

Financial Monitoring Scrutiny Task Group, 11 September 2012

Financial Monitoring Report 2012/13 – quarter 1

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Recommendations:

- A. That the Financial Task Group note the financial reporting data relating to revenue budgetary control, showing a forecast underspend at year end of £5.463m (£3.523m underspend reported last month); capital reporting and an update on corporate items and consider any relevant action that CMT wish to take in respect of variations.
- B. That Cabinet* approve the virement of £265,330 from the £507,833 Integrated Workforce Fund for a range of projects and services specifically developed to contribute to the divisions plans to support early intervention and assessment; contribute to a social work development programme from qualification through to management; enhances our specialist response to the growing issue of child sexual exploitation and supports our positive engagement with families working to minimise the risks children are exposed.
- C. That Cabinet* approve the Virements and re-profiling contained in appendices 5a to c
- D. That the Financial Task Group note the latest position with regard to the collection of miscellaneous debt, as at the end of June 2012.
- E. That Cabinet* note the Key Strategic Risk Register attached as Appendix 6.

* Items will be reported to Cabinet on 24 September 2012

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

1.1 This is the regular financial monitoring report for 2012/13 presented to Cabinet in line with the financial reporting timetable. It is the Quarter 1 expenditure and income as at 30th June 2012.

This financial monitoring report provides:-

- The latest budgetary control information on revenue expenditure and income, forecasting a year end underspend of £5.463m (£3.523m underspend reported last month);
- An update on the capital programme and detailed monitoring information;
- An update on Corporate Items in the budget 2012/13;

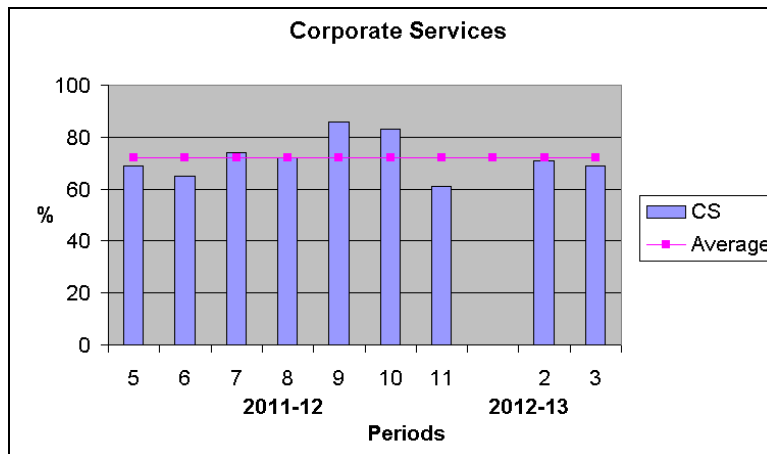
2. THE FINANCIAL REPORTING PROCESS

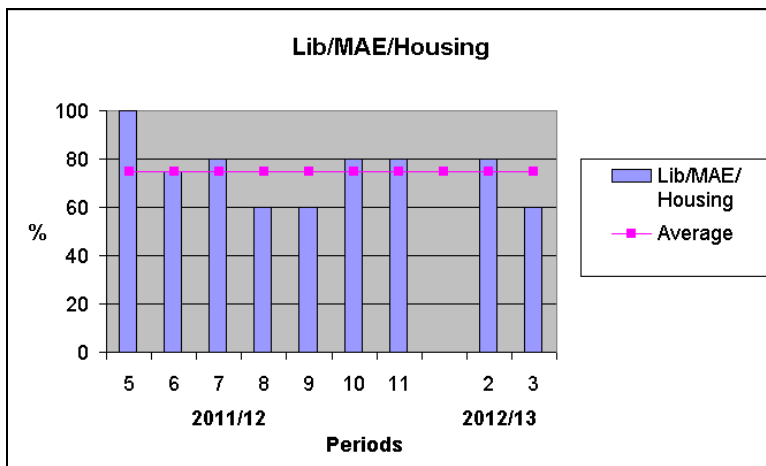
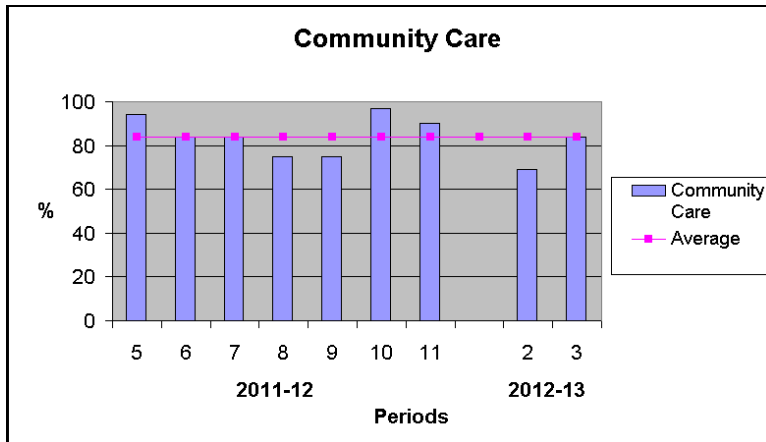
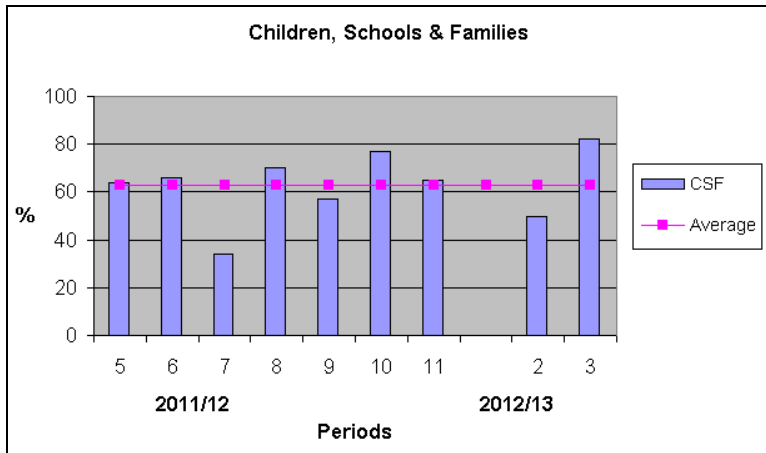
- 2.1 The budgetary control process will place emphasis on accurate and improved forecasting at both service and corporate level as the 2011/12 outturn underspends highlight that improvements need to be made in this process. In particular focus will be on the 3 services responsible for the majority of the underspend in 2011/12 – Waste Services, Children’s Social Care and Adult Social Care.
- 2.2 The monthly budget monitoring process is the primary method for review of the Council’s actual expenditure versus the budget set and ensuring that the forecasts are an accurate and realistic reflection of outturn expected. The 11/12 outturn highlights the need for improvement in forecasting in certain services where the forecasting is not accurate. For the Council to plan resources and estimate future needs it is important for all service managers to manage their budget and report expected over/ underspend on a timely basis so that action can be taken to balance the budget.

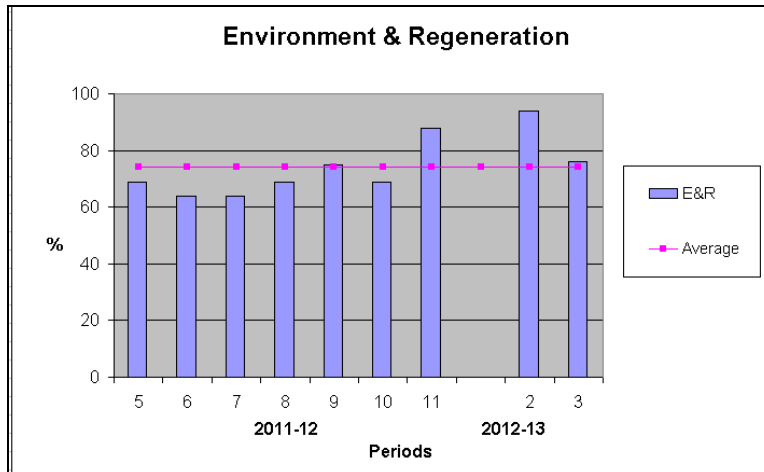
The table below shows the average returns received from budget managers over the last nine reporting periods.

Budget reports returned on time

Department	Average
Corporate Services	72%
Children, Schools & Families	63%
Community Care	84%
Lib/MAE/Housing	75%
Environment & Regeneration	74%







The scale of outturn variances in 11/12 highlighted the importance for all managers to return their budget monitoring report and forecast every month, aiming for a 100% return rate for each service. The statistics only show completion rates and do not reflect quality of budget returns, and it is clear that there is significant room for improvement in some areas. The budget management team challenges budget managers where the forecasts do not appear accurate and realistic. The three services with the largest variations in 11/12 have been targeted to ensure there is an improvement in their forecasting.

3. 2012/13 FORECAST OUTTURN BASED UPON LATEST AVAILABLE DATA

3.1 **Executive summary** - As at June, the forecast is expected to be a net £5.463m underspend compared to the current budget (£3.523m reported last month).

Summary Position as at 30th June 2012 –

	Original Budget 2012/13 £000s	Current Budget 2012/13 £000s	Year to Date Budget (June) £000s	Year to Date Actual (June) £000s	Full Year Forecast (June) £000s	Forecast Variance at year end (June) £000s	Forecast Variance at year end (May) £000s
Department							
3A. Corporate Services	10,256	10,293	7,969	5,390	10,293	0	0
3B. Children, Schools and Families	42,366	42,149	44,551	38,307	41,649	(500)	(54)
3C. Community and Housing	60,223	60,159	17,340	6,538	58,576	(1,583)	(1,062)
3D. Environment & Regeneration	28,008	27,736	2,396	(49)	27,148	(588)	0
NET SERVICE EXPENDITURE	140,853	140,338	72,256	50,186	137,667	(2,670)	(1,115)
3E. Corporate Items							
Impact of Capital on revenue budget							
Less transfer to Capital Financing Reserves	14,080	14,080	1,573	991	13,490	(590)	(590)
Central budgets	5,768	5,768	0	0	6,358	590	590
Levies	(14,940)	(14,425)	(3,946)	(4,669)	(17,218)	(2,793)	(2,408)
	880	880	283	283	880	0	0
TOTAL CORPORATE PROVISIONS	5,788	6,303	(2,090)	(3,395)	3,510	(2,793)	(2,408)
							0
TOTAL GENERAL FUND	146,641	146,641	70,166	46,791	141,177	(5,463)	(3,523)
Funding							
Formula Grant:	(59,961)	(59,961)					0
Collection Fund	(3,891)	(3,891)					0
Council Tax	(82,789)	(82,789)					0
FUNDING	(146,641)	(146,641)					0

The following table shows the summary position for June, in subjective format.

Subjective Summary Position as at 30th June 2012

	Current Budget 2012/13	Year to Date Budget (June)	Year to Date Actual (June)	Full Year Forecast (June)	Forecast Variance at year end (June)
Expenditure	£000	£000	£000	£000	£000
Employees	84,759	21,014	20,242	83,259	(1,500)
Premises Related Expenditure	8,398	2,741	1,688	8,390	(8)
Transport Related Expenditure	10,758	2,323	2,478	10,875	117
Supplies and Services	154,656	39,197	31,432	154,110	(546)
Third Party Payments	83,425	18,289	11,549	83,174	(250)
Transfer Payments	112,589	2,339	2,223	112,465	(123)
Support Services	33,744	444	1	33,744	(0)
Depreciation and Impairment Losses	13,920	8	0	13,921	2
Corporate Provisions	6,356	(2,090)	(3,395)	3,563	(2,793)
GROSS EXPENDITURE	508,603	84,266	66,219	503,502	(5,101)
Income					
Government Grants	(257,333)	(374)	(7,043)	(257,352)	(19)
Other Grants, Reimbursements and Contribs	(15,035)	(1,563)	317	(14,834)	201
Customer and Client Receipts	(52,317)	(10,397)	(11,421)	(52,860)	(544)
Interest	(44)	0	0	(44)	0
Recharges	(35,323)	(481)	(178)	(35,323)	(0)
Balances	(1,858)	(1,285)	(1,102)	(1,859)	(1)
GROSS INCOME	(361,909)	(14,100)	(19,427)	(362,272)	(363)
NET EXPENDITURE	146,694	70,167	46,791	141,230	(5,463)

Chart 1 below shows the forecast year end variance for departmental expenditure with a comparison against 2011/12.

