2021/22							
CSF2019-18	Review and reshape shortbreaks provision	**200**	**0**	**200**	A	Elizabeth Fitzpatrick	
2021-22 CSF01	Education & Early Help -Reduction made in provision for PFI Unitary Charges	**450**	**450**	**0**	G	Elizabeth Fitzpatrick	
	Total Children, Schools and Families Savings 2022/23	1,888	1,338	550			

DEPARTMENT: Community & Housing Savings Progress 2022/23

Ref	Description of Saving	Division	2022/23 Savings Required £000	2022/23 Savings Forecasted £000	Shortfall	RAG	Responsible Officer	Comments
(Nov'20)CH 100	Review of in-house day care provision	Adult Social Care	700		700	R	To be up dated	
(Nov'20)CH 101	Review of in-house LD Residential provision	Adult Social Care	544		544	A	To be up dated	
(Nov'20)CH 102	Dementia hub re-commissioning	Adult Social Care	55	55	0	G	Keith Burns	To be reviewed for period beyond 2022/23 in light of new administration priorities.
(Oct'21) CH105	Commissioning and Market Development – Increasing take up of Direct Payments	Adult Social Care	100	100	0	G	Keith Burns	Closer collaboration with operational teams to promote uptake. Work planned to streamline paperwork to make a more attractive option.
(Oct'21) CH106	Community & Housing - Housekeeping – review of ancillary budget lines	Adult Social Care	50	50	0	A	Various	
(Oct'21)CH1 09	Adult Social Care - Placements	Adult Social Care	100		100	G	Phil Howell	
Oct'21) CH110	Commissioning and Market Development – Commissioning efficiencies arising from re-procuring a high cost service	Adult Social Care	50	40	10	G	Keith Burns	Negotiation with provider in progress, but complex as aresult of TUPE position. May be recoverable but part year impact now reflected in forecast.
	Subtotal Adult Social Care		1,599	245	1,354			
(Jan'20) CH97	Increase income and better use of technology	Libraries	60	60	0	G	Anthony Hopkins	On track
	Subtotal Libraries		60	60	0			
	Total C & H Savings for 2022/23		1,659	305	1,354			

PROGRESS ON 2022/23 SAVINGS

DEPARTMENT: ENVIRONMENT & REGENERATION SAVINGS PROGRESS: 2022-23

Ref	Description of Saving	2022/23 Savings Required £000	2022/23 Savings Achieved £000	Shortfall	RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N	Budget manager
Savings due in 22/23									
ENV2021-07	Property Management - Increase residential (former Service tenancies) rent (increased income)	100	100	0	G	James McGinlay	Saving will not be made from additional rent from residential properties but from Industrial rent increase.		**Jacquie Denton**
ENV2021-10	Development Control/Building Control - Savings as a result of the 'Assure' M3 upgrade	15	0	15	R	James McGinlay			**Jonathan Berry**
ENV2022-23 05	Highways; Increased income from street permitting through enforcement of utility works.	40	40	0	G	James McGinlay			**Paul McGarry**
ENV2022-23 07	Future Merton, Policy team: Additional income from planning performance agreements (PPA)	50	50	0	G	James McGinlay			**Paul McGarry**
ENV1819-04	Parking: Reduction in the number of pay & display machines required.	14	14	0	G	Calvin McLean			**Gavin Moore**
ENV2021-08	Parking - Activity to improve On Street parking compliance.	100	100	0	G	Calvin McLean			**Gavin Moore**
E1	Regulatory Services: Investigate potential commercial opportunities	65		65	R	Calvin McLean			**Chris Nash**
ENV2022-23 01	Public Space - Waste services: Disposal processing savings (Food Waste Recyclate)	104	104	0	G	John Bosley			**Charles Baker**
ENV2022-23 02	Public Space – Greenspaces: Raynes Park Sports Ground - new lease arrangement	35	35	0	G	John Bosley			**Andrew Kauffman**
Prior Year savings not delivered in 2021/22									
ENV1920-06	Future Merton: Highways advertising income through re-procurement of the advertising contract for the public highway.	70	0	70	R	James McGinlay	Covid-19 estimated to impact on saving. Should be achieved from 2022/23.	**Y**	**Paul McGarry**
ENV2021-02	D&BC: Increase PPA's income (increased income) through a dedicated Majors team	80	0	80	R	James McGinlay	Staff issue with the admin manager being off sick has delayed progress.	**Y**	**Jonathan Berry**
ENV1920-01	Parking: Application to change Merton's PCN charge band from band B to band A. To effect this a full business case will need to be presented to Full Council. Following this, an application will be made to the London Councils Transport, and Environment Committee. Depending on the outcome at the Committee, the Mayor will also be required to ratify the application and the Secretary of State has final sign off. This 'saving' reflects the impact on estimated revenue until motorist compliance takes full effect .The objective is to reduce non-compliance but if the band change is implemented it is likely that there will be a short term increase in revenue. The purpose of PCN parking charges is to dissuade motorists from breaking parking restrictions and charges must be proportionate. The income from charges must only be used in accordance with the Road Traffic Regulation Act 1984. These purposes are contained within the Council's traffic management and other policy objectives.	340	56	284	R	Calvin McLean	Following the consultation process and approval by Merton, approved is required by the follong: London Councils, GLA, Mayor for London and Secretary of State. Applications are now with Secretary of state for final sign off. Possible implementation date Q4 2022. Process was delayed due to London Mayoral Election, officers working with GLA to progress the application. Additional questions raised by GLA have now been responded to and approved. Estimated operational date Feb 2022 resulting in 2 months (£56k) pro rata of this saving being achieved. to be sent by GLA to Mayor for London. Band A charges were introduced on the 1st February 2022. The impact of the increased charge will be monitored.	**Y**	**Gavin Moore**
ENV2021-08	Parking: Activity to improve On Street parking compliance.	100	50	50	R	Calvin McLean	Due to COVID and current on street activity this saving has not been met in Q1-3 2021. Operational consideration now being worked through for implementation in Q4. Possible Risk £50k will be achieved next year rather than this financial year. Additional on street activity commenced in January and a minimun £50k saving will be achieved in 2021/22.	**Y**	**Gavin Moore**
ENV2021-06	Service restructure across Safer Merton and CCTV	35	0	35	R	Calvin McLean	Cost pressures within the CCTV budget present a challenge to meeting this savings target. The CCTV upgrade programme will reduce the CCTV revenue costs (e.g. the upgrades to the network will lower data transmission costs), therefore the delivery of these savings is contingent on the timely implantation of the upgrade programme.	**Y**	**Alun Goode**
	Total Environment and Regeneration Savings 2021/22	**1,148**	**549**	**599**					

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