

Merton Council

Overview and Scrutiny Commission - financial monitoring task group

Task group members

Councillors:

Nigel Benbow
Paul Kohler
Aidan Mundy
Owen Pritchard
Eleanor Stringer
Peter Southgate
David Williams

Thursday 30 August 2018 at 7.15 pm
Committee rooms B & C - Merton Civic Centre, London Road,
Morden SM4 5DX

Agenda

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Contact for further information about the task group meeting:
Julia Regan 0208 545 3864, scrutiny@merton.gov.uk

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Agenda Item 4

All minutes are draft until agreed at the next meeting of the committee/panel. To find out the date of the next meeting please check the calendar of events at your local library or online at www.merton.gov.uk/committee.

OVERVIEW AND SCRUTINY COMMISSION - FINANCIAL MONITORING TASK GROUP

6 MARCH 2018

(7.15 pm - 9.10 pm)

PRESENT: Councillor Hamish Badenoch (in the Chair),
Councillor Kelly Braund, Councillor Mike Brunt,
Councillor Stephen Crowe, Councillor Dennis Pearce,
Councillor Peter Southgate and Councillor David Williams

ALSO PRESENT: Ian McKinnon, Managing Director (CHAS)
Julia Regan (Head of Democracy Services), Caroline Holland
(Director of Corporate Services), Bindi Lakhani (Head of
Accountancy), Roger Kershaw (Interim Assistant Director of
Resources) and Chris Lee (Director of Environment and
Regeneration)

1 APOLOGIES FOR ABSENCE (Agenda Item 1)

Apologies were received from Councillor Suzanne Grocott.

2 PUBLIC MINUTES OF MEETING HELD ON 14 NOVEMBER 2017 (Agenda Item 2)

The minutes were AGREED as an accurate record of the meeting.

3 QUARTER 3 FINANCIAL MONITORING REPORT - 2017/18 (Agenda Item 3)

Caroline Holland, Director of Corporate Services, introduced the report. She drew the task group's attention to the reduced predicted overspend at year end, now standing at £0.6m. She also drew attention to the report on the capital programme and the progress made on savings identified for 2016/17 and 2017/18.

Revenue budgets

Caroline Holland provided additional information in response to questions on the departments' revenue budgets:

Corporate Services

- The forecast over-achievement of income by Merton's bailiffs service and the underachievement by the shared service is partly due to the different charging regime when the shared service was set up and subsequent changes to this made by the Ombudsman. The increase in the number of parking warrants and success in recovering outstanding debt has also had an impact on income.

Members commented that the predicted underspend of £533k for Corporate Services seems large.

Environment and Regeneration

- The predicted saving from Phase C next year is £1.9m
- The underachievement of income in the building and development control service is due to a fall in market share. Replacement savings have been identified. There have been difficulties with recruitment to the service and efforts are being made to recruit apprentices as well as contractors to bring in expertise on a short-term basis. Commercialisation of the service remains a possibility.

The task group AGREED that it would be useful to have an update on Phase C costs and savings at its next meeting. This should include a statement from partner boroughs on whether their predicted savings are being realised.

Children, Schools and Families

- The overspend in children's social care is due to a multiplicity of factors including cost pressures and the increase in the number of children with disabilities and special educational needs.
- There is still potential to find additional savings to reduce the level of overspend, including a full review of all the SEN transport routes.

Members had differing views on whether additional funds should be made available to address the predicted spend in children's social care and for the unfunded budgets for un-accompanied asylum seeking children and no recourse to public funds.

Community and Housing

In response to a question, Caroline Holland undertook to provide an update on the figures for the Better Care Fund risk share. ACTION: Director of Corporate Services

Corporate items

In response to a question, Caroline Holland said that further adjustments will be made to the figures on government grants and appropriations from reserves before the accounts are finalised.

Members questioned the underachievement of income items (page 22) in 2016/17. Roger Kershaw, Interim Assistant Director of Resources, said the rate of return had been lower than previously anticipated and that increased spend on the capital programme had reduced the level of cash available to the council. He added that the council followed CIPFA guidelines to minimise the level of risk incurred in the investment of cash.

The task group AGREED to suggest a review of the treasury management strategy as an item for its 2018/19 work programme.

Capital budget

The task group AGREED to suggest a review of the capital programme as an item for its 2018/19 work programme. This should include information on the principles behind which items are capitalised and plans for future capital spend.

The task group RECOMMENDED that a simple explanation of the distinction between revenue and capital items should be included in the induction programme for new councillors. ACTION: Director of Corporate Services

Delivery of savings

Caroline Holland highlighted the projected shortfall in the delivery of savings for 2017/18. She said that some alternatives had been put forward which would reduce the shortfall for subsequent years.

Caroline Holland undertook to provide information categorising savings by type. ACTION: Director of Corporate Services

Reserves

In response to a question about the apprenticeship reserve, Caroline Holland said that it was being used and it was at a lower level than in previous years.

4 EXEMPT MINUTES OF MEETING HELD ON 14 NOVEMBER 2018 (Agenda Item 4)

The minutes were AGREED as an accurate record of the meeting.

5 COMMERCIALISATION (Agenda Item 5)

The task group RESOLVED that the public are excluded from the meeting during consideration of this item on the grounds that it is exempt from disclosure for the reasons stated in the report.

PUBLIC minutes of exempt session (note - there are no exempt minutes):

Ian McKinnon, Managing Director CHAS, introduced the report and drew the task group's attention to the financial position, business performance and strategic direction set out in the report.

The task group asked questions and discussed the differences between CHAS and its private sector competitors; details of the financial contribution that CHAS makes to the council currently and projections over the next three years; and the opportunities and threats facing CHAS.

Members congratulated Ian McKinnon on CHAS's successes in attracting new customers and increasing dividends in recent years.

In response to a question, Caroline Holland, Director of Corporate Services, said that the council's medium term financial strategy has built in an increased income from

CHAS dividends in 2018/19 and will adjust figures for future years once CHAS's three year plan has been agreed.

Chris Lee, Director of Environment and Regeneration, added that this business model was unique to Merton and therefore there were no other councils with which to share knowledge in the way that Merton has done for other initiatives. Chris Lee said that the council had gained business skills through working with CHAS and that this experience would be used to take forward commercial opportunities elsewhere within the council.

The task group AGREED to suggest a review of the council's progress in adopting commercial best practice as an item for its 2018/19 work programme.

Financial Monitoring Task Group

Date: 30 August 2018

Subject: Budget Outturn 2017/18

Lead officer: Roger Kershaw

Lead member: Mark Allison

Please note: This report went to Cabinet on 25 June 2018 and is provided to the task group at this meeting for consideration and comment.

Recommendations:

- A. That Cabinet note the provisional revenue outturn for 2017/18
 - B. That Cabinet consider the outturn position on Capital and approve the Slippage into 2018/19 and other adjustments detailed in Appendix 3C and Section 7 of the report
 - C. That Cabinet approve the £60,000 Section 106 funding for Beddington Lane Cycle Route.
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1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

This report outlines the provisional out-turn position for the last financial year (2017/18) and the issues that arise from it.

Section 2 – Summarises the draft outturn position of the Authority.

Section 3 – Reviews the detailed outturn position for service departments

Section 4 – Reviews the outturn position for corporate items

Section 5 – Provides other information

Section 6 – Provides information on Reserves

Section 7 - Provides information on the capital outturn

Section 2 – REVENUE OUTTURN 2017/18

The following table summarises the outturn position for 2017/18.

OUTTURN	2017/18 Current Budget (Net) £000s	2017/18 Current Budget (excl. overheads) £000s	2017/18 Outturn (excl. overheads) £000s	2017/18 Outturn Variance £000s	Dec 2017 (P9) Forecast Variance £000s	2016/17 variance excl overheads £000s
Department						
Corporate Services	9,932	25,287	24,475	(812)	(533)	(1,287)
Children, Schools and Families	54,691	49,626	51,875	2,249	2,134	1,154
Community and Housing	64,480	60,022	60,944	922	1,082	10,140
Environment & Regeneration	18,271	12,844	11,633	(1,211)	(812)	1,011
NET SERVICE EXPENDITURE	147,374	147,779	148,927	1,148	1,870	11,018
Corporate Provisions	1,437	1,032	106	(926)	(1,344)	(5,035)
TOTAL GENERAL FUND	148,811	148,811	149,033	222	526	5,983

Business Rates	(35,483)	(35,483)	(35,302)	181	0	0
Grants	(28,999)	(28,999)	(29,668)	(669)	82	(536)
Council Tax and Collection Fund	(84,329)	(84,329)	(84,329)	0	0	0
FUNDING	(148,811)	(148,811)	(149,299)	(488)	82	(536)

NET (UNDER)/OVERSPEND	0	0	(266)	(266)	608	5,447
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Transfers to Reserves	(0)	(0)	266	266	(608)	(5,447)
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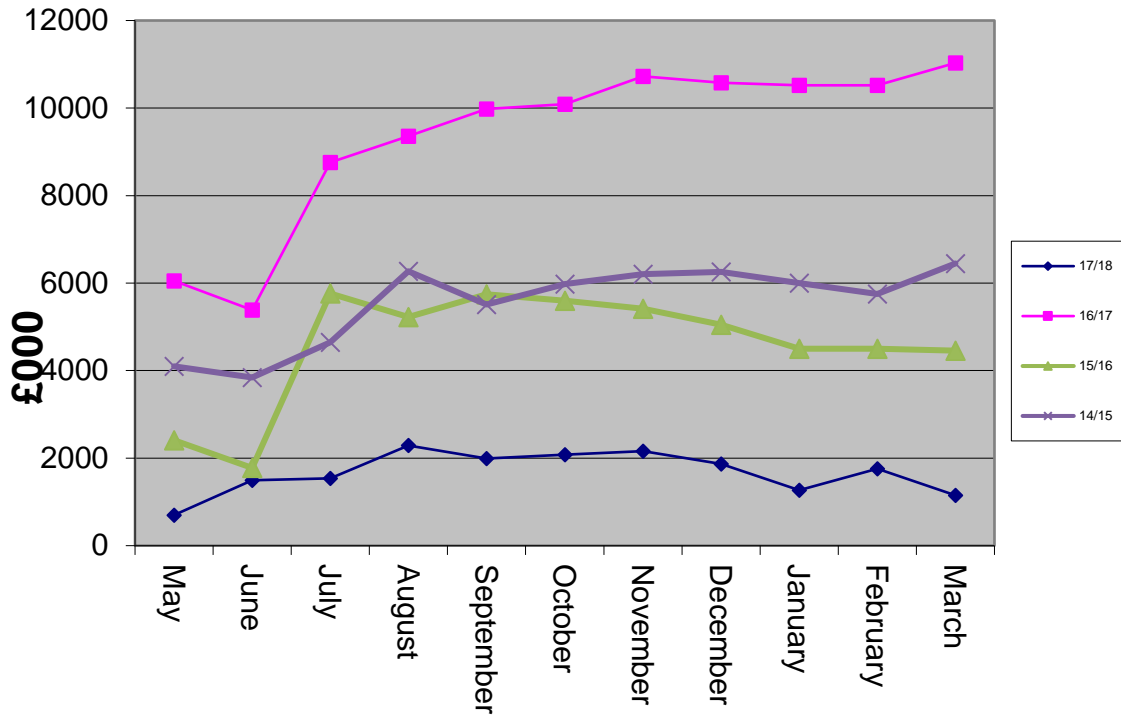
At the end of the financial year 2017/18 the overall underspend was £266k (£5,447k overspend or 1% of the gross budget in 2016/17)

The overall underspend on the General Fund has been transferred to the balancing the budget reserve.