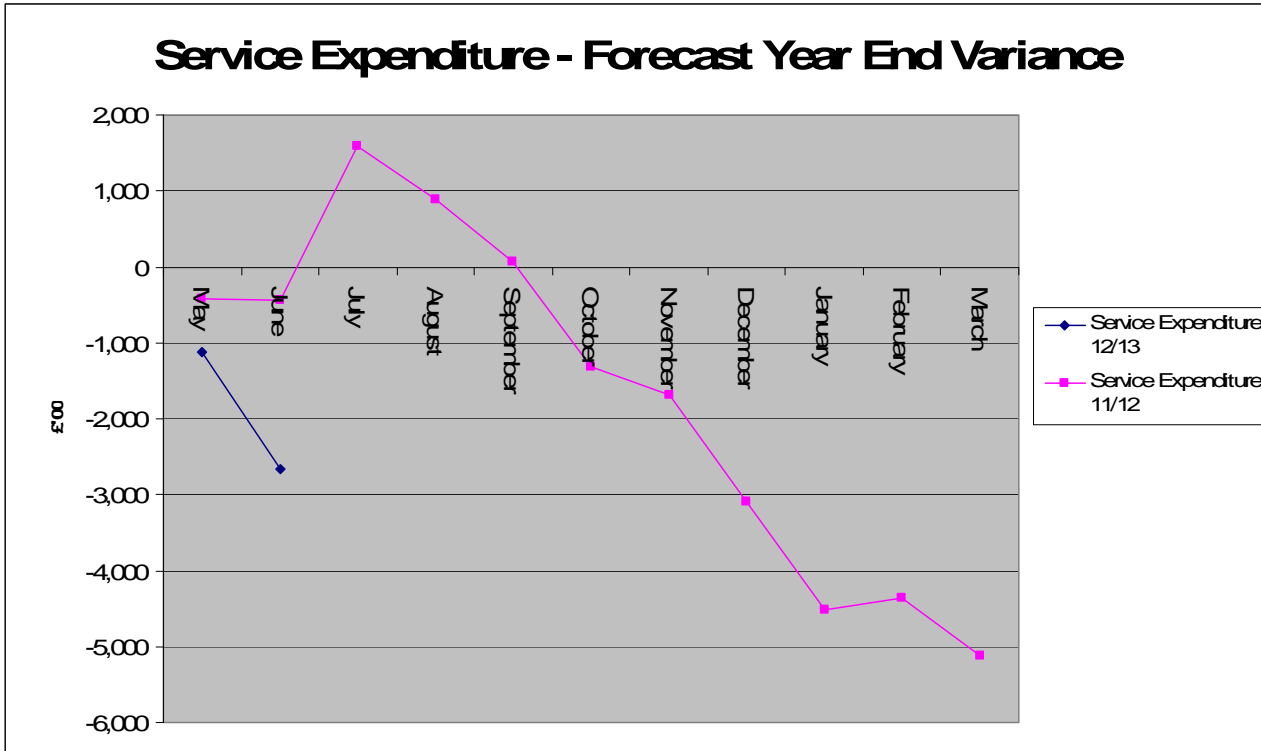
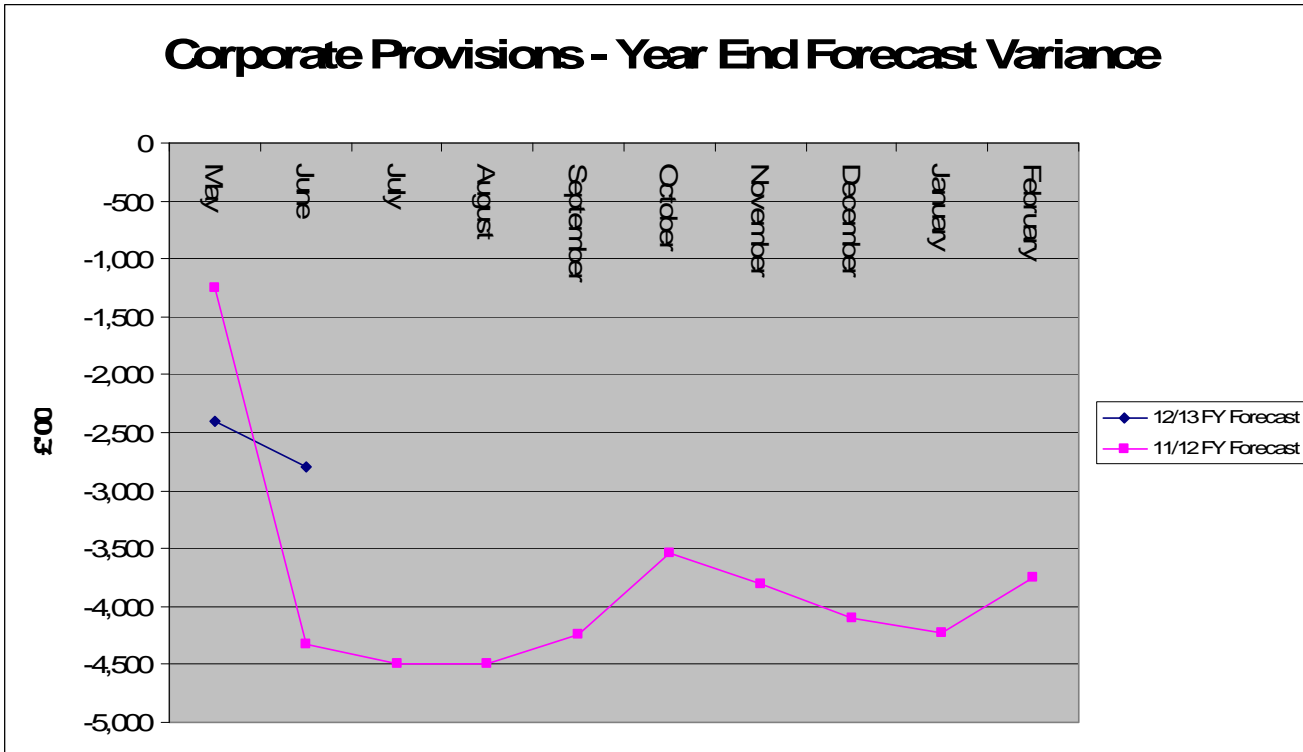


Chart 2 shows the forecast year end variance for corporate provisions with a comparison against 2011/12.



Charts showing the forecast year end variance for each department with a comparison against 2011/12 are attached as Appendix 8.

A similar pattern appears to be emerging in the expenditure forecast as was the case last year. The table below shows the extent of the reduction in forecasts for each period to the 11/12 year end. Service Departments need to ensure their current year projections are substantially more robust than was the case in 2011/12.

Variance Reported in 2011/12

	Budget	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	OUT-TURN
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Waste Operations	9,021	309	17	-583	-583	-625	-652	-739	-781	-975
Waste Services	9,173	-13	-1,097	-1,126	-1,126	-1,012	-1,030	-1,093	-1,088	-1,646
Total Waste	18,194	296	-1,080	-1,709	-1,709	-1,637	-1,683	-1,832	-1,869	-2,621
Children's Social Care	12,544	-300	-300	-400	-170	-309	-344	-747	-799	-1,129
Adult Social Care	54,733	-462	-462	-492	-1,683	-1,693	-2,254	-2,556	-2,726	-2,864
Total Big 3	85,471	-466	-1,842	-2,601	-3,562	-3,639	-4,281	-5,135	-5,394	-6,614
Other Services	58,537	-944	733	536	115	-186	-695	-1,264	-849	-542
Total	144,008	-1,410	-1,109	-2,065	-3,447	-3,825	-4,976	-6,399	-6,243	-7,156
Redundancy		3,000	2,002	2,135	2,135	2,135	1,887	1,889	1,889	2,025
Total	144,008	1,590	893	70	-1,312	-1,690	-3,089	-4,510	-4,354	-5,131

The table below shows the forecast variation for the same services in the current year

Variation in forecast against budget 2012/13		
	May £'000	June £'000
Total Waste	-282	-860
Children's Social care	-54	-26
Adult Social care	-875	-1,344
Variation on "Big 3"	-1,211	-2,230
Other departmental expenditure	96	-440
Variation from budget	-1,115	-2,670

4. DEPARTMENTAL SUMMARY OF CURRENT POSITION

4.1 This Section of the report provides a brief summary of each department's current budgetary control position.

(A) Corporate Services Department

	2012/13 Current Budget	Full year Forecast June	Forecast variance at year end (June)	Forecast variance at year end (May)	2011/12 Variance at year end
	£000	£000	£000	£000	£000
Business Improvement	1,753	1,783	30	30	47
Infrastructure & Transactions	8,793	8,738	(55)	(95)	71
Resources	7,257	7,286	29	19	(122)
Human Resources	1,797	1,773	(24)	(4)	(51)
Corporate Governance	4,407	4,358	(49)	13	(140)
Customer Services	152	451	299	209	29
Corporate Items including redundancy costs	1,260	1,031	(229)	(172)	1,700
Total (controllable)	25,419	25,419	0	0	1,534

Overview

At period 3 the Corporate Services department's year end forecast is in line with budget. The following budget pressures exist but they are being addressed and managed from underspends elsewhere within the department.

Customer Services – forecast overspend £299k

Corporate Communications - The 2012/13 income target of £180k relating to sponsorship, advertising and filming is considered unachievable and a projected shortfall of £100k is expected. This was underachieved in 2011/12 by £150k.

Bailiffs Income – An underachievement of income of £237k is forecast on the bailiffs' income target of £887k. Work is progressing on the shared bailiff service with Sutton with Merton hosting the service on behalf of Sutton. It is due to commence in August 2012 but is not budgeted to achieve additional income until 2013/14.

The above forecast overspends are partly offset by forecast overachievement of income in the Registrars office (£26k) and an underspend on some vacant posts (£100k).

Infrastructure and Transactions– forecast underspend £55k

The print room are forecasting an overspend of £40k which is offset by an expected overachievement of income on the Alto Digital recharges of £55k and an additional £50k expected on recovery of overpayments.

Corporate Governance– forecast underspend £49k

The forecast underspend is due to vacant posts and an underspend on supplies and services. There are budget pressures to achieve the income target in the shared legal service and pressures in achieving overtime savings in democratic services and the mayor's office.

Management Action

Finance officers and budget managers will monitor the budget pressures identified and identify compensating savings where possible.

(B) Children, Schools and Families

Children, Schools and Families (Non-DSG)	2012/13 Current Budget £000	Full year Forecast (Jun) £000	Forecast Variance at year end (Jun) £000	Forecast Variance at year end (May) £000	2011/12 Variance at year end £000
Commissioning, Strategy and Performance	7,850	7,750	(100)	0	(135)
Education	12,022	12,022	0	0	139
Social Care and Youth Inclusion	11,395	11,369	(26)	(54)	(1,115)
PFI	6,941	6,941	0	0	22
Potential further underspendings		(374)	(374)	0	
Total (controllable)	38,208	38,708	(500)	(54)	(1,089)

Overview

At the end of the June the departmental managers are forecasting a net under spend of £126,000 covering various service areas. Detailed analysis of budgets show a number of over and underspends that combine to forecast a net underspend of £126,000. Budget managers are however making very cautious predictions and using their forecasts plus historic spend patterns (which could change) we are anticipating underspends at year-end closer to £500,000.

Local Authority Funded Services

CSF manages a number of volatile budgets, which require continuous and careful demand management.

Cost pressures and underspends identified to date include:

- A net underspend of £100,000 is expected relating to reduced spend on in-house fostering and mother and baby budgets offsetting against ongoing pressures in independent agency fostering and the residential social care placements. It is likely that we will need to review our present fostering allowances in light of a recent judicial review which would reduce this underspend.
- Commissioning savings at Leyton Road is expected to result in an overall underspend for the year of £64,000.
- Due to an increase in the number of special guardianship orders, this budget is expected to overspend by £92,000 by the end of the year.
- An initial underspend of £54k is forecast on costs for unaccompanied asylum seekers. Some of this budget will be required for “no recourse to public funds” (NRTPF) cases that are currently included under the Section 17 cases which are currently forecasting an overspend.

There are various other small over and underspend predicted across the department which are expected to cancel each other out.

Management Action

CSF managers are working closely with finance staff to continue to make forecasting more robust at this early point in the financial year. Managers will continue to reduce spend where possible to address cost pressures that arise throughout the year.