The significant overspend of the last two years has been addressed by providing growth in the 2017/18 budget.

Chief officers and finance officers will need to continue monitoring budgets closely in 18/19 to prevent future year overspending and calls on reserves as there are still budget pressures on demand led services.

Service Expenditure - Forecast Year End Variance



Section 3 Detailed Service Spending

Corporate Services

Division	2017/18 Current Budget (£000)	2017/18 Outturn (£000)	Variance (£000)	Forecast variance at year-end - December (£000)	2016/17 Outturn Variance (£000)
Business Improvement	2,780	2,783	3	-30	47
Infrastructure & Transactions	9,307	9,431	123	64	5
Resources	6,490	6,435	-55	26	-28
Human Resources	2,007	1,801	-206	-26	-40
Corporate Governance	2,357	2,127	-230	-83	16
Customer Services	2,314	1,846	-469	-288	-16
Corporate Items including redundancy costs	32	54	22	-196	70
Total (controllable)	25,287	24,477	-812	-533	54

Overview

At the end of 2017/18, the Corporate Services (CS) department has underspent by £812k. This is an increase of £279k from the underspend reported at the end of December.

Business Improvement - £3k over

A minor variation from budget at the end of the financial year.

Infrastructure & Transactions - £123k over

There were budget pressures in several teams throughout the year.

The professional development centre (Chaucer Centre) under-achieved on income by £74k. The number of bookings in the year was lower than in previous years. This will be continue to be monitored and action taken to improve booking figures where possible.

The transactional services team overspent by £122k mainly because saving CS70 (charging for paper copies of invoices) was unachievable due to delays in the implementation of e5, SharePoint and EDRMS.

The Garth Road income target under-achieved by £58k and the Commercial Services team overspent by £80k mainly on staffing costs. This team is currently being restructured and therefore agency staff are in post until the vacant posts are recruited into. This team is essential in driving and delivering procurement savings across the Council.

These overspends were partly offset by income relating to the new rental agreement with CHAS 2013 Limited for occupancy of half of the 14th floor in the Civic Centre.

Resources - £55k under

There were a number of vacant posts within the division during the year. Also, the legal budget underspent by £45k due to reduced demand within Corporate Services during the year.

There were forecast overspends on staffing including one case of long term sickness. Ongoing additional staffing costs of e5 being were funded within the division as system changes were identified and implemented. Some additional support days were necessary from the provider for system changes. The bank reconciliation function also had additional consultancy days from the provider to increase automation.

Human Resources – £206k under

There were a number of vacant posts within the division throughout the year, in particular within the Learning & Development and Business Partnership functions. These are 18/19 savings (£185k) that have been achieved early.

The final figures for the payroll charges from Kingston were also lower than expected.

Corporate Governance - £230k under

The underspend was partly due to a £62k underspend within Internal Audit & Benefits Investigation where a 2018/19 saving has been captured early. There were other forecast underspends on non salary budgets across the division including on Democratic services where the underspend was £25k.

The South London legal partnership (SLLp) achieved an overall surplus of £47k over the financial year. The surplus was shared amongst the client boroughs based on relative usage throughout the year. Merton has retained £10k of this surplus.

There was an over recovery of other legal income (outside of SLLp) of £60k during the year.

Customer Services - £468k under

The Merton bailiff service achieved a surplus in 2017/18. The joint service with Sutton also created a surplus of which 50% was retained by Merton under the agreement.

It has been agreed at the recent joint Board meeting that the service will be extended, subject to Cabinet approval , see paper on agenda.

There was an underspend of £254k on the Benefits Administration budget mainly due to the receipt of some non-recurring income from the Department of Work and Pensions to fund a number of schemes.

Corporate Items - £22k over

The table below summarises the main budget and outturn figures within Corporate Items:

Division	2017/18 Current Budget (£000)	2017/18 Outturn (£000)	Variance (£000)	Forecast variance at year-end - December (£000)
Redundancy	1,096	1,472	376	398
Enterprise Allowance licences and cyber security	0	208	208	198
Coroner's Court	246	382	136	134
Housing Benefit	35	-1,538	-1,573	-740
Other grants/income	-340	-470	-130	-186
Transfer to reserves to fund delayed savings/ pressures	-1,005	0	1,005	0
Total	32	54	22	-196

Redundancy costs overspent by £376k during the year. There was an overspend of £136k on Coroner's Court fees which included a cost of £39k for the enquiry into the terrorist attack at Westminster Bridge (this accounting treatment is consistent with that of the other borough partners).

There was unbudgeted expenditure of £60k that addressed cyber security issues following recent security threats. The additional cost of Microsoft Enterprise licenses of £148k was also met from this budget.

The Housing Benefit budget shows a surplus of £1.5m on the account due to the subsidy received on overpayments. At period 9, a lower surplus of £740k was forecast. The table below provides the details:

Division	2017/18 Outturn Variance (£000)	Forecast Outturn variance - December (£000)	Variance (£000)
Overall surplus on account	-1,573	-1,956	383
Increase to bad debt provision	0	1,216	-1,216
Remaining surplus on account	-1,573	-740	-833

The year-end review of the housing benefits provision did not require a top up to the provision as expected during the period 9 forecast. The provision rate percentages applied are based on collection rates calculated at year end.

An amount of £1,005k has been transferred to the Corporate Services reserve to fund an energy scheme saving which cannot be met in 18/19 due to slippage in the capital spend and a number of budget pressures in future years.

Environment & Regeneration

Environment & Regeneration	2017/18 Current Budget £000	Full year Outturn (March) £000	Outturn Variance (March) £000	Forecast Variance at year end (Dec) £000	2016/17 Outturn Variance £000
Public Protection	(10,480)	(12,083)	(1,603)	(1,711)	1,290
Public Space	15,299	15,932	633	840	510
Senior Management	1,004	1,007	3	1	(44)
Sustainable Communities	7,021	6,777	(244)	58	(745)
Total (Controllable)	12,844	11,633	(1,211)	(812)	1,011

Description	2017/18 Current Budget £000	Outturn Variance (March) £000	Forecast Variance at year end (Dec) £000	2016/17 Variance at year end £000
Overspend within Regulatory Services	630	78	172	(34)
Underspend within Parking & CCTV Services	(11,587)	(1,633)	(1,849)	1,442
Underspend within Safer Merton	477	(48)	(34)	(118)
Total for Public Protection	(10,480)	(1,603)	(1,711)	1,290
Overspend within Waste Services	13,975	98	327	168
Underspend within Leisure & Culture	867	(166)	(127)	(72)
Overspend within Greenspaces	1,350	754	552	206
Underspend within Transport Services	(893)	(53)	88	342
Total for Public Space	15,299	633	840	510
Overspend within Senior Management & Support	1,004	3	1	(44)
Total for Senior Management	1,004	3	1	(44)
Underspend within Property Management	(2,538)	(422)	(272)	(564)
Overspend within Building & Development Control	(400)	397	370	(157)
Underspend within Future Merton	9,959	(219)	(40)	(158)
Total for Sustainable Communities	7,021	(244)	58	(789)
Total Excluding Overheads	12,844	(1,211)	(812)	1,011

Overview

The department has a year-end direct underspend of £1,211k at year end. The main areas of variance are Parking Services, Greenspaces, Property Management, Building & Development Control, and Future Merton.

Public Protection

Parking & CCTV Services underspend of £1,633k

The underspend is mainly as a result of the protracted timeframe for the implementation of the ANPR system across the borough. The section did not have a fully functional system until February 2017, but the necessary upgrades and camera performance reviews conducted by the contractor and officers from the team have now been completed. The positive effects of this fully functional system e.g. improved traffic flow, is expected to be realised during 2018/19. The later start of the ANPR enforcement has resulted in a delay in motorist compliance with traffic regulations and the revenue generated reflecting this.

Included within the outturn is an employee related overspend of c£345k due to a combination of savings not yet implemented and increased demand. Due to the implementation of the diesel surcharge and the delay in fully implementing ANPR the section has been forced to delay implementing certain savings, whilst needing to recruit additional agency staff to manage PCN and permit demands. This pressure was offset by an over-recovery in permit revenue (£252k).

Public Space

Greenspaces overspend of £754k

Although significant savings have been realised, the section overspent on the contract for parks and greenspaces work with idVerde by approximately £346k. This included £193k of one-off redundancy costs to LBM as agreed as part of the procurement process. The contract commenced in February 2017 and is for a period of 8 years (with the option to extend).

In addition, works to trees overspent by c£161k as a result of work required on the borough's trees in order to avoid accidents or damage. From October 2018, this work is expected to be carried out by IDVerde and will benefit from the lower rates available through the Phase C arrangements.

The section also underachieved on its income expectations in the following areas. Firstly, on events related income (£48k), whereby related savings of £170k have been implemented in the last two years, and whilst one event boosted the income, work continues to identify how income from events in parks, including developing working partnerships with external event production companies, can be generated. Secondly, due to a delay in the implementation of 2016/17 saving E&R26 (£60k) i.e. P&D within certain parks, and the decision to limit the charging to fewer parks, this income has not commenced until the beginning of the 2018/19 financial year, and will not deliver the full savings requirement.

Other areas of overspend included utility costs (£48k), and rental income (£50k).

Waste services overspend of £98k

A significant reduction between December and outturn was seen within Waste Services, notably £170k on disposal costs, as the section continued to see a reduction in waste tonnages coupled with higher than expected rebates from recyclates (based on a basket price), when compared to

2016/17. The overspend on the Phase C contract also reduced by c£90k during the same period, ending the year with an overspend of around £550k.

Sustainable Communities

Building & Development Control overspend of £397k

The section ended the financial year with an underachievement on income of £557k – of which £474k occurred within Building Control and £83k within Development Control. This reflects the reduction in the Authority's market share in recent years although 2017/8 saw a slight upturn in market share. This downward trend has also impacted on the section's ability to meet some of its associated 2017/18 savings, notably ENV20, D&BC1, D&BC2, D&BC3, D&BC5, and D&BC6 i.e. Increased income from building control services, fast tracking of householder applications, commercialisation of the service, and removal of the Planning Duty service. Replacement savings have been agreed by Cabinet that will help mitigate this pressure from 2018/19.

This includes a reduction, when compared to 2016/17, in development control income of around £396k due to a downturn of around 10% in planning applications and fewer planning performance agreements being secured during the year. This only results in an underachievement against budget of £83k, but is a considerable decrease in income levels.

Property Management underspend of £422k

The main reason for the underspend is as a result of exceeding their commercial rental income expectations by £593k mainly due to conducting the back log of rent reviews in line with the tenancy agreements. This overachievement of income was partially offset by an overspend within Employees (£29k), premises related expenditure (£88k), and supplies & services (£67k).

Future Merton underspend of £219k

The main reason for the underspend is the delay in utilising the Morden and Wimbledon growth items of £283k provided in 2017/18. With regard to the Morden Town Centre project, external funding has been utilised to fund the work on Morden in 2017-18. Spend to date has been lower than anticipated due to the time taken to form and agree the legal relationship with TfL and there was a delay of a few months in proceeding with the appointment of the development consultants, GVA so we are now able to progress effectively. This company were appointed by TfL in March 2018 (originally this work was expected to start in late 2017). All costs, including GVA work and legal costs, are being jointly funded by LBM and TfL and we will start to see the majority of the spend throughout 2018 and into 2019.

With regard to the Future Wimbledon project, due to Crossrail 2 being at least a year behind the original schedule, the work on the Masterplan has been held back until 2018-19. The Masterplan is due to be published for consultation after the local elections.

Other notably underspends occurred on general supplies & services (£60k), and street works & permitting schemes (£61k). The underspend within supplies and services was mainly against consultants, primarily due to £32k of costs being charged to the Housing Company Merantun, and lower than anticipated costs for the consultant working for the Planning Inspector on the Estates Local Plan.

These underspends were partially offset by overspends in relation to consulting and implementing new CPZ across the borough (£121k) that, when implemented, generate permit income for Parking Services, and street lighting energy costs (£78k).

Children Schools and Families

Children, Schools and Families	2017/18 Current Budget (£000)	2017/18 Outturn (£000)	Variance (£000)	Forecast variance at year-end-December (£000)	2016/17 Outturn Variance (£000)
Education	17,259	16,556	(703)	(468)	(874)
Social Care and Youth Inclusion	20,729	24,325	3,596	3,057	3,259
Cross Department budgets	1,639	1,544	(95)	(78)	(271)
PFI	7,916	7,574	(342)	(223)	(549)
Redundancy costs	2,083	1,876	(207)	(155)	(411)
Total (controllable)	49,626	51,875	2,249	2,133	1,154

Overview

At the end of March Children Schools and Families overspent by £2.249m on local authority funded services. Although the department received £1m growth which was allocated against placement budgets, there were pressures in excess of the growth allocated to the department.

In 2017/18 the department has again identified underspends to offset cost pressures that are not sustainable on an on-going basis or one-off windfalls which is not guaranteed to reoccur in future years. This means that the demographic and new burdens cost pressures will continue into the new financial year. Plans are in place to allocate the majority of the £500k demographic growth to staffing in 2018/19 which is expected to eliminate the agency staff cost pressure experienced detailed below.

The current year forecast overspend includes the cost for agency staff (£480k) which was funded from the Corporate Contingency for the last three years to enable the department to maintain safe caseloads, and review practice as part of our agreed approach and service model, ahead of the Ofsted inspection.

Due to the volatile nature of placement and SEN transport budgets and the current volume of CSC activity and EHCP requests we are exercising appropriate demand management balancing our education and social care statutory duties with careful and considered oversight of spend.

Local Authority Funded Services

Significant cost pressures and underspends identified to date are detailed in the table below:

Description	Budget £000	Mar £000	Dec £000	2016/17 £000
Procurement & School organisation	592	(319)	(334)	(448)
Premises and contracts team	533	(95)	(66)	(105)
SEN transport	4,131	566	567	394
Early achievement of savings	200	(200)	(200)	0
SEN statement support team	394	(78)	(82)	(7)
My futures team	517	(212)	(109)	(35)
Staffing underspends across Early Years services	1,477	(114)	(147)	(333)

Other small over and underspends	9,415	(251)	(97)	(340)
Subtotal Education	17,259	(703)	(468)	(874)
Fostering and residential placements (ART)	5,226	813	443	611
Supported lodgings/housing	1,645	156	154	1,110
Un-accompanied asylum seeking children (UASC)	628	693	767	579
Community Placement	0	750	500	0
No Recourse to Public Funds (NRPF)	21	353	345	484
Social Work staffing	4,714	631	595	282
Family and Adolescent Services	43	31	31	0
MOSAIC implementation support	0	85	86	0
Other small over and underspends	8,477	84	136	288
Subtotal Children's Social Care and Youth Inclusion	20,729	3,596	3,057	3,259

Education Division

Procurement and school organisation budgets underspent by £319k as a result of lower spend on re-venue-isation budgets. This budget relates to construction projects that cannot be classified as capital. The majority of this is required for temporary classrooms due to rising pupil demand when it is not viable to provide permanent buildings. No temporary classrooms are required for 2018/19 following confirmation that Harris Wimbledon will open as planned in September 2018 which should mean that the underspend would continue.

The premises and contract team budget underspent by £95k. This was mainly due to delayed recruitment to vacancies as well as over-achieving income and reducing spend on some supplies and services budgets.

The SEN transport budget overspent by £566k at the end of the financial year. A full review of the routes purchased from taxi providers was conducted prior to the summer procurement programme. Savings made through this exercised reduced the overall cost of taxi transport, but this was not sufficient to cover the increase in numbers of cases experienced during the year. The caseload increase from 216 in September 2016 to 261 in March 2018 (a 21% increase). Due to the high volume of increases, this budget overspend is expected to increase during 2018/19.

Education savings was brought forward by a year which resulted in a one-off in-year underspend of £200k.

The SEN support team underspent by £78k on staffing due to difficulties in recruiting appropriate staff to vacancies. Recruitment continues to ensure we can meet our statutory duties in relation to EHCP timeliness.

The My Futures team underspent by £212k due to vacancies held during the year while team was restructured.

As part of management action, where possible, recruitment to vacancies in some early years service areas were delayed with the aim to reduce the overall in-year departmental overspend. This resulted in an overall underspend of £114k.

There were various other small over and underspends across the division netting to a £251k underspend. These combine with the items described above to arrive at the total reported divisional underspend of £703k.

Children's Social Care and Youth Inclusion Division

While the numbers of Looked after Children (LAC) remain relatively stable, and indeed Merton maintains relatively low levels of children in care, the complexity of a significant proportion of cases is causing cost pressures as detailed below. Placement costs are reviewed on a monthly basis to ensure that projections of spend are as accurate as possible.

Service	2017/18 Current Budget £000	2017/18 outturn £000	Variance		Placements	
			Mar £000	Dec £000	Mar Nr	Dec Nr
Residential Placements	2,239	2,512	273	63	11	11
Independent Agency Fostering	1,789	1,914	125	96	44	45
In-house Fostering	964	1,291	327	201	63	57
Secure accommodation	134	4	(130)	(130)	0	0
Mother and baby	100	318	218	213	0	2
Total	5,226	6,039	813	443	118	115

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

- The residential placement expenditure overspent by £273k. The overall cost is £8k less this year compared to last year due to a detailed review of these placements which aimed to reduce overall residential placement cost.
- The agency fostering placement expenditure overspent by £125k. The overall cost has increased by £189k since last year due to the number of and specific circumstances of cases (increase of 3 cases).
- The in-house foster carer expenditure overspent by £327k. The overall cost has increased by £130k since last year due to the overall caseload increase of 17.
- We had one young person in secure accommodation for a few days who has now left.
- Mother and Baby placement budgets overspent by £318k. The overall cost is £73k higher than last year and is difficult to manage and predict due to the nature of the placements requiring extensions of placements and additional support.

The budget for semi-independent and supported lodgings/housing placements overspent by £156k. These are for young people who require semi-independent provision through to independence or, in some cases, through to the age of 21 (older in exceptional circumstances), as part of our statutory duties. There were 61 semi-independent placements for young people at the end of March 2018 up to an age of 25.

The UASC placements overspent by £693k this year.

Service	2017/18 Current Budget £000	2017/18 outturn £000	Variance		Placements	
			Mar £000	Dec £000	Mar Nr	Dec Nr
Independent Agency Fostering	369	192	(177)	(180)	9	7
In-house Fostering	0	350	350	407	21	18
Supported lodgings/housing	259	779	520	540	27	29
Total	628	1,321	693	767	57	54

At the end of March we had 57 UASC placements with a number of young people aged 18+ with no recourse to public funds in semi-independent accommodation. We are experiencing a sustained rise in UASC referrals and expect to reach the 0.07% rate (34 children, currently 20) in the next 6-12 months. This is likely to lead to a net increase in UASC expenditure.

There was a £750k overspend on a community placement. This provision relates to a complex case currently under discussion between the CCG and the local authority. The overspend relate to nursing care which has been claimed for by the CCG at a much higher cost than originally expected but less than originally charged. The cost for 2018/19 is still being negotiated and there is a risk that this pressure will continue.

The NRPF budget overspent by £353k in the current financial year. The NRPF worker is working closely with housing colleagues to manage cases as they arise and is also reviewing historic cases to identify ones where claimant circumstances has changed and can therefore be stepped down from services. We continue to use the Connect system to progress cases and continue to review open cases with the aim to limit the cost pressure on the council. The AD continues to forensically scrutinise activity in this area. Strong gate keeping has resulted in a reduction of overall numbers from a peak of about 30 to an estimated case load of 15 at the end of this financial year which should impact positively on next year's overspend.

The Central Social Work, MASH, First Response, CASA, Bond Road and CWD team's staffing costs overspent by £631k. The majority of this is due to additional social work capacity required to manage safe caseloads and review of practices, previously funded by the council's contingency, and are kept under regular review as they are covered by agency. On top of the additional staff, the teams also has to cover vacancies with agency staff due to difficulty in recruiting permanent members of staff. The situation is progressing and work is taking place to improve retention.

The Family and Adolescent Services staffing budget overspent by £31k. This is due to the head of service post which had been deleted as part of the 2017/18 savings continuing to be covered by an agency member of staff due to short term service requirements. These arrangements ceased in September.

Following the implementation of MOSAIC, some changes and service support is still required which is now funded from the departmental budgets rather than from the project. The support was required until the end of December at a cost of £85k.

There are various other small over and underspends across the division netting to a £84k overspend. These combine with the items described above to arrive at the total reported divisional overspend of £3,596k.

Dedicated Schools Grant

DSG funded services overspent by £1.896m. These budgets are not within the council's general fund and cannot be offset against the local authority funded budgets. The overspend will be funded from the DSG reserve and applied after consultation with Schools Forum. Variances between individual nominals have been shown in the overall departmental analyses.

The pressure on the high needs block will continue in 2018/19. Due to the low level of DSG reserves, it is expected that this will go into a negative position at the end of next financial year, joining some other London LAs.

The main reasons for the variance relates to the overspend of £1.319m on Independent Day School provision, £364k on EHCP allocations to maintained primary and secondary schools and £508k on additional school business rate adjustments primarily due to the revaluation of properties in the beginning of 2017. This was offset by a £356k underspend on Further Education colleges and Independent School Provision

There are various other smaller over and underspends forecast across the DSG netting to a £63k overspend which, combined with the items above, equates to the net overspend of £1.898m.

We continue to keep abreast of proposed changes to the National Funding Formula, especially in relation to risks associated with services currently funded by de-delegated elements of the DSG.

Management Action

New burdens

There are a number of duties placed on the Local Authority which have not been fully funded or not funded at all through additional burdens funding from Central Government. £1m growth was added by the council in 2017/18 to the supported housing/lodgings budget. Excluding the cost of these duties would leave a net departmental overspend of £1.047m, however that figure masks substantial once off windfalls and non-recurrent and recurrent management action. The table below highlights the continued estimated overspends relating to these unfunded duties:

Description	Budget £000	Mar overspend £000	Dec overspend forecast £000
Supported lodgings/housing	1,645	156	154
Un-accompanied asylum seeking children (UASC)	626	693	767
No Recourse to Public Funds (NRPF)	21	353	345
Total	2,292	1,202	1,266

Following changes introduced through the Children & Social Work Act, local authorities will take on new responsibilities in relation to children in care and care leavers. Local authorities will be required to offer support from a Personal Adviser to all care leavers to age 25. New burdens funding will be provided to support implementation of this change.