Dedicated Schools Grant

Whilst underspends are expected against the DSG budgets, this will not accrue to council general fund balances, as DSG is separate ring-fenced funding.

Based on current client costs, the independent residential SEN placements are expected to underspend. The current client costs do not build in contingencies for new assessments during the year or new starters from September, at which stage it will be possible to more accurately estimate the underspend for the year with the exception of any tribunal cases.

Implementing the strategy to increase in-borough SEN provision is delivering reduced spend on out of borough placements, and increased income from other boroughs by charging for out of borough children placed in Merton schools. Initial forecasts indicate a net underspend on these recoupment activities, which will be quantified once the most of the claims are received from other boroughs, which is expected to be by August/September.

Use of Ring Fenced Grants

The Integrated Workforce Fund of £507,833 was created from ring fenced grant money from the Social Work Improvement Funds. Proposals have been compiled which meet the criteria for the grant and utilize £265,330 of this funding. Cabinet approve the virement of £265,330 from the £507,833 Integrated Workforce Reserve to fund these projects to support early intervention and assessment contribute to a social work development programme from qualification through to management. This will enhance our specialist response to the growing issue of child sexual exploitation and supports our positive engagement with families working to minimise the risks children are exposed.

(C) Community and Housing

As at end of June, C&H is forecast to under-spend by £1.583m.

Community and Housing	2012/13 Current Budget	Full Year Forecast (Jun)	Forecast Variance (Jun)	Forecast Variance (May)	2011/12 Variance at year end
	£000	£000	£000	£000	£000
Access and Assessment	40,836	39,745	(1,091)	(745)	(1,643)
Commissioning	5,238	5,025	(213)	(130)	(698)
Direct Provision	4,828	4,788	(40)	0	(463)
Directorate	847	847	0	0	(62)
Adult Social Care	51,749	50,405	(1,344)	(875)	(2,866)
Libraries and Heritage	2,471	2,499	28	28	8
Merton Adult Education	(12)	(12)	0	8	107
Housing General Fund	1,263	996	(267)	(224)	(391)
Total (controllable)	55,471	53,888	(1,583)	(1,062)	(3,142)

The main areas of variances reported are:

Access & Assessment

Client contribution income **£790k**, the current budget is £7.970m and projected income is £8.760m. This is an area where a further £800k was already added to the budget for 2012/13 to reflect previous year's overachievement of income in setting the 2012/13 budget

Income from PCT contribution is forecast to under-achieve by £440k due to changes in client profile from budget setting.

Placement budget is currently estimated to under-spend by £188k based on current activity. However it is possible that expenditure on care packages will continue to increase.

The Merton Independence Living Enablement Service (MILES) budget for the provision of hospital discharge and re-ablement services and meals on wheels contract is projected to under spend by £226k.

Mental Health Social Workers salaries is projected to under spend by £108k.

Salaries and supplies and services within Access and assessment is projected to under spend by £220k. Access and Assessment is one of the areas with the largest under spending in 2011/12. A substantial underspend is already predicted, the majority on income. Managers will need, with assistance from Finance staff, the likely position on the remainder of the budget and make projection more robust and accurate for the next detailed quarterly review.

Commissioning

The projected under spend is caused by supporting people grant £106k, reduction in the contribution to Voluntary Organisation contracts and grants of £56k, salaries due to delay in recruitment £51k

Direct Provision

The projected under spend is caused by £69k additional income from a full cost client and £29k overspend on salary and other expenditure.

Housing

The projected under spend is caused by preventing homelessness forecast under-spend on rent deposits, repossession and eviction £268k. This is an area where spend to date suggests that the under spending may well be greater.

Libraries £28k forecast over-spend that will need action to contain within existing budgets.

Merton Adult Education (MAE) is forecast to breakeven, however given the need to implement a package of savings and a track record of overspending in recent years this needs to be viewed with some caution at this stage, unless firm management action is taken.

Overview

Placements

The Social Care Management Team review the care package budgets monthly and identify management action as appropriate.

The total gross placement budget for 2012/13 is £38.7m; this includes £1m growth allocated in setting the budget and savings of £3.5m.

The impact of the savings on the budget position for 2012/13 and future years will be closely monitored.

The table below identifies the movement in care package numbers:

Activity Data – Care Package Numbers Service Area	No of Care Packages as at October 2011 (budget setting)	No of Care Packages as at Jun 2012	Increase/ decrease since Budget Setting
Mental Health	179	178	(1)
Physical and Sensory	278	292	14
Learning Disabilities	357	368	11
Older People	1,681	1,641	(40)
Substance Misuse	7	7	0
No recourse to public funds	22	17	(5)
Total	2,524	2,504	(20)

Pressures

There is currently sufficient budget to cover current commitments. However there are risks items in the savings proposals, which are being monitored closely.

The spend on home care is being reviewed closely to monitor the savings achieved from the re-modelling of the Domiciliary Care Services. Also contract rate variation re-negotiation has commenced and timeframes are being revised to allow more time for completion of the service specification and tender pack. It is envisaged that officers will be in a position to determine the interim savings by mid July prior to the rollout of the new framework.

Management Action to date

Adult Social Care

The monitoring of income is a key budget area where enhancement of the monitoring is being developed.

It may be necessary to re-invest the reduction in voluntary organisation contracts and grants in other services, subject to the necessary approvals.

Housing General Fund

The budgets are being reviewed closely. The housing benefits income budget for temporary accommodation will be reviewed closely as the actual income in 2011/12 was significantly higher than budget. There forecast for temporary accommodation does not seem to be consistent with actual spend to date and therefore the monitoring of this budget requires improvement.

The service is projecting that it will underspend its net budget by 21%. This is clearly an area where the basis of the original budget setting will require review.

At the same time last year the Adult Social Care budget was forecast to underspend by £317,000. The actual under spent in 2011/12 was £2.9m. This broadly splits as £1.4m for additional income and £1.5m for lower expenditure. Of the underspend, £800,000 of unbudgeted income was taken towards balancing the budget in 2012/13. The actual extent of continuing under spending is currently being investigated by the Director. The current adult social cares forecast underspend of £1.344m includes an estimated £0.790m overachievement of income. There are concerns that budget managers' forecasts at this stage are over prudent end of a range, and that as they investigate actual spending and commitments more thoroughly that the under spending may well increase. It is important that as one of the major contributors to recent under spending that the extent of any structural budgetary overprovision is clarified and dealt with through the future budget setting process.

(D) Environment and Regeneration

	2012/13 Current Budget £000	Full year Forecast (June) £000	Forecast Variance at year end (June) £000	Forecast Variance at year end (May) £000	2011/12 Variance at year end £000
Public Protection & Development	(6,282)	(6,063)	219	225	(95)
Sustainable Communities	3,188	3,195	7	57	235
Street Scene & Waste	24,947	24,133	(814)	(282)	(2,533)
Safer Merton	963	963	0	0	(45)
Total (controllable)	22,816	22,228	(588)	0	(2,438)

Overview

The Department is currently forecasting an underspend of **£588k** at year end. There are three main areas of variance – Property Management and Building & Development Control are forecasting overspends whilst Waste Services is forecasting an underspend.

Waste Services

This service under spent by £2.6M in the 2011/12 financial year, but their respective budgets have been reduced by around £1.2M for this financial year, primarily in the area of transport. The section is currently forecasting an overall underspend of £860k in the current year, which is mainly due to a reduction in expected transport related costs, and a reduction in the levels of residual waste being taken to landfill.

However, there are also a few notable pressures. Firstly, a shortfall in Commercial Waste income of around £270k is forecast based on current projections, which compares to an overspend of £278k in 2011/12. A review of the commercial waste business and the operating model is underway and a report is expected before the end of September.

Secondly, as part of the South London Waste Partnership agreement Merton, and the other participating authorities, are liable to pay a contribution to Sutton towards their compensation costs of breaking out of the contract with their previous contractor. This is based on the amount of tonnage that would have been dealt with by the contractor. The estimated cost of this for Merton in 2012/13 has been calculated by LB Sutton as £334k, which has risen significantly from the £92k calculated for 2011/12. The Head of Street Scene and Waste is currently ascertaining and confirming the reason for this sharp forecast unbudgeted increase.

The Waste Service is one of the major contributors to recent under spending it is important that the extent of any structural budgetary overprovision is clarified and dealt with through the future budget setting process. This service is currently being reviewed by the director with support from fiancé staff

Pressures

Property Management

The Property Management section is currently forecasting a shortfall in rental income of around £180k, as a result of twelve rental units currently being, or soon to be, vacant as a result of a combination of bankruptcy and leases not being renewed upon expiry brought about by the recession. Also, as a result of these void lets, the section is also liable to pay the related NNDR payments, leading to an associated forecast overspend of £70k.

Mitigating action is being taken to address this pressure, resulting in three of these units being under offer, whilst another three have terms agreed. However, the section often needs to agree a rent free period of up to six months in order to secure the lease agreements, resulting in limited additional income this financial year. Therefore, in the short-term, these forecast overspends are being offset by underspends elsewhere within Sustainable Communities.

Building and Development Control

An overspend of £236k is currently being forecast, which is mainly due to the section being unable to fully implement an agreed saving of £300k. The saving relates to a Government proposal which would allow the Council to set its own fees (levels are currently prescribed) in order to recover the full cost of delivering a number of services within the section. However, the Government has delayed this proposal and no agreement has been made as to when it might be announced.

However, this pressure is expected to be partially offset by the fact that the DCLG have recently proposed a one-off adjustment to up-rate planning application fees in line with inflation amounting to around 15%, as the Government, who set the fee, have not been increased it since 2008. It is anticipated that this increase will take effect from October, and could result in an additional £50k of income in this financial year and approx £100k in a full year. Alternative measures need to be identified to make good any shortfall.

CCTV

Issues have arisen in regards to existing contracts that may put additional pressures on the budget, and are being worked through at present.

Greenspaces

Negotiations have now concluded with members of the Greenspaces team and the unions to resolve a dispute relating to the pay rates for overtime preceding the adoption of single status. Provision for this, along with other areas within the Council, has been made and it is not expected that this will impact on Departmental revenue.

Management Action

Work is ongoing with regard to the 2011/12 outturn variances in order to ascertain the extent to which they will continue into this financial year, and to mitigate the significant differences seen between forecasts and outturn.

All managers are aware of the need to contain expenditure and maximise income wherever possible. Corporate guidance regarding the filling of vacant posts will be strictly adhered to.

CORPORATE EXPENDITURE AND INCOME (incorporating technical issues)

(E) Corporate Items

These budgets cover a wide range of significant areas including treasury management, contingency, contributions to past service deficiency on the pensions fund and contributions from government grants and use of reserves.

The assumptions underpinning budgets and projected outturn are contained in appendices 1 and 2. The main areas of variance as at 30th June 2012 are:-

	Original Budget 2012/13 £000s	Current Budget 2012/13 £000s	Year to Date Budget (June) £000s	Year to Date Actual (June) £000s	Full Year Forecast (June) £000s	Forecast Variance at year end (June) £000s	Forecast Variance at year end (May) £000s
4E. Corporate Items	-						
Cost of Borrowing	14,481	14,481	1,673	1,058	13,891	(590)	(590)
Investment Inc.	(401)	(401)	(100)	(67)	(401)	0	0
Transfer to funding of 13/14	0	0	0	0	590	590	590
Impact of Capital on revenue budget	14,080	14,080	1,573	991	14,080	0	0
<u>Pay and Price Inflation</u>							
Corporate Provision for Pay Award	408	408	0	0	0	(408)	(408)
Utilities Inflation Provision	926	926	0	0	500	(426)	0
<u>Contingency</u>	2,000	1,935	0	0	947	(988)	(2,000)
<u>Other Corporate Provisions</u>							
Depreciation and Impairment	(14,813)	(14,233)	0	0	(14,233)	0	0
VAT Savings	0	0	0	(608)	(500)	(500)	0
Single Status	515	515	0	0	515	0	0
Bad Debt Provision	500	500	0	0	500	0	0
Cost of DR Recovery	70	70	0	0	70	0	0
New Homes Bonus	(1,136)	(1,136)	(266)	(266)	(1,136)	0	0
Pension Fund	4,537	4,537	0	0	4,537	0	0
PFI Grant	(4,797)	(4,797)	(1,199)	(1,198)	(4,797)	0	0
Council Tax Freeze Grant	(4,130)	(4,130)	(2,481)	(2,481)	(4,130)	0	0
Revenuisation and miscellaneous	510	510	0	0	510	0	0
Agency workers	500	500	0	0	500	0	0
Use of Reserves - re 20 minutes free parking	(30)	(30)	0	0	(30)	0	0
Local Services Support Grant	0	0	0	(116)	0	0	0
LACSG Refund	0	0	0	0	(471)	(471)	0
Central Items	(14,940)	(14,425)	(3,946)	(4,669)	(17,218)	(2,793)	(2,408)
Appropriation to Reserves	5,768	5,768	0	0	5,768	0	0
Levies	880	880	283	283	880	0	0
TOTAL CORPORATE PROVISIONS	5,788	6,303	(2,090)	(3,395)	3,510	(2,793)	(2,408)

1. Impact of Capital on Revenue Budget

Details of the impact of the capital programme on the revenue budget are set out in Section 3 of this report.

2. Pay and Price Inflation

The assumptions underpinning budgets and projected outturn are contained in Appendix 1. There are provisions in the budget for a pay award (£0.408m) and utilities inflation (£0.9m) but at present it is not expected that any of the pay provision and £0.500m of the utilities inflation provision will be required.

3. Contingency provision

The current budget for 2012/13 includes a contingency of £2m. The use of contingency is kept under review on a month by month basis.

To date there have been two issues identified which require a contribution from the contingency:-

- A contribution of £12,000 towards Kick Racism into Touch
- £200,000 as provision for the potential redundancy costs arising from the new academy.

It is currently anticipated that £1m of the contingency will be utilised by year end.

4.) LACSAG refund Along with a group of other Boroughs Merton took legal action against the DfE about the manner in which the funding for central costs to Academies had been dealt with in the 2012/13 and 2013/14 grant settlement. The DfE have conceded large elements of the case and refunded £478,000 to Merton in respect of the sum deducted from Formula grant in 2011/12. There will be a further sum in respect of 2012/13 to be refunded once the final numbers of academies for the current year nationally and locally has been finalised

5) Other corporate provisions

There are no major variations expected in the other corporate provisions budgets at year end.

(F) Reserves

Attached as Appendix 3 is a table detailing the movement in reserves to date and anticipated movement at year end.

(G) Cash Flow Forecast for 2012/13

Attached as Appendix 4 is the updated cash flow for 2012/13, with a comparison to the cash flow reported to Council in March 2012. This document projects that the Authority's cash balance will be £10 million lower than that reported in March 2012. This projection assumes an approximate £50 million spend on capital at year end and a fully spent revenue budget. It is envisaged that both of these spend projections will be reduced during the financial year and the projected cash balance increase as a result.

5. CAPITAL PROGRAMME 2012-16

5.1 The table below summarises the position in respect of the Capital Programme as at June 2012:

Capital Department Report - Summary of All Departments - June 2012

Scheme Description	Total Budget	YTD Actual	YTD Budget	Variance	Forecast	Forecast
				To Date	For Year	Variance
Community and Housing Total	2,378,960	118,451	178,857	(60,407)	2,358,000	(20,960)
Corporate Services Total	6,515,370	466,129	1,193,412	(727,283)	6,474,642	(40,728)
Children Schools and Families	41,365,490	4,193,905	6,175,794	(1,981,889)	29,173,147	(12,192,343)
Environment and Regeneration	15,276,260	1,928,723	3,024,204	(1,095,482)	13,618,050	(1,658,210)
Total Capital	65,536,080	6,707,208	10,572,267	(3,865,061)	51,623,839	(13,912,241)

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5.2 The scheme level programme is attached as Appendix 5a. The primary schools expansion programme is to be grouped as one scheme in the Appendix but this will be expanded for the cabinet report. Further work is being done in this area in the light of the outturn for 2011/2012 and works over the summer holidays to ensure the profile of spend across the years is as realistic as possible.

5.2.1 This month only 6 out of 20 budget holders (30%) had submitted budget returns by the due date. A further 8 returns for Environment and Regeneration were submitted on 18th July 2012 increasing this percentage to 70%. These returns reduce the outturn position for the department by almost £0.8 million so have been incorporated into figures.

5.3 The table above incorporates the following amendments

- i. An addition of £1.339 million to the Community and Housing element of the Capital Programme for 9 Adult Social Care IT related schemes which will be funded from specific grant. The two largest schemes will require Cabinet approval in September 2012. It is envisaged that some of these budget will need to be re-profiled in September or December 2012 as the projects and spend profiles are fine tuned. These virements are shown on Appendix 5a and the amendments to the funding of the Capital Programme are detailed on Appendix 5c.
- ii. The refurbishment of 8 Wilton Road of £271,000, funded by grant (£200,000) and revenue contributions (£71,000) has been added to the capital programme. This virement is shown on Appendix 5a and the amendments to the funding of the Capital Programme are detailed on Appendix 5c.

- iii. Children, Schools and Families have requested a virement of £19,080 within their Primary Schools Expansion Programme, this is detailed in Appendix 5b.

5.4 The table below summarises the impact of the re-profiling and virements in 5.3 on the Capital Programme 2012-16.

Impact of Re-Profiling and Virements on the Capital Programme 2012-16

Dept	Budget 2012/13 Cabinet / Council July 2012	Grant Funded New Schemes	Scheme funded by Revenue Contribution	Revised Budget 2012/13 (1+2+3)=	Revised Budget 2013/14 Cabinet / Council July 2012	Budget 2014/15	Budget 2015/16
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
C&H	769	1,539	71	2,379	0	0	0
CS	6,516	0		6,516	3,264	4,294	4,057
CSF	41,364	0		41,364	15,065	9,290	3,615
E&R	15,278	0		15,278	17,215	10,086	15,946
Total	63,927	1,539	71	65,537	35,544	23,670	23,618

6. RISK MANAGEMENT

- 6.1 Merton's Risk Management Strategy was reviewed as part of the Business Plan process for 2012/16. As part of the process established service and departmental risks are reviewed quarterly, and recommended amendments to the Key Strategic Risk Register are reviewed quarterly as part of this process. A full risk management update report went to CMT on 24 April. The Key Strategic Risk Register was reviewed by CMT and a number of recommendations were made to revise the scoring of some of the risks. CMT noted that some risks seemed to be rated disproportionately high and have requested that a sense check be undertaken on all Key Strategic Risks.
- 6.2 The revised risk management strategy has been launched on the Intranet and a staff bulletin sent to all managers, directing them to the revised strategy and reminding them of their responsibility for risk management.
- 6.3 The revised Key Strategic Risk Register for June 2012 is attached as Appendix 6

7. MISCELLANEOUS DEBT REPORT

7.1 Attached as Appendix 7 is the regular bi-monthly miscellaneous debt report.

7. DELIVERY OF SAVINGS FOR 2012/13

7.1 The savings proposed for 2012/13 of £11.229m are shown below:

SAVINGS	2012/13 £000
Corporate Services	2,414
Children, Schools and Families	1,003
Environment and Regeneration	3,562
Community and Housing	4,250
TOTAL	11,229

Progress in delivering these savings will be reported for the cabinet report.

8. CONSULTATION UNDERTAKEN OR PROPOSED

8.1 All relevant bodies have been consulted.

9. TIMETABLE

9.1 In accordance with current financial reporting timetables.

10. FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

10.1 All relevant implications have been addressed in the report.

11. LEGAL AND STATUTORY IMPLICATIONS

11.1 All relevant implications have been addressed in the report.

12. HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

12.1 Not applicable

13. CRIME AND DISORDER IMPLICATIONS

13.1 Not applicable

14. RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

14.1 Not applicable

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

Appendix 1 – Pay and Price Inflation as at June 2012

Appendix 2 – Treasury Management: Outlook

Appendix 3 – Projected Reserves as at 31 March 2013

Appendix 4 – London Borough of Merton Cash Position 2012/13 as at 1 August 2012

Appendix 5a – Current Capital Programme 2012/13

Appendix 5b – Capital Programme Virements June 2012 Monitoring

Appendix 5c – Capital Programme 2012/13 Funding Statement

Appendix 6 – Key Strategic Risk Register – June 2012

Appendix 7 - Miscellaneous Debt

Appendix 8 - Forecast year end variance by department

16. BACKGROUND PAPERS

16.1 Budgetary Control files held in the Corporate Services department.

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Pay and Price Inflation as at June 2012

In 2012/13, the MTFs includes 0.5% for increases in pay and 1.5% for increases in general prices, with an additional amount of £0.332m for extra inflation provision in Community and Housing for those areas of high inflation.

Pay:

2012/13 – The MTFs approved by Council on the 7th March 2012 includes 0.5% for increases in pay. This equates to £0.408m and is held as a corporate provision. It is not expected that this will be required.

Prices:

CPI annual inflation stands at 2.4 per cent in June 2012, down from 2.8 per cent in May. The largest downward pressures came from clothing and footwear, transport and food and non-alcoholic beverage costs. The effect of these was partially offset by upward pressures from recreation and culture costs. RPI annual inflation stands at 2.8 per cent in June 2012, down from 3.1 per cent in May. The largest downward pressures came from motor fuels, food, and clothing and footwear. Upward pressure from leisure goods and housing partially offset the downward trend.

Outlook for inflation:

On 5 July, the Bank of England's Monetary Policy Committee voted to maintain the Bank Base Rate at 0.5%. The MPC noted that inflation had fallen in May and expected this to continue in the near term. It stated that "commodity prices have fallen, which should help to moderate external price pressures. And pay growth remains subdued. Given the continuing drag from economic slack, that should ensure inflation continues to ease into the medium term.... Against the background of continuing tight credit conditions and fiscal consolidation, the increased drag from the heightened tensions within the euro area meant that, without additional monetary stimulus, it was more likely than not that inflation would undershoot the target in the medium term. "

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

Source: HM Treasury - Forecasts for the UK Economy (June 2012)			
	Lowest %	Highest %	Average %
2012 (Quarter 4)			
CPI	1.5	3.0	2.3
RPI	1.5	3.4	2.7
2013 (Quarter 4)			
CPI	0.9	3.6	2.0
RPI	1.3	4.0	2.7

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.

Treasury Management: Outlook

The Bank Base Rate has been kept at its low of 0.5% since March 2009. Forecasts for interest rates are that they will remain low for some time, until at least mid/late 2013. The Bank of England's Monetary Policy Committee on 5 July 2012 voted to maintain the official Bank Base Rate at 0.5%. The MPC also voted to increase the level of Quantitative Easing (QE) by £50billion to £375billion financed by the issuance of central bank reserves and it is expected that this should take four months to complete.

The MPC agreed that "asset purchases remained an effective tool for lowering a range of market interest rates, supporting asset prices and so nominal demand...acknowledging that further stimulus was likely to become warranted at some point.."

Forecasts for Bank Base Rates, based on May 2012 are summarised in the following table:-

	End Q.2 2012	End Q.3 2012	End Q.4 2012	End Q.1 2013	End Q.2 2013	End Q.3 2013	End Q.4 2013	End Q.1 2014
Sector	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.75%	0.75%
Capital Economics	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	
UBS	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	

Interest rate projections have become more dovish with most economists putting back their timescales for when rates are expected to increase. In May 2012, the MPC discussed the rationale of a reduction of one quarter of a percent if economic conditions do not improve. It concluded that such a policy continued to have drawbacks that made it less attractive than an extension of QE.

Although the possibility of a rate cut was discussed in July, the MPC decided that it would not be considered again until the impact of the Funding for Lending Scheme and the further measures such as increased QE had become more apparent.

Markets remain wary about the situation in Europe and this uncertainty shows little sign of dissipating. UK output has hardly grown for the past 18 months and is estimated to have reduced in the past two quarters. The pace of expansion in most of the UK's main export markets has slowed and business indicators suggest that there will be continuing weakness, at home and abroad. Concerns remain about the indebtedness and competitiveness of several euro-area economies which is weighing on confidence in the UK. This weaker outlook for UK growth will result in a larger, and more persistent margin of economic slack.