Further new burdens are expected for 2018/19 including:

- Social Care Act requirement for new assessment process for all social workers
- SEND tribunals will cover elements of children care packages and therefore cost
- New requirement of social work visits to children in residential schools and other provision.

Staffing

Agency cost continues to be a cost pressure for the department as permanent social worker recruitment continues to be challenging. We are operating, however at our lowest level of agency staff in 3 years. The continued recruitment drive including recruitment of NQSWs, temporary to permanent initiatives and retention payments will all have a positive impact on the current financial year and we will continue to take action to bring down anticipated overspends on agency/staffing costs.

Placements

Our strong management oversight enables us to ensure that an appropriate entry to care threshold is well-maintained. The impact of increased numbers of UASC is in particular affecting our LAC and care leaver numbers and we remain in the lowest rate of care range in London.

Work continues to ensure we lever in appropriate health contribution to children with complex needs and our ART service is driving down placement costs including through regional partnership commissioning.

Our ART Fostering Recruitment and Assessment team is continuing to recruit new foster carers who will offer locally based placements with an enhanced recruitment campaign, targeting carers for teenagers, sibling groups and UASC. 11 were recruited during the past year. This continues to reduce the increase in more expensive agency foster placements, but there is a time lag. Our ART Placement and Fostering teams are continuing to work to ensure the maximum use of our in house fostering provision.

Our ART Placement service is working with providers to establish more local provision and offer better value placements to the Council. There is now an established agreed cost framework for semi- independent providers and this has resulted in more appropriately priced placements for Care Leavers and older LAC. Our ART Placement team are working with the 14+ team to review placements in and ensure appropriate use of the semi-independent market.

We have contracted with a provider to block purchase five independent units for care leavers aged 18+. This will act as a step down into permanent independent living. For the total 5 placements in the provision, this cost is £1,400 per week. This is a significantly better financial value than using the semi-independent market for our care leavers. We have five young people currently there. Many of these young people will also be eligible to claim Housing Benefit.

We have updated our Staying Put policy for young people aged 18+ to enable them to remain with their foster carers as recommended following our Ofsted inspection. We currently have 9 young people remaining with in house foster carers. Financially this is a more cost effective offer than semi-independent provision. However, the increased use of Staying Put for young people aged 18+ impacts on available placements for younger teenagers and therefore there is a likelihood of an increase in the use further IFA placements in the near future. We continue to focus our foster carer recruitment on carers for teenagers to mitigate these potential additional costs.

All residential placements are regularly reviewed through a monthly panel process. The fostering recruitment strategy is being refreshed in light of the new Staying Put requirement.

General

The department continues to scrutinise all budgets to see how we can offset the above costs pressures and others created by growing demographics and new burdens. Where possible we use grant and income flexibly to reduce our cost pressure.

Community and Housing

Overview

Community and Housing has consistently forecast an overspend of between £1m to £1.2m throughout the financial year. C&H DMT identified actions in year to bring this down. The final outturn as at March 2018 is £922k of which £425k is related to one off costs during 2017.18. Close monitoring and management of this service continues into 2018/19.

The main pressures are on Adult Social Care placements and in the costs of temporary accommodation. A senior level focus on placements has stabilised spend and it has started to reduce in the last six months. Merton has one of the lowest usages of temporary accommodation, but there were increased costs early in the New Year with the very poor weather.

C&H Summary Outturn Position

Community and Housing	2017/18 Current Budget	2017/18 Outturn	2017/18 Variance	Forecasted Variance (Dec'17)	2016/17 Outturn Variance
	£'000	£'000	£'000	£'000	£'000
Access and Assessment	47,148	47,603	455	1,014	9,432
Commissioning	3,649	3,860	211	(8)	67
Direct Provision	4,286	4,091	(195)	(216)	(169)
Directorate	770	951	181	119	(274)
Adult Social Care	55,853	56,505	652	909	9,056
Libraries and Heritage	2,033	2,053	20	13	(88)
Merton Adult Education	0	0	0	0	501
Merton Adult Education-Commissioning Model	4	(2)	(6)	(6)	0
Housing General Fund	1,937	2,193	256	165	655
Sub-total	59,827	60,749	922	1,081	10,124
Public Health	0	0	0	0	16
Grand Total	59,827	60,749	922	1,168	10,140

Adult Social Care

There has been a renewed effort to effectively monitor and manage Adult Social Care budgets during 2017/18 by holding weekly budget management meetings and the implementation of a management action plan which will continue into 2018/19.

Adult Social Care received £9.3m growth in 2017/18 to support identifiable pressures in the placements budget this has been substantiated by the outturn variance achieved by the department.

There has been a noticeable reduction in committed expenditure on placements in the latter part of the financial year which is due to the introduction of the outcomes forum, weekly monitoring of variations and the increase scrutiny of care packages.

Throughout 2017/18 we reported on the Better Care Fund agreement with Merton CCG and the Borough and the potential liability of a £474k risk share contribution, in addition to the £275k pressure from the previous year. Due to the continued effective working relationship with Merton CCG the Community & Housing management team has negotiated a reduction in the expected risk share allocation to £150k.

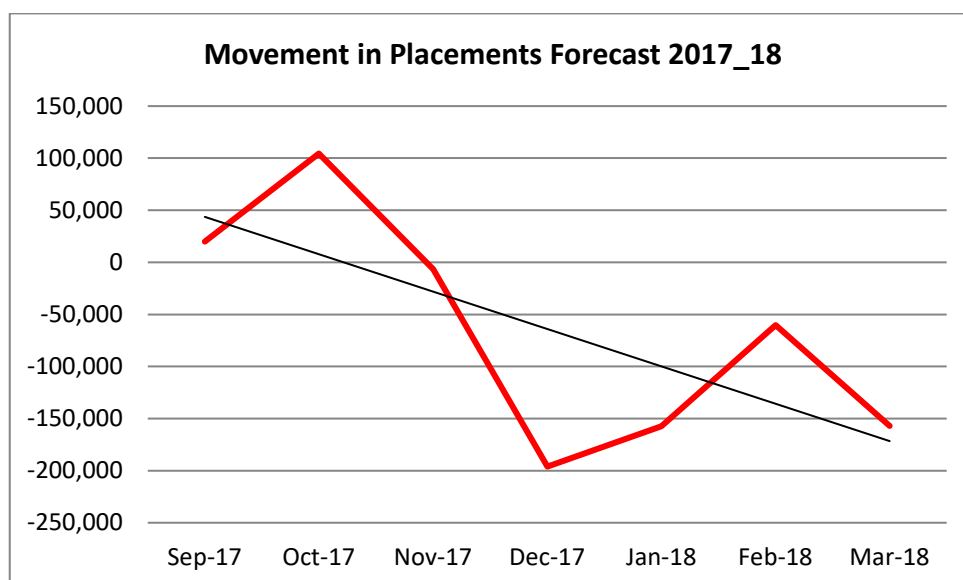
Access & Assessment

Access and Assessment outturn adverse variance was £455k. This is better than expected due to effective management of the service, outcomes forum and close monitoring of the service.

This area is the most volatile within the Community and Housing service. It is a demand led service which is affected by changes legislation, market forces and the demand of an aging population.

Expenditure on placements continues to decline during 2017.18 as demonstrated by graph 1 below. The outcomes forum has been an effective tool in improving practice in assessment and support planning.

Graph1



Considerable effort has been put in to improving data quality, which has led to improved understanding of the pressure points, increased ability to target actions and increased consistency of reporting and forecasting. Placements spend is now tracked monthly and movements identified at the level of individual packages of care. These changes and trends are monitored by the Directorate Management Team and the Cabinet member for adult social care.

Access & Assessment	Outturn Variances (Mar'18) £00	Forecast Variances (Dec'17) £000
Underspend on Concessionary Fares	(100)	(92)
Overspend on Better Care Fund Risk Share for 2016/17 & 17/18	425	275
Other	(307)	(139)
Placements	1,671	2,354
Income	(1,234)	(1,384)
Total	455	1,014

Commissioning

Commissioning service outturn adverse variance was £211k, which includes supporting people contracts which was previously reported under placements. Pressures include additional staff costs to improve income collection.

Direct Provision

This service outturn variance is £195k under spend due to careful management of staff costs. There is pressure in one of the residential services which is being addressed. Day services staff work across all sites to ensure cover. This year there were delays with recruitment which resulted in an underspend. Use of bank staff across services has helped control costs.

The grants received for Mascot (BCF, DFG) have been utilised and we will use more in the coming year to alleviate staffing pressures in the service.

Directorate

This area was forecasting an overspend throughout the financial year which was mainly due to salary cost of two directors, temporary head of services and other project workers engaged to undertake home care procurement.

C&H-Other Services

Libraries-

In December this service forecasted an over spend of £13.7k which increased to £19.5k as at March 2018. The service was forecasting an over spend of £43k on staffing related expenditure but at year end overspend was reduced to £33k which was due to the restructure of the service and the continued use of agency staff during the transition process. Alternatively income was less than forecasted in December by £6.7k excluding project income. There is also the issue of a negative leasing budget that will be resolved in 2018/19.

Merton Adult Learning –

This service outturn variance is £6k under spend. Merton Adult Learning forecasted an under spend since September 2017.

The £6k underspend is due to fees collected by the service for the in-house Learning Difficulties and Disabilities provision provided.

Housing

Outturn Variance is £256k overspend

In this service the main unpredictable area is temporary accommodation. Although throughout 2017/18 cost appeared constant there was an increase between December and January. Additionally with the on-set of the impending new requirements on this service, via the Homeless Reduction Act (HRA) the team has seen an increase of number of clients.

However, despite this being such a volatile service the service continues to prevent homelessness, thus avoiding expensive placements into temporary accommodation.

The service also continues to maximise income collection for clients living in temporary accommodation by collecting personal contributions from clients, and claiming Housing Benefit and Universal Credit. A total of £735K has been collected directly from clients in 2017/18.

The service is currently working towards implementing the HRA and will proceed with a planned restructure to meet the new legislative requirements, duties and any savings which are required.

Housing	Budget £'000	Outturn Variances (Mar'18) £'000	Forecast Variances (Dec'17) £'000
Temporary Accommodation-Expenditure	2,296	909	812
Temporary Accommodation-Client Contribution	(140)	(595)	(585)
Temporary Accommodation-Housing Benefit Income	(2,000)	(166)	(350)
Temporary Accommodation-Subsidy Shortfall	322	517	593
Temporary Accommodation- Grant	-	(406)	(406)
Total Temporary Accommodation	478	259	64
Housing Other- Over(under)spends	1,459	(3)	101
Total	1,937	256	165

Public Health

This service reviewed many contracts during 2017/18 in order to obtain value for money.

Public Health achieved a breakeven position as predicted.

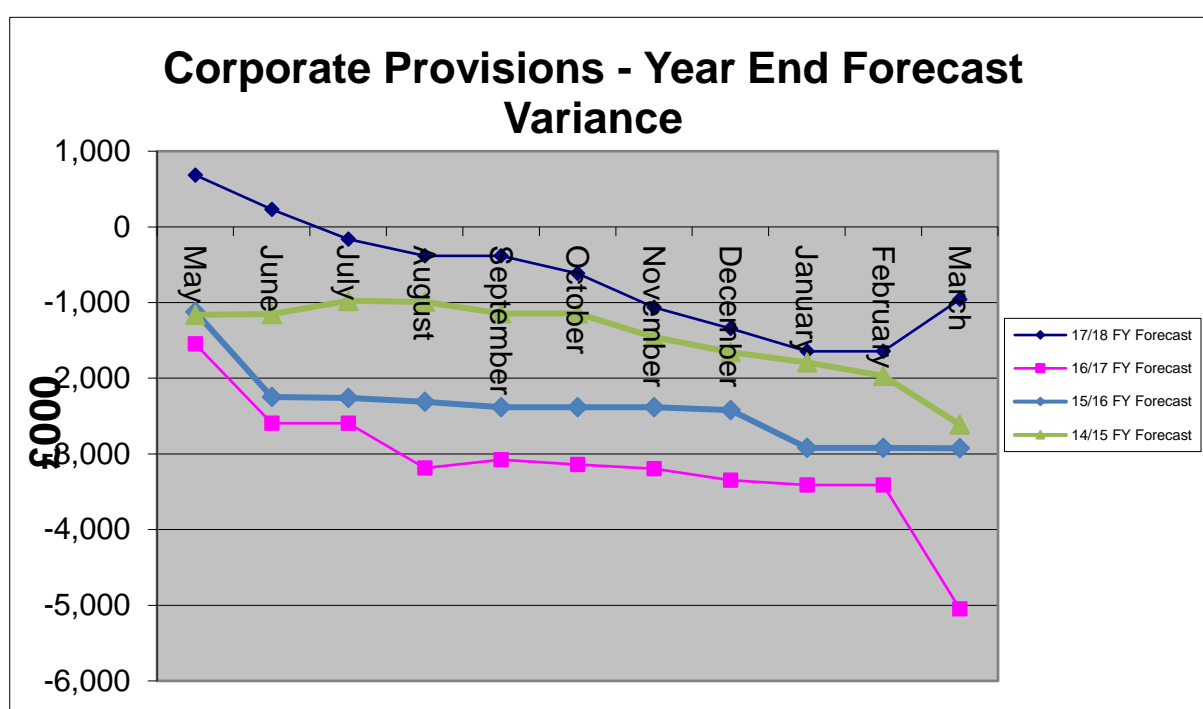
Summary

The department establishment a weekly meeting to plan management actions during 2016/17 and these continued into 2017/18 to closely monitor placement budgets.

Section 4 Corporate Items

- These budgets cover a wide range of significant areas including treasury management, contingency, contributions to past service deficiency on the pensions fund and contributions from government grants and use of reserves. The details comparing actual expenditure with budget are contained in Appendices 1 and 2. The summary position is as follows:-

Corporate Items	Current Budget 2017/18 £000s	Full Year Outturn (Mar.) £000s	Outturn Variance at year end (Mar.) £000s	Forecast Variance at year end (Dec.) £000s	2016/17 Year end Variance £000s
Impact of Capital on revenue budget	11,604	11,501	(103)	(17)	193
Investment Income	(1,186)	(778)	408	402	(176)
Pension Fund	3,264	2,875	(389)	0	(498)
Pay and Price Inflation	736	0	(736)	(350)	(739)
Contingencies and provisions	4,103	1,656	(2,447)	(1,379)	(3,495)
Income Items	(1,152)	(1,256)	(104)	0	(330)
Appropriations/Transfers	2,102	4,546	2,445	0	(3,091)
Central Items	7,867	7,044	(823)	(1,327)	(8,329)
Levies	933	933	(0)	0	0
Depreciation and Impairment	(18,966)	(18,966)	0	0	0
TOTAL CORPORATE PROVISIONS	1,437	511	(926)	(1,344)	(8,136)



2. From an early stage in the financial year, it became clear that there would be severe pressures on service department budgets, particularly in demand led services such as Adult Social Care. It was therefore necessary to monitor corporate provisions carefully throughout 2017/18 in order to offset the forecast overspend as far as possible by underspends in corporate budgets, mainly in contingencies held to provide flexibility in the event of such pressures.
3. Impact of Capital on Revenue Budget
Throughout 2017/18 a small underspend on the cost of borrowing had been forecast and the outturn has resulted in a slightly larger underspend arising from decisions made in how the capital programme has been funded.
4. Investment Income
A deficit in achievement of investment income has been forecast throughout 2017/18 and the final outturn was in line with this expectation.
5. Pension Fund
There was an underspend of £0.389m at year end arising mainly from the non-utilisation of the budget for autoenrolment. These costs were met within service departments employees budgets.
6. Pay and Price Inflation
The provision for inflation includes an element for price increases exceeding 1.5% and throughout 2017/18 use of this budget was resisted to offset the forecast overspend in service departments. This resulted in an underspend of £0.436m. The £0.300m provision for Utilities inflation was also not used in 2017/18 and held as cover against the forecast overspend in services.
7. Contingencies and Provisions
This budget contains budgets for the provision of bad debts, loss of income arising from the P3/P4 site development, direct revenue funding of capital, provision for reversionisation, Single Status/Equal Pay and general contingency.

The net underspend of £2.474m consists of the following main variations:-
 - a) Contingency – Underspend £1.500m: The contingency was held throughout the year as cover for anticipated pressures in service expenditure.
 - b) P3/P4 - Underspend £0.4m: The underspend is due to the delay in commencing with the proposed development which means that car parking income has continued on the site. This was forecast throughout the year.
 - c) Single Status/Equal Pay – Underspend £96k
 - d) Provision for Loss of HB Admin. Grant – There was only a small demand of £21k against this budget in 2017/18 leading to an underspend of £0.179m.
 - e) Bad Debt Provision – Overspend £0.395m: There was an unexpected increase in demand against the provision for bad debts and further work will be carried out in 2018/19 to improve the forecasting and monitoring of this budget.

- f) Apprenticeship Levy: Underspend £0.235m: This was the first year of operating the apprenticeship levy.
 - g) Revenuisation and Miscellaneous – Underspend £0.459m. It was originally anticipated that this budget would be used to fund capital projects but in light of pressures on service expenditure it was subsequently decided to use the revenue reserve for capital purposes and retain the flexibility that revenue resources provide. The underspend was held to offset against the forecast overspend.
8. Income Items: Underspend £0.104m
The underspend is due to slightly increased income (£48k) from CHAS IP/dividend and some other small miscellaneous un-budgeted income .
9. Appropriations/Transfers: Overspend £2.44m
The £2.4m variation reflects the decision not to implement the budgeted transfer of £2.4m from the Balancing the Budget Reserve following the improved financial position on forecast outturn
10. Funding
The level of funding from central government was £0.488m better than budgeted. This is due to a net underspend of £0.488m arising from Business Rates/Section 31 Grant. This mainly relates to changes to small business rates relief announced in the Government's Spring 2017 Budget and in the Government's technical consultation papers issued in December 2017 outlining changes to 2017/18 Small Business Rates Relief Threshold payments.

Section 5 - Other Information

E5- Financial system

A considerable amount of work has been undertaken in reconciling our old legacy systems to the new E5 Financial system as part of our preparations for closedown. After extensive analysis of our Accounts Payable and Receivable ledgers we are currently left with a net credit balance to write off totalling £617k. We will continue with our efforts to reconcile this amount during our closedown period. We will also review the treatment of this balance with our external auditors but it could result in an additional underspend on our accounts.

Debt Report

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

Section 6 Reserves Position

USABLE RESERVES

Usable Reserves	Balance at 31 March 2017 £000	Transfers out 2017/18 £000	Transfers in 2017/18 £000	Balance at 31 March 2018 £000
General Fund:				
Balances held by schools	(8,246)	426	0	(7,820)
General Fund Balances	(12,778)	0	0	(12,778)
Earmarked reserves	(41,105)	3,182	(2,200)	(40,123)
Total General Fund	(62,129)	3,608	(2,200)	(60,721)
Capital:				
Capital Receipts Reserves	(22,986)	12,001	(4,527)	(15,512)
Capital Grants Unapplied	(7,251)	185	(3,413)**	(10,479)
Total Capital	(30,237)	12,186	(7,940)	(25,991)
Total Usable Reserves	(92,366)	15,794	(10,140)	(86,712)

**Reflects 18/19 grants received in advance

General Fund Balance - This fund includes any surplus after meeting net expenditure on Council services.

Earmarked Reserves - Earmarked reserves are amounts set aside from the General Fund to provide financing for future expenditure plans. Also included in this note are amounts held by schools under delegated schemes and amounts set aside to meet future insurance claims.

Capital Receipts Reserve - This represents receipts from the sale of land and other assets. The reserve can be used for the repayment of external loans, or transferred to the capital adjustment account to finance capital expenditure.

Capital Grants Unapplied - These are unapplied capital grants set aside for future capital expenditure. The balance includes unapplied Community Infrastructure Levy receipts.

Transfers to/from Earmarked Reserves

Reserve	Balance at 31st March 2017	Net Transfer (to)/from Reserve	Balance at 31st March 2018
	£000	£000	£000
Outstanding Council Programme Board	(4,919)	375	(4,545)
For use in future years' budgets	(7,789)	(2,473)	(10,261)
Revenue Reserve for Capital/Revenuisation	(6,815)	3,317	(3,498)
Renewable energy reserve	(1,523)	0	(1,522)
Repairs and renewals fund	(1,147)	57	(1,090)
Pension fund additional contribution	(497)	44	(453)
Local land charges	(1,903)	(134)	(2,038)
Apprenticeships	(302)	42	(260)
Community care reserve	(1,386)	0	(1,386)
Local welfare support reserve	(443)	66	(376)
Economic development strategy	(101)	99	(2)
Corporate services reserves	(776)	(995)	(1,770)
Wimbledon tennis courts renewal	(127)	(25)	(150)
Governor support reserve	(42)	14	(28)
Redundancy costs reserve	(600)	600	0
BRS Reserve	(870)	0	(870)
New homes bonus scheme	(291)	169	(122)
Adult social care contributions	0	(2,161)	(2,161)
Culture & environment contributions	(14)	0	(14)
Culture & environment grants	(250)	(267)	(517)
Children & education grants	(306)	(119)	(425)
Supporting people balances	0	0	0
Housing planning development grants	0	0	0
Housing GF grants	(106)	0	(106)
Public health grant reserve	(347)	347	0
Insurance reserves	(1,955)	0	(1,955)
DSG reserve	(3,664)	2,736	(928)
Refund of school PFI contributions	(100)	100	0
School standard Fund	(6)	(366)	(372)
Schools PFI fund	(4,827)	(421)	(5,248)
CFS Reserves	0	(25)	(25)
Grand Total	(41,105)	980	(40,123)

Section 7 CAPITAL

Outturn and Budget Management

The table (a) below shows that Total Capital Expenditure for 2017/18 is £32.2 million compared to the total projected by budget managers in November 2017 of £39.4 million (this equates to a negative variance of 18.2%). November is used for capital variances due to the funding decisions taken at this time of the capital programme. This variance is higher than last year and is mainly caused by the Customer Contact, Housing Company and Acquisitions Budgets within Corporate Services.

Table (a) - Capital Outturn Position 2017/18

Department	Revised Capital programme (approved November 2017)	Final Outturn	Outturn Variance to Budget	November Forecast For Year	November Forecast Variance to Outturn	% Variance to November Forecast
Column	(1)	(2)	(3)	(4)	(5)	(6)
			(2)-(1)		(2)-(4)	(5)/(4)
Corporate Services	13,432,250	8,243,541	(5,188,709)	13,741,644	(5,498,103)	(40.01)
Community and Housing	1,301,020	1,110,766	(190,254)	1,238,530	(127,764)	(10.32)
Children, Schools & Families	6,959,650	6,035,776	(923,874)	6,890,292	(854,516)	(12.40)
Environment & Regeneration	17,638,020	16,839,927	(798,093)	16,874,716	(34,790)	(0.21)
Total	39,330,940	32,230,009	(7,100,931)	38,745,182	(6,515,173)	(16.82)
Leasing/School Capital Loan	676,060	0	(676,060)	675,912	(675,912)	(100.00)
Total	40,007,000	32,230,009	(7,776,991)	39,421,095	(7,191,085)	(18.24)

Appendix 3a provides additional information on the individual variances on schemes.