Projected Reserves as at 31 March 2013

Appendix 3

Reserves 2012/13	Balance at 31/3/12 £'000	Movement in year £'000	Anticipated Movement to Year End £'000	Forecast balance at 31/3/13 £'000
General Fund Reserve (including HRA)	14,567	-	-	14,567
Earmarked Reserves	34,867	(1,047)	(4,447)	29,373
Total Available General Fund revenue	49,434	(1,047)	(4,447)	43,940
Add reserves for future use towards Budget	6,319	-	-	6,319
Add DSG reserve for Schools	1,710	-	(310)	1,400
Add Schools own reserves	12,005	-	-	12,005
Revenue Reserves	69,469	(1,047)	(4,757)	63,665
Capital Receipts	15,199	-	6,222	21,421
Capital Grants	4,068	-	(1,339)	2,729
Capital	19,267	-	4,883	24,150
Reserves as per Council's accounts	88,736	(1,047)	126	87,815
Earmarked Reserves breakdown	£000			
Outstanding Council Programme Board Reserve	7,703	(122)	(596)	6,985
Schools PFI Fund	5,161	-	485	5,646
Insurance Reserve	2,785	-	-	2,785
Closing the budget gap	2,052	-	(2,052)	-
Repairs & Renewal Fund	2,000	-	(250)	1,750
Performance Reward Grant	1,656	(410)	(198)	1,048
Pension Fund additional contribution	1,250	-	(172)	1,078
Community Care Reserve	996	-	-	996
Energy renewable reserve	841	-	-	841
Local Land Charges Reserve	850	-	-	850
LABGI Reserve	560	-	(560)	-
Schools Reserve	515	-	(365)	150
Single Status reserve	539	-	(539)	-
Apprenticeships	1,500	-	(307)	1,193
Corporate Services reserve	431	(249)	-	182
Merton Business Investment Fund	339	-	(339)	-
Waste & Recycling Reserve	225	-	-	225
ICES Reserve	200	-	-	200
E&R Partnerships	195	-	(195)	-
Wimbledon Tennis Courts Renewal Fund	125	-	(117)	8
Other	143	-	-	143
Grants and contributions	4,801	(265)	(1,294)	3,242
Sub Total	34,867	(1,047)	(6,499)	27,321
For use in future years for budget			7,820	7,820
VAT Reserve	28	-	-	28
Revenue Reserves Capital Revenuesation	6,291	-	(1,738)	4,553
Total for future use in budget	6,319	-	6,082	12,401
DSG Reserve	1,710	-	(310)	1,400
Net Total	42,896	(1,047)	(727)	41,122

Appendix 4

LONDON BOROUGH OF MERTON ESTIMATED CASH POSITION 2012/13 AS AT 1 ST AUGUST 2012

	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13
Total Receipts	65,915,080	52,842,674	59,155,676	53,533,675	62,224,666	53,909,352	49,925,608	53,919,623	60,333,466	52,542,904	42,725,900	37,956,965
Total Payments	(55,146,673)	(47,691,803)	(48,628,420)	(58,932,920)	(55,342,541)	(54,763,313)	(59,340,113)	(48,680,713)	(45,389,513)	(50,986,113)	(47,218,913)	(68,874,313)
Net Cash Position before Investments	10,768,408	5,150,871	10,527,256	(5,399,245)	6,882,125	(853,961)	(9,414,505)	5,238,910	14,943,953	1,556,791	(4,493,013)	(30,917,348)
Interest Receivable from Existing Investments	138,990	73,489	71,011	20,706	161,448	16,702	57,112	43,305	46,373	112,150	44,243	314,011
Potential Interest Receivable from future cash balances												
Interest Paid / Payable - Long term debt	(1,656,646)	(76,875)	(99,288)	(888,749)	0	(487,172)	(1,671,352)	(76,875)	(98,904)	(927,708)		(536,412)
Interest Paid / Payable - Short term debt	(1,207)	(254)	(10,562)	(54)								
NET CASH BALANCE	9,249,545	5,147,231	10,488,418	(6,267,343)	7,043,574	(1,324,431)	(11,028,745)	5,205,340	14,891,421	741,232	(4,448,770)	(31,139,749)
High level Adjustments												
1. Merton Payment to Pension Fund for Back Funding + early retirement cost £392 +4.9m					(5,292,000)							
2. VAT SHELTER RECEIPTS								2,150,000				
3. Other Asset Purchase apart from school												
4. Use of Reserve												
5. Impact of the Localism Bill on Business rates collected from 2013/14												
6. Any impact on pension fund liability for Merton as a result of 2013 valuation												
7. Internal Borrowing to Fund Capital program after adjusting for MRP												(19,945,000)
8. Lease holders service charge debt												738,000
9. Right to buy										100,000		
NET CASH BALANCE AFTER HIGH LEVEL ADJUSTMENTS	9,249,545	5,147,231	10,488,418	(6,267,343)	1,751,574	(1,324,431)	(10,928,745)	7,355,340	14,891,421	841,232	(4,448,770)	(50,346,749)
PREVIOUS TOTAL MARCH 2012 COUNCIL	19,055,344	9,928,342	7,111,505	(4,573,175)	10,861,446	773,235	(680,453)	5,549,191	9,395,006	9,912,514	(7,427,593)	(10,369,499)
VARIANCE	(9,805,799)	(4,781,111)	3,376,913	(1,694,168)	(9,109,872)	(2,097,666)	(10,248,292)	1,806,149	5,496,415	(9,071,282)	2,978,823	(39,977,250)
CUMMULATIVE NET CASH BALANCE WITH INVESTMENTS OUTSTANDING	77,250,000	79,001,574	77,677,142	66,748,397	74,103,737	88,995,158	89,836,391	85,387,620	35,040,871			
PREVIOUS TOTAL MARCH 2012 COUNCIL	27,997,556	38,859,002	39,632,238	38,951,784	44,500,975	53,895,981	63,808,495	56,380,902	46,011,403			
VARIANCE	49,252,444	40,142,572	38,044,904	27,796,613	29,602,762	35,099,177	26,027,896	29,006,718	(10,970,532)			

Capital Department Report - Community & Housing - June 2012

Scheme Description	Total Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance
Adult Social Care	1,338,870	0	0	0	1,338,870	0
Libraries Total	33,940	0	8,487	(8,487)	33,940	0
Adult Education and Community	145,340	834	33,584	(32,750)	124,380	(20,960)
Housing	860,810	117,617	136,786	(19,170)	860,810	0
Community and Housing Total	2,378,960	118,451	178,857	(60,407)	2,358,000	(20,960)

* Includes £1,338,870 Adult Social Care ICT Schemes detailed in Appendix 5b

Capital Department Report - Corporate Services - June 2012

Year: 2,012 To Period: 3 No of Levels: 1

Scheme Description	Total Budget	YTD Actual	YTD Budget	Variance To Date	Forecast For Year	Forecast Variance	Narrative
Business Improvement Total	1,191,230	34,922	214,521	(179,599)	1,148,160	(43,070)	CRM/Self Service £40k - Revenue
Cloud Computing	297,780	16,497	74,811	(58,314)	297,780	0	
Corporate Items	1,000,000	0	166,667	(166,667)	1,000,000	0	
Facilities Management Total	962,570	111,278	196,225	(84,947)	963,767	1,197	
IT Total	2,573,790	303,432	459,521	(156,089)	2,574,935	1,145	
IT Transformation Unallocated	490,000	0	81,667	(81,667)	490,000	0	
Corporate Services Total	6,515,370	466,129	1,193,412	(727,283)	6,474,642	(40,728)	

Capital Department Report - Children, Schools & Families - June 2012

Scheme Description	Revised		YTD		Variance		Forecast		Narrative
	Budget	Actual	YTD Budget	To Date	For Year	Variance	Forecast	Variance	
Aragon Expansion	1,178,460	179,677	202,949	(23,272)	1,178,460	0			Multi-year re-programming of the Primary Expansion Programme will be progressed as part of the September 2012 Financial Monitoring report.
BENEDICT PRIMARY SCHOOL EXP	770,780	411,660	159,196	252,464	770,780	0			
Cranmer Expansion	3,411,400	0	291,140	(291,140)	911,400	(2,500,000)			
School expansion 19FE to 25FE	290,000	0	46,335	(46,335)	290,926	926			
Hollymount Primary School Exp	410,820	149,908	83,763	66,145	410,820	0			
Joseph Hood Primary School Exp	2,761,450	529,778	617,475	(87,697)	2,761,455	5			
Other Expansions	698,760	1,488	123,765	(122,277)	698,760	0			
Other Primary School Exp Works	24,797,420	1,821,338	3,199,030	(1,377,692)	15,123,128	(9,674,292)			
Wimbledon Chase Expansion	247,390	25,368	52,766	(27,398)	247,390	0			
Primary Expansion	34,566,480	3,119,217	4,776,419	(1,657,202)	22,393,119	(12,173,361)			
SEN Centre of Excellence	652,450	13,664	163,216	(149,552)	652,450	0			
SEN Capital improvements	10,610	5,755	2,661	3,094	10,610	0			
Devolved Formula Capital	519,810	91,260	99,288	(8,028)	519,810	0			
Early Years	76,960	0	17,342	(17,342)	64,310	(12,650)			
CSF General	0	0	0	0	0	0			
Golden PCP	1,789,580	317,429	342,646	(25,217)	1,789,580	0			
Other Expansions (Schools Access Init)	51,530	0	14,848	(14,848)	51,530	0			
Other Primary School Exp Works	255,960	125,838	62,523	63,315	255,960	0			
Other SEN Schools	1,415,940	255,058	249,529	5,529	1,414,133	(1,807)			
Primary Capital Improvements	580,840	33,786	101,868	(68,082)	576,315	(4,525)			
Play Spaces	10,420	0	2,604	(2,604)	10,420	0			
Former Royal Sun Alliance SG	500,680	96,225	126,872	(30,647)	500,680	0			
Secondary Expansion	50,000	0	8,335	(8,335)	50,000	0			
Secondary Improvements	134,750	134,750	33,687	101,063	134,750	0			
Schools Equipment Loans	500,000	0	125,001	(125,001)	500,000	0			
Schools IT	0	0	0	0	0	0			
Youth Centres	249,480	923	48,955	(48,032)	249,480	0			
Other	6,799,010	1,074,688	1,399,375	(324,687)	6,780,028	(18,982)			
Children Schools and Families	41,365,490	4,193,905	6,175,794	(1,981,889)	29,173,147	(12,192,343)			

Capital Department Report - Environment & Regeneration - June 2012

Scheme Description	Total Budget	YTD Actual	YTD Budget	Variance		Forecast		Narrative
				To Date	For Year	For Year	Variance	
Footways Planned Works	1,023,170	153,912	255,793	(101,881)	1,000,000	(23,170)		Cannizaro Pk.£30k, S Pk Gdns £49k, Dundonald Rec £22k, Cricket Grm £21k and Cottenham Pk/Holland Gdns £28k
Greenspaces	1,885,420	353,812	325,220	28,592	1,698,640	(186,780)		Lombard Rd Imp £36k, River Wandle Bridge £35k & Langley Rd Resurf £14k
Highways General Planned Works	749,130	92,938	212,181	(119,243)	656,550	(92,580)		Going for Gold Action Plan £80k - whole budget
Highways Planned Road Works	1,600,000	149,629	400,002	(250,373)	1,600,000	0		£92,090 CPZ budgets need to be removed as revenue
Leisure Centres	506,260	22,649	120,952	(98,303)	506,260	0		Climate Change Initiatives £31k
Other E&R	712,670	3,563	95,294	(91,732)	632,670	(80,000)		Economic Development Strat £25k
On and Off Street Parking	194,380	41,091	51,821	(10,730)	102,290	(92,090)		Improve Markings & Road Signs £89k, Street Scene Enforcement £23k and Shop Front Improvement £25k
Plans and Projects	163,580	5,309	7,869	(2,560)	132,580	(31,000)		Delay on TFL Schemes £524k, Casualty Reduction & Schools £50k, Lower Downs Rd Walking/Cycling £25k and Bushey Bridge Special Inspection £7k
Regeneration Partnerships	337,250	8,990	(41,304)	50,294	292,700	(44,550)		Wimbledon Area Traffic Study £83k, LBPN Design £27k, Updating Existing 20 MPH Zones £10k and 20MPH Traffic Calming £10k
Street Lighting	640,000	0	240,000	(240,000)	640,000	0		£200k Waste Vehicle Replacement
Street Scene	783,950	129,163	292,419	(163,256)	646,970	(136,980)		
Transport for London	2,509,270	173,304	200,643	(27,339)	1,903,270	(606,000)		
Traffic and Parking Management	571,740	2,400	60,610	(58,210)	442,000	(129,740)		
Transport and Plant	899,960	375,384	114,123	261,261	886,050	(13,910)		
Safer Merton - CCTV & ASB	254,560	0	66,541	(66,541)	254,560	0		
Environmental Health	1,000,970	263,416	357,143	(93,727)	990,970	(10,000)		
Waste Operations	1,443,950	153,163	264,897	(111,734)	1,232,540	(211,410)		
Environment and Regeneration	15,276,260	1,928,723	3,024,204	(1,095,482)	13,618,050	(1,658,210)		

CAPITAL VIREMENTS JUNE 2012 MONITITORING

Community and Housing	2012/13 Budget	Increases Funded by Grant	Revised 2012/13 Budget
	£000s	£000s	£000s
Adult Social Care			
CareFirst Report Developer*	0	20,000	20,000
ASC Collections*	0	10,000	10,000
Excel Add – Ins*	0	3,000	3,000
Capitive e-Learning*	0	10,000	10,000
Laptops for Social Workers*	0	15,000	15,000
Laptops for Other Social Workers etc.*	0	80,000	80,000
Telehealth*	0	80,000	80,000
Merton Information Portal *	0	150,000	150,000
Replacement of Social Care System *	0	900,000	900,000
Contingency*	0	71,000	71,000
Total Adult Social Care	0	1,339,000	1,339,000

Children, Schools and Families	2011/12 Budget	Virements	Revised 2011/12 Budget
	£000s	£000s	£000s
Primary School Expansion			
Joseph Hood Primary School Expansion	2,780,530	(19,080)	2,761,450
Other Primary School Expansion	15,128,340	19,080	15,147,420
TOTAL	17,908,870	0	17,908,870

* Requires Cabinet Approval

CAPITAL PROGRAMME FUNDING SUMMARY 2012/13

	Funded from Merton's Resources	Funded by Grant	Total
	£000s	£000s	£000s
Approved Capital Programme 2012/13 –July 2012	47,092	16,835	63,927
Adult Social Care IT Projects to be Approved by Cabinet	0	1,339	1,339
8 Wilton Road Refurbishment to be Approved by Cabinet	71	200	271
Current Capital Programme 2012/13	47,163	18,374	65,537

Key strategic Risk Register June 2012 –
Appendix 6

Risk No	Short Name	Cause	Consequences	Likelihood	Impact	Risk Score	RAG Status	Direction of travel	Risk Owner	Portfolio Holder	Action Plan (Y/N) / Review date	Comment regarding review
KSR21 / RE03	Failure to adhere to Public Contract Regulations 2006	Lack of awareness in departments that procurement/purchasing is a tightly regulated area of council activity. Furthermore insufficient capacity (staff, experience, knowledge & budget) in departments and corporate Procurement Team.	Impact on method and time it takes to award contracts to suppliers. Adverse budget and service implications if not done correctly in adherence to PCRs 2006, such as court imposed stopping of contracts. Slower delivery of savings, service benefits & development of skills & experience of staff takes longer.	5	3	15	R	↓	Simon Williams	Cllr Mark Allison	Procurement Board	
KSR31	SWL waste partnership	PHASE A: 1) Beddington AD Plan. Contact risk owner for more information 2) Indexation method. Contact risk owner for more information PHASE B: 1) Contact risk owner for more information	Long term solution not delivered; continue to rely on landfill and associated high costs	3	3	9	A	→	Cormac Stokes	Cllr Andrew Judge	Due to commercial sensitivity, action plan available on request from Cormac Stokes	Risks managed through the Joint Waste Committee
KSR09	Safety of Staff	Failure to protect staff	Member of staff could be injured or killed; impact on morale of other staff; open to claims of negligence; potential financial loss	3	4	12	A	→	Simon Williams / Dean Shoemith	Cllr Mark Allison	See comments	CMT requested more information on report submitted on 26.3.12. Adam Viccari met with Simon Williams 18.4.12 and will be providing more details on one of the options.
KSR04 / CG06	Data loss	Accidental loss by staff or hacking	Harm to service users, through breach of privacy or loss of services, reputation & financial impact on council (up to 500K)	4	3	12	A	→	Karin Lane	Cllr Mark Allison	Corporate governance service plan	Project 7 - see also Information Governance policy

Risk No	Short Name	Cause	Consequences	Impact Likelihood	Risk Score	RAG Status	Direction of travel	Risk Owner	Portfolio Holder	Action Plan (Y/N) / Review date	Comment regarding review
KSR07 / HR02	Safe recruitment practices	Failure of systems to ensure inappropriate staff are not recruited	Inappropriate person may get a role they shouldn't; vulnerable children and adults may be at risk as a consequence	3	4	A	→	Dean Shoemith	Cllr Mark Allison	N/A - see comments	Major review undertaken of personal files & employment records to ensure safe recruitment practice in place.
KSR34 / CSF5	School places	Increase in birth-rate and numbers of children reaching primary age locally, with subsequent impact on demand for secondary and special school places.	Primary school expansion programme may be insufficient to increase capacity to meet demand. Need to consider additional provision. Also future risk that increase in numbers will flow through to secondary system such that demand for places will exceed supply.	3	3	A	→	Yvette Stanley / Paul Ballatt	Cllr Martin Whelton	Commissioning strategy & performance service plan	
KSR55 / CSF4	Changing Borough Demographics	Increases in both the total population in the borough, including in particular families with young children, and also in the mix of the population with respect to ethnicity, disability and deprivation.	Additional demand for school places, and services for children with special educational needs and disabilities, as well as pressure for growth in children's social care and child protection interventions.	5	2	A	→	Paul Ballatt	Cllr Maxi Martin / Cllr Martin Whelton	Commissioning strategy & performance service plan	
KSR35 / CSF1	Child Protection and Safeguarding	Difficulties recruiting experienced social workers. High turn over of existing staff. The potential for less effective interagency working. Changed expectations and updated regulatory framework. Ongoing budget pressures could undermine the Merton Model.	Child protection and safeguarding issues including possible child death. Impact on reputation and political consequences. There could be an increase in high cost interventions	3	4	A	↓	Theresa Leavey	Cllr Maxi Martin	LSCB Business Plan & CYPP	
KSR42 / HR09	Single status	Post single status challenge	Cost of settlement; cost of litigation & resources to contest; impact on staff morale; reputational & political impact	3	2	A	↓	Dean Shoemith	Cllr Mark Allison	Single Status	CMT report and action plan to address residual issues in place
KSR44 / HR13	Terms & conditions	Impact of review of T&Cs & ongoing staffing reductions	Impact on staff morale, recruitment & cost implications	4	3	A	→	Dean Shoemith	Cllr Mark Allison	HR service plan	
KSR45 / CG03	Asbestos Compliance	Asbestos compliance officer post vacant	Failure to comply with statutory duty on managing Asbestos	4	3	A	→	Adam Viccari	Cllr Mark Allison	TBA	Awaiting final reference for new staff member

Risk No	Short Name	Cause	Consequences	Impact Likelihood	Risk Score	RAG Status	Direction of travel	Risk Owner	Portfolio Holder	Action Plan (Y/N) / Review date	Comment regarding review
KSR46 / IT01	Staff Health & Safety	H&S risk from poor investment in building facilities / organisational downsizing & loss of staff with specialist skills	Corporate manslaughter, negligence suits, poor staff morale, possible strike, poor customer service.	4	16	R	→	Mark Humphries	Cllr Mark Allison	Building Condition Survey linked to Capital Programme	David Leed for details
KSR48 / IT03	IT systems	Major disruption in the civic centre causing 6th floor data centre to become unusable	IT failure leading to unavailability of IT services impacting on organisational service delivery	4	16	R	→	Mark Humphries	Cllr Mark Allison	I&T service plan	Project 3 in service plan Links with KSR58 / CG08
KSR49 / RE02	Developing corporate Business Plan & setting a balanced budget for 13/17 & beyond	Reduced budgets may impact negatively on service delivery levels	Impact on service provision, reputation, staff morale & internal & external customers satisfaction	3	12	A	↓	Caroline Holland / Paul Date	Cllr Mark Allison	Business Plan timetable	
KSR50 / RE06	Impact of Procurement	First phase of improvements to procurement delivered, as per Overview & Scrutiny Report from March 12. Phase 2, spend data, category management and savings deliver still to come.	Time taken to deliver procurement benefits extends.	3	9	A	→	Kevin Churchill	Cllr Mark Allison	Procurement Board	
KSR51 / RE07	Supply chain failure	One of Merton's key delivery partners or sponsor goes in to administration	Impact on service delivery to customers	4	12	A	→	CMT	Cabinet	Procurement Board	
KSR52 / RE08	Data quality of management information	Failure to provide accurate decision making information e.g. customer base	Inability to proactively manage resources and performance	4	8	A	↓	Zoe Church	Cllr Mark Betteridge	Data quality	
KSR53 / RE11	Failure to comply with equalities duties	Failure to evidence how equalities implications have been considered in developing new policy, designing services & decision making	Reputational impact for council, risk of judicial review & litigation, negative impact on service users and loss of savings.	5	10	A	→	Yvette Stanley	Cllr Edith Macauley	Resources service plan	
KSR 54 / ER39p	Safer Merton Funding	Loss of financial and partnership physical resources	Failure to deliver strategic priorities. Closure of Safer Merton, and fragmented delivery of statutory services.	2	6	A	→	Annalise Elliott	Cllr Edith Macauley	Safer Merton service plan	

Risk No	Short Name	Cause	Consequences	Impact Likelihood	Risk Score	RAG Status	Direction of travel	Risk Owner	Portfolio Holder	Action Plan (Y/N) / Review date	Comment regarding review
KSR56 / CSF12	CS&F funding	Changes to funding regimes for children's services and especially schools, including government review of DSG, Academies funding, and future reductions in EIG.	Possibly a substantial impact on total amounts available to CSF from current funding sources, causing pressure to either make very significant further reductions in CSF spend and / or to reprioritise limited council general fund resources to children's services at the expense of other service areas.	4	12	A	→	Paul Ballatt	Cllrs Maxi Martin and Martin Whelton		Government proposals to be monitored for consultation response where appropriate, and for identification of specific implications in Merton to be fed into budget and MTFs.
KSR57 / HR15	Agency staff	Use of agency staff following changes to employment rights	Additional rights given to Agency Workers introduces additional costs & failure to adhere to & comply with new regulations could bring legal challenge & adverse reputational impact.	3	6	A	→	Marissa Bartlett	Cllr Mark Allison	Yes	Report setting out risks & mitigation agreed by CMT on 23.8.11. Guidance produced for managers & regular reviews at DMTs. Psned and usage subject to monthly CMT review via HR metrics
KSR58 / CG08	Business Continuity	Business Continuity and Business Impact Analysis forms out of date	Reduced ability to recover from major disaster	4	12	A	→	Adam Viccari	Cllr Mark Allison	Business continuity - Plans and strategies	Links with KSR 48 / IT03 Review of BCs & BIAs underway
KSR59 / CS12	Business rates	Localism agenda - review of business rates inc. discretionary reliefs	May impact on council's financial position	2	8	A	→	David Keppler	Cllr Mark Allison	Customer services service plan	
KSR60 / RE14	Premises inspections	Statutory inspections not being carried out on engineering plant and other lifting equipment on council premises	Failure to comply with statutory duty to formally inspect lifting equipment; Criminal offence and harm to service users;	4	16	R	↑	Richard Williams	Mark Allison	Schools Insurance SLA	
NEW	Delivery of Savings Programme 2012-15	Savings of £25.791 million savings for 2012-15 were identified as part of the MTFs 2012-16.	Non achievement of any saving would adversely impact on the Authority's ability to balance it's budget in the medium to long term if larger than the contingency.	3	6	A	New risk	Caroline Holland	Mark Allison	MTFS	

Risk No	Short Name	Cause	Consequences	Impact Likelihood	Risk Score	RAG Status	Direction of travel	Risk Owner	Portfolio Holder	Action Plan (Y/N)/ Review date	Comment regarding review
HR14/ NEW KSR60	Trinity project	Failure of Trinity project	Impact on HR management of staff & payroll issues	3	9	A	→	Marissa Bartlett	Cllr Mark Allison	Trinity project	HR service plan - project 2
ER28 Linked to KSR 008	Loss of income	Current financial climate. Failure to meet income targets over next 3 years due to falling income	Departmental budgets will not be balanced. Increased pressure on resources and other budgets	5	15	R	↑	Chris Lee	Cllr Mark Allison	Monitored regularly by DMT and finance meetings	

Emerging risks											
	New Comprehensive Spending Review	Changes in the government grants allocation	May affect the councils expenditure process				Emerging	Caroline Holland	Mark Allison		

Partnership risks											

Subject: Miscellaneous Debt Update June 2012**1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY**

This report updates CMT on the latest position with regard to the collection of miscellaneous debt; focusing on debt that is over one year old and the action being taken (or required) to reduce the outstanding arrears.