Movement in the 2017/18 Original Approved Programme

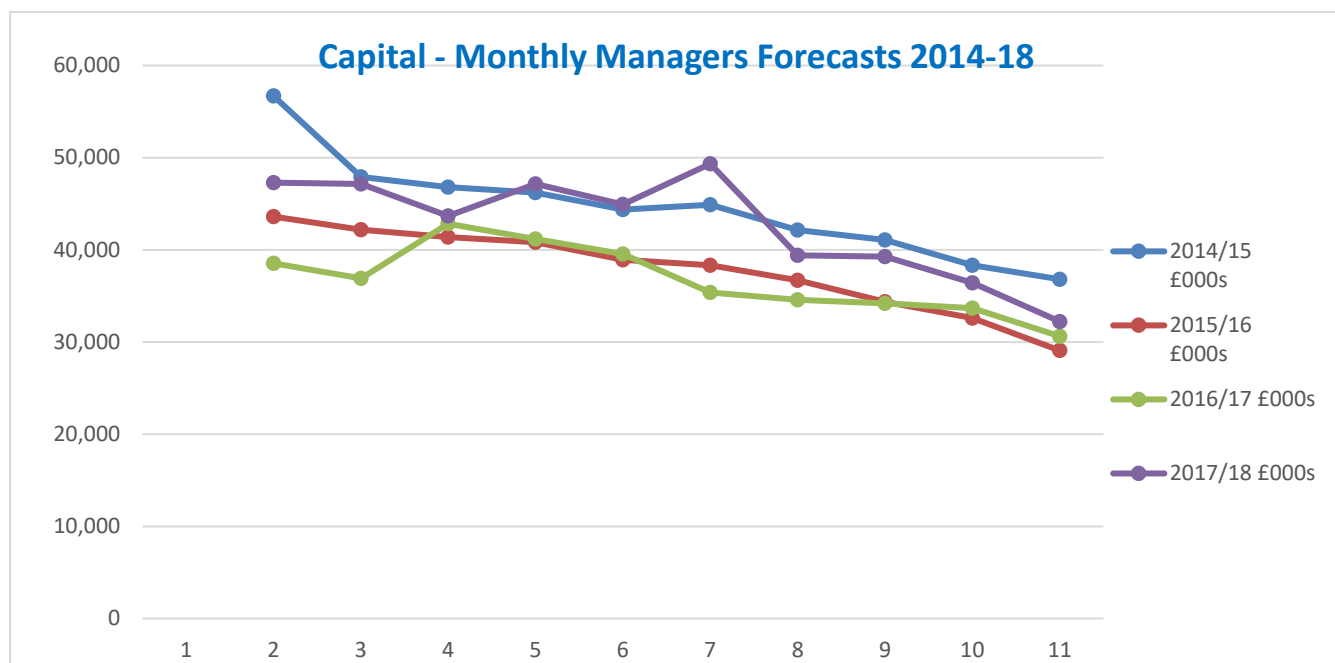
The Capital Programme for 2017/18 as approved in March 2016 was £39.5 million. Subsequently, slippage from 2016/17 of £7.5 million was added, and new funding of £16.8 million giving an effective opening programme of £63.8 million. However, during the financial year there was a net reduction in the overall programme mainly from budget being re-profiled into subsequent financial years. These movements are shown in Table (b) below. When final capital outturn is compared to the original capital programme the total slippage is 37%.

Table (b) – Movement in the Capital Programme since Approval March 2017 (£000's)

Depts.	Original Budget 17/18	Net Slippage 2016/17	Adjustments	New External Funding	New Internal Funding	Re-profiling	Revised Budget 17/18
Corporate Services	6,821	4,866	13,598	48	77	(11,942)	13,468
Community & Housing	1,335	235	501	75	0	(344)	1,802
Children Schools & Families	12,920	1,035	30	512	0	(7,437)	7,060
Environment and Regeneration	18,466	1,386	77	1,305	539	(4,096)	17,677
Total	39,542	7,522	14,206	1,940	616	(23,819)	40,007

Capital - Monthly Managers Forecast Spend to Outturn

The graph below shows the monthly forecasting by managers of the outturn spend on capital over the last 4 years. The forecasting trend during 2017/18 followed the pattern of previous years and there was a continuing problem with the quality of forecasting around November when the Medium Term Financial Strategy is being prepared. The overestimate in spending feeds through into an overestimate of the budget for capital charges in the following year. It should be noted that centrally finance officers adjust the total projected capital spend from departments downwards for optimism bias when funding the programme. This year the outturn estimate was reduced to £31.6 million.



Considerable time was spent with budget managers profiling their budgets in 2017-18 and this has improved the accuracy of forecasting non-corporate items at year end. This work will continue in 2018-19.

The Level of Re-Profiling / Slippage from 2017/18

The table below summaries management proposals for treatment of slippage and overspends from the 2017/18 programme.

Table (d) – Management Proposals for under/Overspends with the 2017/18 Capital Programme

Department	Total Year End Variance 2017/18	Recommend Accept Slippage	Surrender	Funded from Reserves etc	Bring Forward from 2018/19
	£000's	£000's	£000's	£000's	£000's
Corporate Services	(5,189)	5,051	258	(121)	0
Community and Housing	(190)	165	38	(12)	0
Children, Schools & Families	(924)	953	0	0	(29)
Environment & Regeneration	(798)	1,243	0	(121)	(324)
Lesing	(676)	0	676		
Total	(7,777)	7,411	972	(254)	(353)

After offsetting minor under and overspends within the programme seven schemes require clawback of budget from 2018-19, this clawback totals £353k. The seven schemes are Rutlish (Schools capital Maintenance) £29k, Street Lighting £11k, Traffic Schemes £2k, Footway £6k, Morden Leisure Centre £186k, Leisure Centres £109k and Parks Investment £10k. This additional spend will be taken from budgets within the 2018-19 budget.

Appendix 3b provides details of the proposed slippage into 2017/18 split by departments.

Revised Capital Programme 2018-22: Appendix 3C details the proposed movements in the approved Capital Programme 2018-22 for approval, this is summarised in the two tables below:

Movement in the Approved Capital Programme 2018-19

<u>2018-19 Budget</u>						
Department	Budget 2018-19	Slippage into 2018-19	Reprofiled into 2019-20	New 2018-19	Clawback	Revised Budget 2018-19
Corporate Services	23,482,360	5,050,920	(9,036,660)	0	0	19,496,620
Community and Housing	772,650	164,660	0	0	0	937,310
Children Schools & Families	15,158,000	952,510	(3,946,000)	495,000	(28,730)	12,630,780
Environment and Regeneration	21,852,890	1,243,160	(1,000,000)	1,039,250	(323,920)	22,811,380
Total	61,265,900	7,411,250	(13,982,660)	1,534,250	(352,650)	55,876,090

Movement in the Approved Capital Programme 2019-22

	<u>2019-20 Budget</u>				<u>2020-21 Budget</u>			<u>2021-22 Budget</u>		
	Budget 2019-20	Reprofiled from 2018-19	Reprofiled to 2020-21	Revised Budget 2019-20	Budget 2020-21	Reprofiled from 2019-20	Revised Budget 2020-21	Budget 2021-22	Reprofiled from 2020-21	Revised Budget 2021-22
Corporate Services	15,818,360	9,036,660	0	24,855,020	3,944,980	0	3,944,980	3,862,000	0	3,862,000
Community and Housing	480,000	0	0	480,000	630,000	0	630,000	280,000	0	280,000
Children Schools & Families	8,107,240	3,946,000	0	12,053,240	3,202,300	0	3,202,300	650,000	0	650,000
Environment and Regeneration	9,060,170	0	(2,000,000)	7,060,170	5,017,000	2,000,000	7,017,000	4,052,000	1,000,000	5,052,000
Total	33,465,770	12,982,660	(2,000,000)	44,448,430	12,794,280	2,000,000	14,794,280	8,844,000	1,000,000	9,844,000

The Table below provides a breakdown of the New Budgets Column detailing the source of funding for the schemes:

Total New Budgets 2018/19

Narrative	Funding				Total New Budgets 2018/19
	Merton Recources	CIL Neighbourhood	S106	TfL	
Rutlish School Synthetic Pitch	*495,000				495,000
CCTV Investment			39,490		39,490
Bus Stop Compliance				(6,500)	(6,500)
Accessibility Programme				180,000	180,000
Casualty Reduction & Schools				211,950	211,950
A298/A238 Strategic Corridor				41,180	41,180
Borough wide 20mph Limit				74,000	74,000
Cycling in Residential Streets				180,000	180,000
Commonside East/Windmill Rd			40,000		40,000
Safer Walking Routes/Streets				18,000	18,000
TfL Principal Road Maint				92,450	92,450
TfL Cycle Quietways				(18,700)	(18,700)
Cycle access/parking				36,920	36,920
Beddington Lane Cycle Route			60,000	333,710	393,710
Figges Marsh Roundabout				64,000	64,000
Mitcham Town Centre		425,000		28,000	453,000
Unallocated TfL				(1,000,000)	(1,000,000)
Mitcham Cricket Green Imps		50,000			50,000
Wandle Project			46,000		46,000
B591b Shop Front Improvement		79,000			79,000
Abbey Rec Improvements			39,750		39,750
B737b Merton Park Green Walks			25,000		25,000
Total	495,000	554,000	250,240	235,010	1,534,250

*Lessee is providing this sum to be used to complete the work, agreement will contain conditions limiting when the receipt can be recognised and utilised by the Authority so initially will need to be funded by Merton.

The £60k new S106 funding for Beddington Lane Cycle Route requires Cabinet approval under the arrangements for S106 funding (Recommendation C).

It is apparent from the annual spend over the past few years that with current staffing levels officers can progress a capital programme of approximately £30 to 33 million. The original and revised budgets for 2018/19 excluding corporate items are in excess of this and are being reviewed.

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

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

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

Appendix 1 Out turn position

Appendix 2 Corporate items

Appendix 3A Capital Programme Outturn Position 2017/18

Appendix 3B Proposed Budget to be Slipped to 2018/19

Appendix 3C Current Capital Programme 2018-22 including Slippage

Appendix 4 Debt Report

17 BACKGROUND PAPERS

17.1 Budgetary Control files held in the Corporate Services department.

18. REPORT AUTHOR

– Name: Roger Kershaw

– Tel: 020 8545 3458

– Email: roger.kershaw@merton.gov.uk

APPENDIX 1

OUTTURN	2017/18 Current Budget (Net)	2017/18 Outturn (Net)	2017/18 Variance (Net)	2017/18 Current Budget (excl. overheads)	2017/18 Outturn (excl. overheads)	2017/18 Variance excl. overheads	2016/17 variance excl overheads
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Department							
Corporate Services	9,932	8,963	(969)	25,287	24,475	(812)	(1,287)
Children, Schools and Families	54,691	57,122	2,430	49,626	51,875	2,249	1,154
Community and Housing	64,480	65,654	1,174	60,022	60,944	922	10,140
Environment & Regeneration	18,271	16,810	(1,461)	12,844	11,633	(1,211)	1,011
NET SERVICE EXPENDITURE	147,374	148,549	1,175	147,779	148,927	1,148	11,018
Corporate Provisions	1,437	484	(953)	1,032	106	(926)	(5,035)
TOTAL GENERAL FUND	148,811	149,033	222	148,811	149,033	222	5,983

Business Rates	(35,483)	(35,302)	181	(35,483)	(35,302)	181	0
Grants	(28,999)	(29,668)	(669)	(28,999)	(29,668)	(669)	(536)
Council Tax and Collection Fund	(84,329)	(84,329)	0	(84,329)	(84,329)	0	0
FUNDING	(148,811)	(149,299)	(488)	(148,811)	(149,299)	(488)	(536)

NET (UNDER)/ OVERSPEND	0	(266)	(266)	0	(266)	(266)	5,447
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Transfers to Reserves	(0)	266	266	(0)	266	266	(5,447)
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APPENDIX 2

3E. Corporate Items	Council 2017/18 £000s	Current Budget 2017/18 £000s	Full Year Outturn (Mar.) £000s	Forecast Variance at year end (Mar.) £000s	Forecast Variance at year end (Dec.) £000s	Outturn Variance 2016/17 £000s
Cost of Borrowing	13,415	11,604	11,501	(103)	(17)	193
Impact of Capital on revenue budget	13,415	11,604	11,501	(103)	(17)	193
Investment Income	(1,186)	(1,186)	(778)	408	402	(176)
Pension Fund	3,350	3,264	2,875	(389)	0	(498)
Provision for excess inflation	451	436	0	(436)	(150)	(439)
Utilities Inflation Provision	300	300	0	(300)	(200)	(300)
Pay and Price Inflation	751	736	0	(736)	(350)	(739)
Contingency	1,500	1,500	0	(1,500)	(750)	(821)
Single Status/Equal Pay	100	100	4	(96)	0	(60)
Bad Debt Provision	500	86	482	395	0	(271)
Loss of income - P3/P4	400	400	0	(400)	(400)	(400)
Loss of HB Admin grant	200	179	0	(179)	(179)	(200)
Reduction in Education Services Grant	819	0	0	0	0	0
Apprenticeship Levy	450	450	215	(235)	(50)	0
Revenuisation and miscellaneous	889	1,387	956	(432)	0	(1,743)
Contingencies and provisions	4,858	4,103	1,656	(2,447)	(1,379)	(3,495)
Other income	0	0	(56)	(56)	0	(280)
CHAS IP/Dividend	(1,152)	(1,152)	(1,200)	(48)	0	(50)
Income items	(1,152)	(1,152)	(1,256)	(104)	0	(330)
Appropriations: CS Reserves	(667)	(19)	(19)	0	0	0
Appropriations: E&R Reserves	4	329	331	2	0	2
Appropriations: CSF Reserves	283	346	346	(0)	0	0
Appropriations: C&H Reserves	(104)	600	0	(600)	0	0
Appropriations: Public Health Reserves	(600)	(947)	(347)	600	0	0
Appropriations: Corporate Reserves	(2,443)	1,792	4,235	2,443	0	(3,093)
Appropriations/Transfers	(3,528)	2,102	4,546	2,445	0	(3,091)
Depreciation/Impairment	(22,318)	(18,966)	(18,966)	0	0	0
Central Items	(5,809)	505	(422)	(926)	(1,344)	(8,136)
Levies	933	933	933	(0)	0	0
TOTAL CORPORATE PROVISIONS	(4,876)	1,437	511	(926)	(1,344)	(8,136)

Capital Programme Outturn Position 2017/18

Description	Budget 2017-18	Outturn 2017-18	Variance	Reason for Variance
Capital	40,007,000	32,230,009	(7,776,991)	
Corporate Services	13,468,250	8,243,541	(5,224,709)	
Business Improvement	1,810,280	866,196	(944,084)	
Customer Contact Programme	1,006,420	157,408	(849,012)	Contract Stage Payments not paid as work not delivered
Environmental Asset Management	250,460	224,219	(26,241)	Forecast slippage on the programme established after P8
Planning&Public Protection Sys	155,000	82,273	(72,727)	Forecast slippage on the programme established after P8
Replacement SC System	398,400	402,296	3,896	Phase 1 overspend funded from Adult Social Care Reserve - Phase 2 £200k Budget Slipped into 2018-19
Facilities Management Total	2,658,030	2,039,381	(618,649)	
Morden Park House Courtyard	125,000	79,955	(45,045)	Programme slipped against P8 forecast
Capital Building Works	332,500	328,968	(3,532)	
Civic Centre Staff Entrance	200,000	1,385	(198,615)	Projected start date delayed
Civic Centre Block Paving	75,000	5,185	(69,815)	Projected start date delayed
Civic Centre Passenger Lifts	0	14,686	14,686	Late invoice on the scheme
Invest to Save schemes	1,478,720	1,398,103	(80,617)	Programme slipped against P8 forecast
Water Safety Works	153,990	112,522	(41,468)	Budget in 2018-19 so no slippage of budget
Asbestos Safety Works	292,820	98,577	(194,243)	Budget in 2018-19 so no slippage of budget
Infrastructure & Transactions	2,268,190	1,033,644	(1,234,546)	
Disaster recovery	513,790	119,500	(394,290)	Programme slipped against P8 forecast
Equipment and Enhancement	978,400	914,144	(64,256)	Budget in 2018-19 so no slippage of budget
PABX Replacement	776,000	0	(776,000)	Programme slipped against P8 forecast spend will be in 2018-19
Resources	165,870	33,820	(132,050)	
Improving Information Systems	18,070	18,450	380	
ePayments Project	106,800	15,370	(91,430)	Programme slipped against P8 forecast
Invoice Scanning SCIS/FIS	41,000	0	(41,000)	Start of Project Delayed
Corporate Items	6,565,880	4,270,500	(2,295,380)	
Acquisitions Budget	5,580,410	4,270,500	(1,309,910)	Corporate Budget will be moved to 2018-19
Housing Company	949,470	0	(949,470)	Start of Project Delayed will be moved to 2018-19, initial spend of £160k incurred in May 2018
Multi-Functioning Device (MFD)	36,000	0	(36,000)	Lease Budget
Community and Housing	1,801,580	1,110,766	(690,814)	
Adult Social Care	39,850	34,526	(5,324)	
Laptops for Other Staff	4,500	1,001	(3,499)	Slippage on the Project will be moved to 2018-19 funded by un-ringfenced grant
Mosaic Report Development	35,350	33,525	(1,825)	Slippage on the Project will be moved to 2018-19 funded by un-ringfenced grant
Housing	962,490	819,673	(142,817)	
Disabled Facilities Grant	962,490	819,889	(142,601)	Unspent budget will be moved to 2018-19
Project General	0	(216)	(216)	
Libraries	799,240	256,567	(542,673)	
Colliers Wood Library Re-Fit	200,000	183,255	(16,745)	Slippage against final forecast
Colliers Wood Library	500,560	0	(500,560)	New Lease for Colliers Wood Library spend is shown elsewhere on the Authority's Balance Sheet
Library Self Service	22,730	30,422	7,692	Overspend offset by small underspends elsewhere within the programme
Libraries Opportunity Fund	75,950	42,891	(33,059)	Expenditure and Grant Transferred to Revenue

Capital Programme Outturn Position 2017/18

Description	Budget 2017-18	Outturn 2017-18	Variance	Reason for Variance
Children Schools & Families	7,059,650	6,035,776	(1,023,874)	
Primary Schools	1,185,440	1,044,709	(140,731)	
West Wimbledon Capital Maintenance	50,000	47,694	(2,306)	
Hatfield Capital Maintenance	29,870	30,823	953	
Hatfield School Expansion	13,330	8,646	(4,684)	
Hillcross Capital Maintenance	40,310	39,054	(1,256)	
Joseph Hood Capital Maintenance	21,000	19,995	(1,005)	
Joseph Hood School Expansion	2,720	0	(2,720)	
Dundonald Capital Maintenance	47,300	27,023	(20,277)	Slippage on the Project will be moved to 2018-19
Dundonald School Expansion	86,070	55,368	(30,702)	Slippage on the Project will be moved to 2018-19
Merton Park Capital Maintenance	10,900	11,413	513	
Pelham Capital Maintenance	41,800	38,151	(3,649)	
Poplar School Expansion	1,000	0	(1,000)	
Wimbledon Chase Capital Maintenance	82,600	82,528	(72)	
Wimbledon Park Capital Maintenance	24,500	23,187	(1,313)	
Malmesbury Capital Maintenance	32,000	31,461	(539)	
Morden Capital Maintenance	110,000	93,618	(16,382)	Slippage on the Project will be moved to 2018-19
Liberty Capital Maintenance	16,360	11,000	(5,360)	
Links Capital Maintenance	16,050	16,040	(10)	
Singelgate Capital Maintenance	64,000	64,242	242	
Singelgate School Expansion	89,000	77,760	(11,240)	Slippage on the Project will be moved to 2018-19
St Marks Capital Maintenance	105,900	96,661	(9,239)	
Lonesome Capital Maintenance	99,900	100,572	672	
Sherwood Capital Maintenance	82,510	84,350	1,840	
Stanford Capital Maintenance	48,000	15,675	(32,325)	Slippage on the Project will be moved to 2018-19
William Morris Capital maintenance	41,820	41,815	(5)	
St Mary's RC School Expansion	28,500	27,634	(866)	
Secondary School	3,621,700	3,083,021	(538,679)	
Harris Academy Merton	2,840,940	2,457,811	(383,129)	Slippage on the Project will be moved to 2018-19
Rutlish Capital Maintenance	80,000	129,531	49,531	£20k offset by various underspends within the capital maintenance budget, £29k clawed back from 2018-19
Harris Academy Wimbledon	700,760	495,680	(205,080)	Slippage on the Project will be moved to 2018-19
SEN	1,758,630	1,542,464	(216,166)	
Perseid Capital Maintenance	9,550	9,446	(104)	
Perseid School Expansion	1,368,010	1,302,049	(65,961)	Slippage on the Project will be moved to 2018-19
Crickit Green School Expansion	273,140	230,969	(42,171)	Slippage on the Project will be moved to 2018-19
Harris Morden Sec Autism Unit	30,000	0	(30,000)	Slippage on the Project will be moved to 2018-19
Further SEN Provision	77,930	0	(77,930)	Slippage on the Project will be moved to 2018-19
CSF Schemes	493,880	365,581	(128,299)	
Children's Safeguarding	30,000	1,691	(28,309)	Start of Scheme delayed slipped into 2018-19
Loans to Schools Capital	100,000	0	(100,000)	New Capital Loan of £100k shown on the Balance Sheet
Devolved Formula Capital	363,880	363,890	10	