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

2.1 A breakdown of departmental net miscellaneous debt arrears, as at 30th June 2012, is shown in column F of Table 1 below.

Table 1 – Debtors aged balance – June 2012 – not including debt that is less than 39 days old

Department a	39 days to 6 months b	6 months to 1 year c	1 to 2 years d	Over 2 years e	June 2012 arrears f	April 2012 arrears	Direction of travel
	£	£	£	£	£	£	
Env & Regeneration	148,125	84,272	94,610	-11,251	315,756	395,705	↓
Corporate Services	366,673	92,908	15,018	52,824	527,423	337,365	↑
Housing Benefits	569,647	626,551	793,084	1,003,897	2,993,179	2,886,997	↑
Children, Schools & Families	480,844	3,057	16,078	36,479	536,458	311,998	↑
Community & Housing	1,467,626	448,185	933,585	477,466	3,326,862	2,881,268	↑
Chief Executive's		0	0	0	0	0	
Total	3,032,915	1,254,973	1,852,375	1,559,415	7,699,678	6,813,333	↑
June 2011	2,861,495	1,053,662	1,000,822	1,443,676	6,359,655		
Variance June 11 to June 12	171,420	201,311	851,553	115,739	1,340,023		↑

2.2 Since the position was last reported in June 2012, the net current level of arrears, i.e. invoices over 39 days old, has increased by £886,345.

2.3 Table 2 below shows the total net level of arrears for the last five years – not including debt that is less than 39 days old.

Table 2 – net miscellaneous debt June 2008 to June 2012 – not including debt that is less than 39 days old

Department	June 2008	June 2009	June 2010	June 2011	June 2012
	£	£	£	£	£
Env & Regeneration	687,959	470,420	345,694	367,217	315,756
Corporate Services	137,570	177,124	161,574	268,063	527,423
Housing Benefits	1,659,171	1,781,160	2,023,895	2,312,383	2,993,179
Children, Schools & Families	211,129	112,505	330,674	180,184	536,458
Community & Housing	3,805,189	2,757,717	1,905,884	3,178,216	3,326,862
Chief Executive's	69,529	27,187	13,904	3,900	0
Total	6,570,547	5,326,113	4,781,625	6,309,963	7,699,678

2.5 The figures in table 2 (above) show that the major area of increase in debt over the five year period is housing benefit overpayments. Housing benefit overpayments have increased by £1.3 million over the 5 year period. It should be noted that the amount of housing benefit paid out has also increased over this period. In 2007/08 £55.1 million was paid out and in 2011/12 £84 million paid out.

2.6 Currently officers are experiencing the following external impacts on activity which are impacting adversely on the levels of debt:

- i) Due to improved data exchange with the department of Work and Pensions more change of customers circumstances are being reported which is resulting in an increase of changes to benefit – many of which will be overpayments
- ii) The current economic climate has resulted in debt re-payment arrangements being agreed elongated.

2.6 The action being taken to recover the largest debts is outlined below.

3 THE PROCESS FOR COLLECTION OF MISCELLANEOUS DEBT

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

Table 3 – the process for collecting debt

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

4 DEBT OVER ONE YEAR OLD

4.1 Debt over 1 year old has increased by £128,758 since last reported at the end of April 2012.

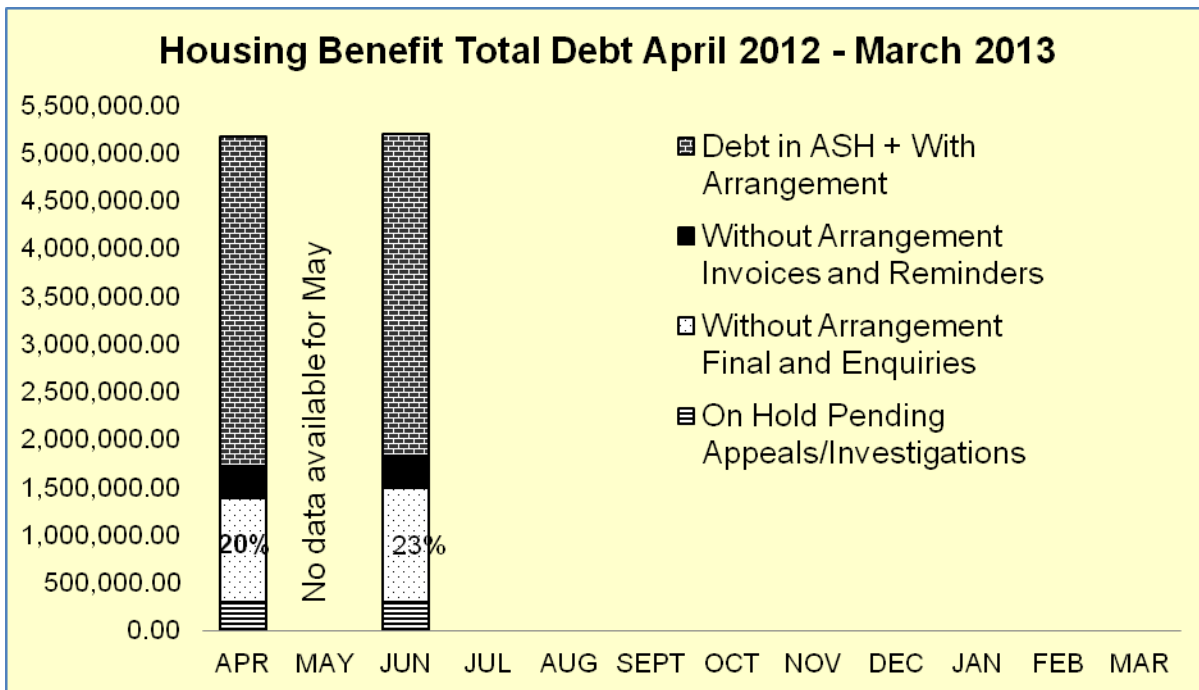
Table 4 – Debt over 1 year old compared to April 2012

Department	April 2012	June 2012	Variance	% Variance
Env & Regeneration	65,104	83,358	18,254	21.90
Corporate Services	45,461	67,843	22,382	32.99
Housing Benefits	1,695,646	1,796,981	101,335	5.64
Children, Schools & Families	54,992	52,558	(2,434)	(4.63)
Community & Housing	1,421,831	1,411,052	(10,779)	(0.76)
Chief Executives	0	0	0	0.00
Total	3,283,034	3,411,792	128,758	3.77

4.2 The majority of debt over 1 year old is for Community and Housing debts and Housing Benefit overpayments.

- 4.3 The debt for Community and Housing over a year old has reduced slightly since last reported in April 2012.
- 4.4 Housing benefit overpayment debt has increased by £101,335 since last reported in April 2012. The total amount of housing benefit overpayments outstanding is £5.19 million. Of this £1.7 million is being recovered from ongoing benefit through current housing benefit payments, this equates to approximately £70,000 per month being reduced from payments to off-set these overpayments. Over £3.3 million is on a payment arrangement or recovery from ongoing benefit.
- 4.5 It should be noted that the level and number of housing benefit overpayments continues to increase due to the continued drive to identify fraud and failure to declare change in claimant circumstances. In the first quarter of 2012/13 over £860,000 of overpayments were identified and over £470,000 either recovered or off set against housing benefit.
- 4.6 The graph below shows breakdown of all housing benefit overpayments by recovery action.

Graph 1 – Total Housing Benefit Debt by recovery action from April 2012



	APR	MAY	JUN
Total	5,168,259.	No data available for May	5,196,841.
Debt in Ash + With Arrangement	3,458,546.		3,374,573.
Without Arrangement Invoices and Reminders	336,122.		329,638.
Without Arrangement Final and Enquiries	1,078,591.		1,197,628.
On Hold Pending Appeals/Investigations	295,000.		295,000.

4.7 Of the total debt outstanding shown in the graph 23% requires further recovery action. This is the debt where effective recovery action can be taken.

6. PROVISION FOR BAD AND DOUBTFUL DEBTS

6.1 A provision has been made available for writing off bad and doubtful debts. Clearly, every attempt is made to collect debts before write-off is considered. The current level of provision is highlighted below.

6.2 The Council adheres to the requirements of the SORP when calculating its provisions. Merton's methodology is to provide for on the basis of the collection rates for individual departmental debt, and the age of the debt. A further review is undertaken to factor in any general economic conditions.

6.3 Merton's provision fully complies with CIPFA guidance and is considered prudent.

Provision for Bad and Doubtful Debts as at 31 March 2012

	Less than 1 year £	Over 1 year £	Total provision £
Env & Regeneration	87,557	172,271	259,828
Corporate Services	47,870	72,754	120,624
Children, Schools & Families	54,387	60,022	114,409
Community & Housing	423,324	1,021,830	1,445,154
Former Tenants	0	228,102	228,102
Fixed Penalties	928	30,955	31,883
Total	614,066	1,585,934	2,200,000

7. EXECUTIVE SUMMARY / CONCLUSION

7.1 Merton's total level of miscellaneous debt arrears i.e. invoices over 39 days old, at 30 June 2012 is £7,699,678. The net level of arrears, when the matter was last reported in April 2012 was £6,813,333.

8. TOTAL DEBT DUE TO MERTON

8.1 The total amount due to Merton as at 30 June 2012 is detailed in table 6 below.

Table 6 – Total debt outstanding as at 30 June 2012 and compared with previous periods over the past 12 months

	Jun-11	Oct-11	Dec-11	Feb-12	Apr-12	Jun-12
	£	£	£	£	£	£
Miscellaneous sundry debt Note 1	8,739,319	8,579,404	9,691,404	8,497,186	10,486,996	10,794,471
HB debt in Benefit system Note 2	1,939,891	2,165,057	2,268,775	2,234,460	2,245,086	2,281,419
Housing Rent Note 3	276,735	274,230	274,200	242,184	231,481	231,364
Parking Services	1,111,416	1,220,451	1,441,224	1,397,968	1,537,996	1,674,128
Council Tax Note 4	5,230,560	4,566,202	4,312,829	3,891,446	6,109,112	5,263,539
Business Rates Note 5	2,599,591	2,071,050	2,055,074	1,748,511	2,966,899	2,311,224
Total	19,897,512	18,876,394	20,043,506	18,011,755	23,577,570	22,556,145

Note 1 This figure differs from the amount shown in Table 1 as it shows all debt, including that which is less than 39 days old.

Note 2 This is the housing benefit debt within the benefits system

Note 3 This is former tenants rent arrears – leaseholder debts are included in miscellaneous sundry debt

Note 4 Council tax debt does not include the current year council tax collection.

Note 5 Business rates debt does not include the current year business rates collection

8.1 Detailed breakdowns of the Council Car Parking figures are shown below:

Table 7a - Parking Aged Debtors Report

<u>Period Outstanding</u>	<u>Balance Outstanding</u> <u>02/07/12</u>	<u>Number of Cases</u> <u>Outstanding</u>
	<u>£</u>	
0 - 3 Months	550,293	6,731
3 - 6 Months	400,311	2,746
6 - 9 Months	228,106	1,429
9 - 12 Months	145,250	918
12 - 15 Months	109,694	694
Over 15 Months	240,474	1,653
Total	1,674,128	14,171
Total as at 16/1/12	1,441,224	12,867
Increase	232,904	1,304

9. CONSULTATION UNDERTAKEN OR PROPOSED

9.1 All relevant bodies have been consulted.

10. TIMETABLE

10.1 In accordance with current financial reporting timetables.

11. FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

11.1 All relevant implications have been addressed in the report.

12. LEGAL AND STATUTORY IMPLICATIONS

12.1 All relevant implications have been addressed in the report.

13. HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

13.1 Not applicable

14. CRIME AND DISORDER IMPLICATIONS

14.1 Not applicable

15. RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

15.1 Not applicable

16. BACKGROUND PAPERS

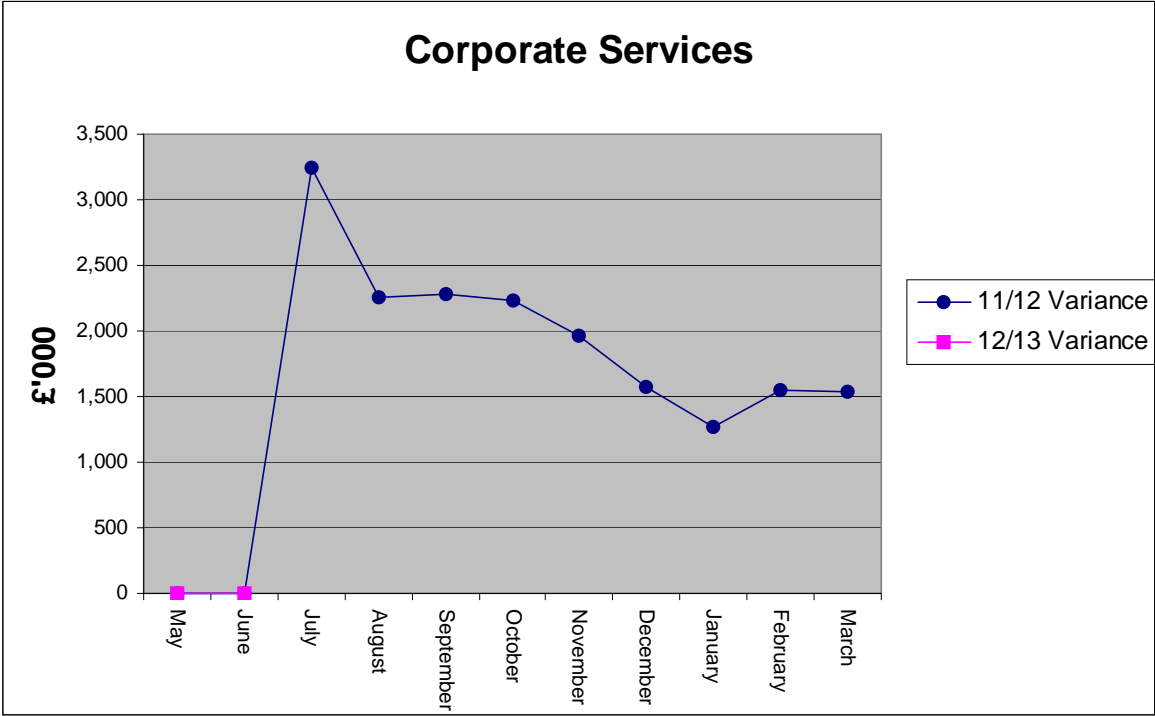
16.1 Miscellaneous debt files held in the Corporate Services department.

17. REPORT AUTHOR

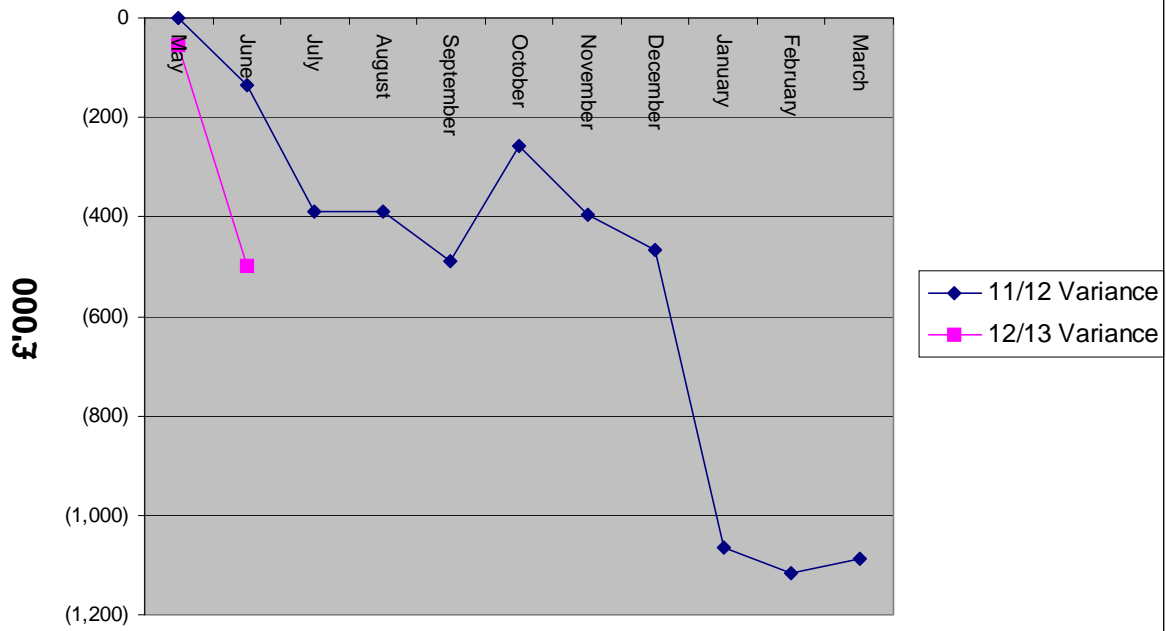
- **Name: David Keppler**
- **Tel: 020 8545 3727**
- **email: david.keppler@merton.gov.uk**

APPENDIX 8

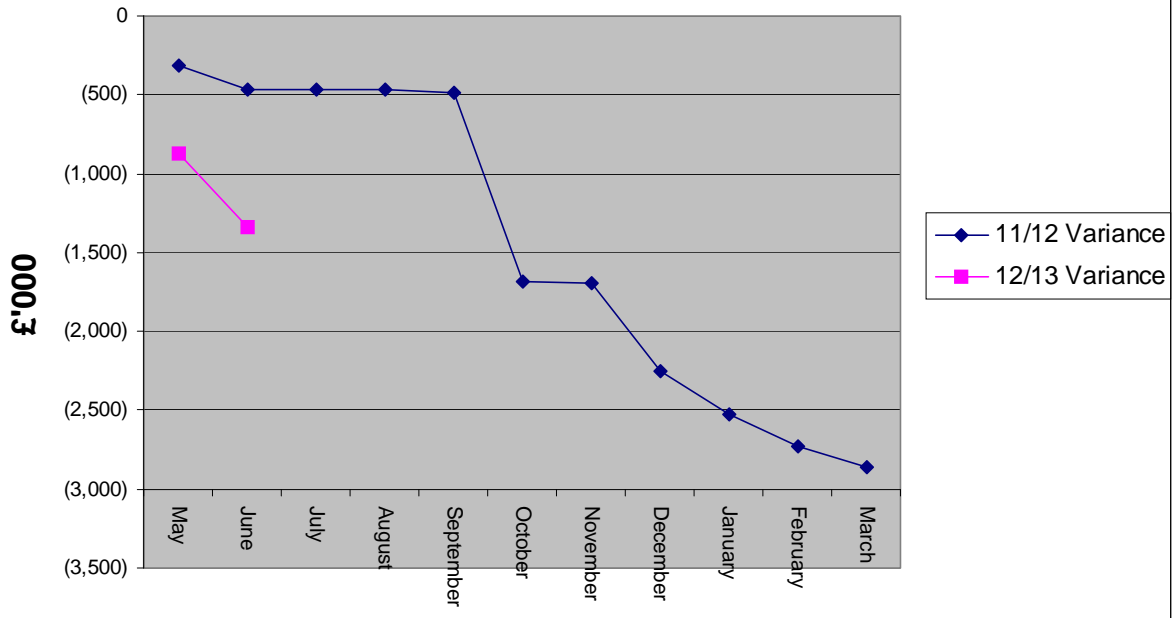
The following charts show the forecast year end variance by department with a comparison for 2011/12:



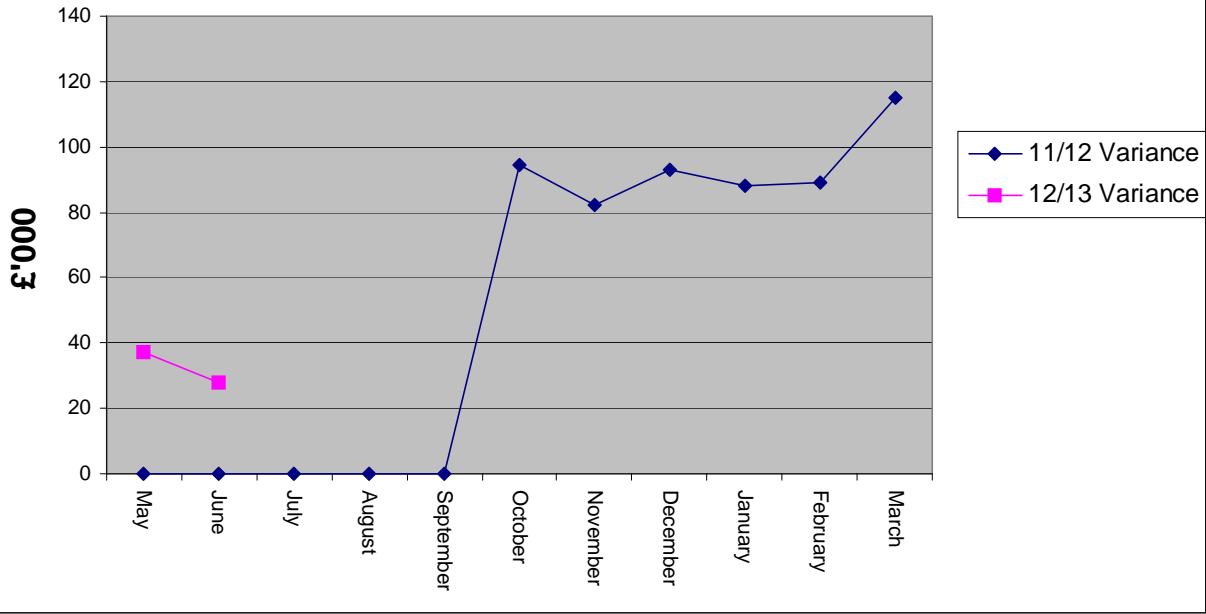
Children, Schools and Families



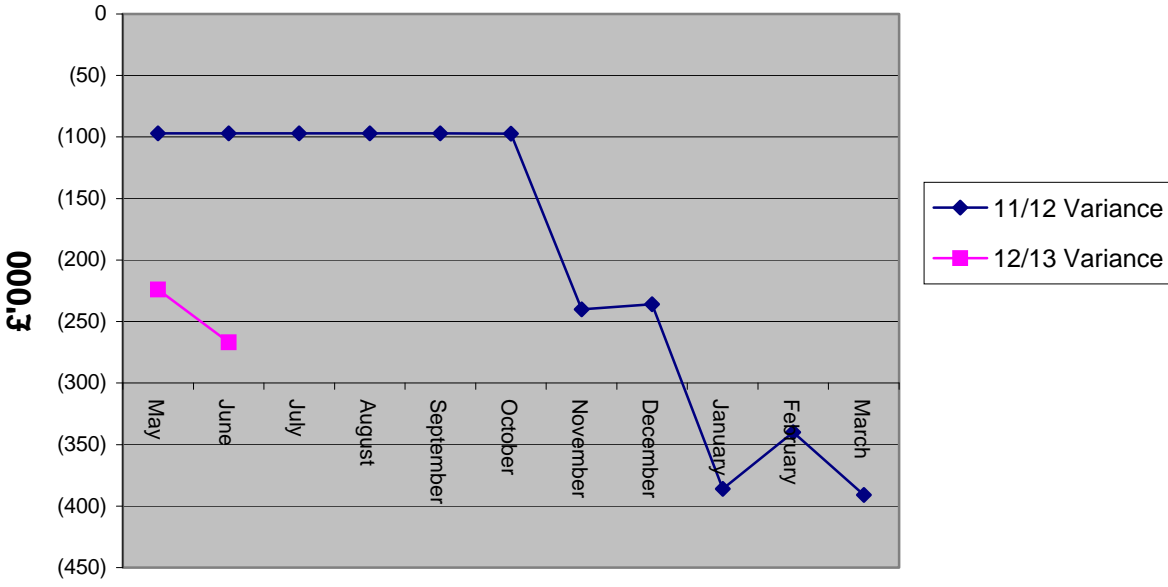
Adult Social Care



Libraries & Adult Education



Housing General Fund



Environment and Regeneration