Capital Programme Outturn Position 2017/18

Description	Budget 2017-18	Outturn 2017-18	Variance	Reason for Variance
Environment and Regeneration	17,677,520	16,839,927	(837,593)	
Public Protection and Developm	203,240	230,544	27,304	
On Street Parking - P&D	0	28,480	28,480	Section 106 Scheme moved from Revenue
CCTV (match funding)	191,740	191,104	(636)	
Air Pollution Monitoring	11,500	10,960	(540)	
Street Scene & Waste	1,498,080	1,408,292	(89,788)	
Replacement of Fleet Vehicles	208,000	155,226	(52,774)	Unspent Balance will offset GPS Vehicle Tracking Overspend - remainder to be slipped
GPS Vehical Tracking Equipment	159,990	191,863	31,873	Overspend offset against fleet vehicles underspend
Alley Gating Scheme	40,000	32,841	(7,159)	
Wheelie Bins Pilot	5,500	0	(5,500)	
SLWP IT and Depot Investment	112,710	56,483	(56,227)	Slippage in the programme unspent balance to be moved to 2018-19
SLWP - Replacement of Fleet Vehicles	971,880	971,880	0	
Sustainable Communities	15,976,200	15,201,091	(775,109)	
Street Trees	60,000	57,809	(2,191)	
Street Tree Programme	60,000	57,809	(2,191)	
Unallocated Roads Budget (unsp)	0	(6,498)	(6,498)	
Bus Stop Compliance	0	(6,498)	(6,498)	TfL Scheme will reschedule to 2018-19
Highways & Footways	4,507,430	4,443,513	(63,917)	
s106 Mawson Close (B719)	20,000	12,818	(7,182)	
Street Lighting Replacement Pr	290,000	300,724	10,724	Overspend clawed back from 2018-19 Budget
Accesibility Programme	146,340	128,660	(17,680)	TfL Scheme will reschedule to 2018-19
Casualty Reduction & Schools	378,840	386,216	7,376	TfL Scheme will reschedule to 2018-19
A298/A238 Strategic Corridor	118,050	78,233	(39,817)	TfL Scheme will reschedule to 2018-19
Traffic Schemes	156,000	157,680	1,680	Overspend clawed back from 2018-19 Budget
Surface Water Drainage	69,000	62,067	(6,933)	
Repairs to Footways	1,000,000	1,005,959	5,959	Overspend clawed back from 2018-19 Budget
Maintain AntiSkid and Coloured	90,000	89,210	(790)	
Borough Roads Maintenance	1,500,000	1,499,288	(712)	
Highways bridges & structures	260,000	255,335	(4,665)	
B707-9 Wimb'n Wayfinding Disks	37,890	47,379	9,489	Overspend funded by an additional contribution from Love Wimbledon
Tfl Principal Road Maint	427,500	419,945	(7,555)	TfL Scheme will reschedule to 2018-19
B706 Boxley Road	13,810	0	(13,810)	Section 106 Scheme balance slipped into 2018-19
Cycle Route Improvements	972,090	903,196	(68,894)	
TfL Cycle Quietways	184,940	166,244	(18,696)	TfL Scheme will reschedule to 2018-19
Cycle access/parking	275,800	252,720	(23,080)	TfL Scheme will reschedule to 2018-19
Borough Cycle Programme	10,730	10,730	0	
Cycle Improvements	120,870	66,039	(54,831)	TfL Scheme will reschedule to 2018-19
Beddington Lane Cycle Route	379,750	407,463	27,713	TfL Scheme will reschedule to 2018-19
Mitcham Transport Improvements	233,880	187,197	(46,683)	
Mitcham Town Centre	233,880	187,197	(46,683)	TfL Scheme will reschedule to 2018-19
Electric Vehicle Infrastructur	15,000	15,000	0	
Electric Vehicle Infrastructur	15,000	15,000	0	
Tackling Traffic Congestion	410,950	409,965	(985)	
Traffic Schemes	410,950	409,965	(985)	
Colliers Wood Area Regeneratio	166,100	180,450	14,350	
Colliers Wd- Regeneration Fund	136,100	136,100	(0)	
Singlegate School House	30,000	44,350	14,350	Overspend funded from underspends elsewhere ithin the programme

Capital Programme Outturn Position 2017/18

Description	Budget 2017-18	Outturn 2017-18	Variance	Reason for Variance
Mitcham Area Regeneration	2,082,260	1,444,979	(637,281)	
Mitcham Major schemes - TfL	1,210,830	1,196,467	(14,363)	TfL Scheme will reschedule to 2018-19
Rediscover Mitcham S106	232,650	232,650	0	
Canons - Parks for People	638,780	15,862	(622,918)	Delay in the scheme will be moved to 2018-19
Borough Regeneration	550,940	438,046	(112,894)	
Wandle Project	370,790	258,968	(111,822)	Delay in the scheme will be moved to 2018-19
Brighter Business	27,050	27,050	0	
B591b Shop Front Improvement	82,300	83,219	919	
Bungalow A	40,000	40,000	0	
Town Centre Investment	30,800	28,810	(1,990)	
Leisure Development & Sports Fac	6,492,810	6,882,772	389,962	
Morden Leisure Centre	6,068,350	6,254,308	185,958	Will be clawed back from 2018-19 Budget
Leisure Centre Plant & Machine	424,460	628,464	204,004	Part will be clawed back from 2018-19
Parks	430,850	244,661	(186,189)	
Parks Bins - Finance Lease	34,000	0	(34,000)	
Parks Investment	201,000	211,111	10,111	Will be clawed back from 2018-19 Budget
Canons - Parks for People	180,450	18,150	(162,300)	Delay in the scheme will be moved to 2018-19
Canons - Parks for People	15,400	15,400	(0)	
Mortuary Provision	53,890	0	(53,890)	
Project General	53,890	0	(53,890)	Delay in a Multi-Authority Scheme slipped into 2018-19

Proposed Budget to be slipped 2017/18 to 2018/19

Description	£	Justification
Total Slippage	7,411,250	
Corporate Services		
Customer Contact Programme	849,010	Work not completed yet , therefore not paid
Environmental Asset Management	26,240	Forecast slippage on the programme
Planning&Public Protection Sys	72,730	Forecast slippage on the programme
Replacement SC System - Phase 2	200,000	The capital element of Phase 2 will commence in 2018-19
Morden Park House Courtyard	45,040	Project not fully complete by 31-3-18
Civic Centre Staff Entrance	198,610	The majority of the project to be undertaken in 2018-19
Civic Centre Block Paving	69,820	The majority of the project to be undertaken in 2018-19
Invest to Save Schemes	27,750	Part of multi-year programme linked to savings
Disaster recovery	394,290	Forecast slippage on the programme
PABX Replacement	776,000	Whole scheme has slipped into 2018-19
ePayments Project	91,050	Forecast slippage on the programme
Invoice Scanning SCIS/FIS	41,000	Forecast slippage on the programme
Acquisitions Budget	1,309,910	Corporate Budget will be added to budget in 2018-19
Housing Company	949,470	Delayed, budget to be moved into 2018-19
Total Corporate Services	5,050,920	
Community and Housing		
Laptops for Other Staff	3,500	The review of the mobile working initiative delayed .
Mosaic Report Development	1,820	Work scheduled for completion early in 2018-19
Disabled Facilities Grant	142,600	Forecast slippage on the programme
Colliers Wood Library Re-Fit	16,740	Required works will be completed early in 2018-19
Total Community and Housing	164,660	
Children Schools & Families		
Dundonald Capital maintenance	20,280	Works delayed to Easter 2018 school holidays
Dundonald School Expansion	30,700	Works delayed to Easter 2018 school holidays
Morden School Expansion	16,380	Works delayed to Easter 2018 school holidays
Singlegate School Expansion	11,000	Works delayed to Easter 2018 school holidays
St Marks Capital maintenance	9,240	Slippage on the programme
Stanford Capital maintenance	32,330	Works delayed to Easter 2018 school holidays
Harris Academy Merton	383,130	Slippage on the programme
Harris Academy Wimbledon	205,080	Slippage on the programme
Perseid Green School Expansion	65,960	Slippage on the programme
Cricket Green School Expansion	42,170	Slippage on the programme
Harris Morden Sec Autism Unit	30,000	Slippage on the programme
Further SEN Provision	77,930	Slippage on the programme
Children's Safeguarding	28,310	Slippage on the programme
Total Children Schools & Families	952,510	

Proposed Budget to be slipped 2017/18 to 2018/19

Description	£	Justification
Environment and Regeneration		
Replacement of Fleet Vehicles	20,900	Required slippage following service review of replacement vehicle programme and service provision
SLWP IT and Depot Investment	56,230	Outstanding 2018-19 investment in the SLWP
Bus Stop Compliance	6,500	TfL Scheme slipped into 2018-19
s106 Mawson Close (B719)	7,180	S106 scheme works have slipped into 2018-19
Accessability Programme	17,680	TfL Scheme slipped into 2018-19
Casualty Reduction & Schools	(7,380)	TfL Scheme slipped into 2018-19
A298/A238 Strategic Corridor	39,820	TfL Scheme slipped into 2018-19
Tfl Principal Road Maint	7,550	TfL Scheme slipped into 2018-19
B706 Boxley Road	13,810	S106 scheme works have slipped into 2018-19
TfL Cycle Quietways	18,700	TfL Scheme slipped into 2018-19
Cycle access/parking	23,080	TfL Scheme slipped into 2018-19
Cycle Improvements	54,830	TfL Scheme slipped into 2018-19
Beddington Lane Cycle Route	(27,710)	TfL Scheme slipped into 2018-19
Mitcham Town Centre	46,680	TfL Scheme slipped into 2018-19
Mitcham Major schemes - TfL	14,360	TfL Scheme slipped into 2018-19
Canons - Parks for People	622,920	HLF Funded Scheme which has slipped
Wandle Project	111,820	HLF Funded Scheme which has slipped
Canons - Parks for People	162,300	HLF Funded Scheme which has slipped
Mortuary Provision	53,890	The scheme is led by St. George's Hospital Trust request for funding will not be made until 2018-19
Total Environment and Regeneration	1,243,160	

Movement in the Approved Capital Programme 2018-19

2018-19 Budget						
Department	Budget 2018-19	Slippage into 2018-19	Reprofiled into 2019-20	New 2018-19	Clawback	Revised Budget 2018-19
Corporate Services	23,482,360	5,050,920	(9,036,660)	0	0	19,496,620
Community and Housing	772,650	164,660	0	0	0	937,310
Children Schools & Families	15,158,000	952,510	(3,946,000)	495,000	(28,730)	12,630,780
Environment and Regeneration	21,852,890	1,243,160	(1,000,000)	1,039,250	(323,920)	22,811,380
Total	61,265,900	7,411,250	(13,982,660)	1,534,250	(352,650)	55,876,090

Capital	61,265,900	7,411,250	(13,982,660)	1,534,250	(352,650)	55,876,090
Corporate Services	23,482,360	5,050,920	(9,036,660)	0	0	19,496,620
Business Improvement	2,412,000	1,147,980	0	0	0	3,559,980
Customer Contact Programme	1,050,000	849,010	0	0	0	1,899,010
Aligned Assets	75,000	0	0	0	0	75,000
Environmental Asset Management	0	26,240	0	0	0	26,240
Revenue and Benefits	400,000	0	0	0	0	400,000
Capita Housing	100,000	0	0	0	0	100,000
Planning & Public Protection Sys	395,000	72,730	0	0	0	467,730
Spectrum Spatial Analysis	42,000	0	0	0	0	42,000
Replacement SC System	350,000	200,000	0	0	0	550,000
Facilities Management Total	2,960,000	341,220	0	0	0	3,301,220
Morden Park House Courtyard	0	45,040	0	0	0	45,040
Capital Building Works	300,000	0	0	0	0	300,000
Asbestos Safety Works	250,000	0	0	0	0	250,000
Water Safety Works	100,000	0	0	0	0	100,000
Civic Centre Boilers	300,000	0	0	0	0	300,000
Civic Centre Staff Entrance	0	198,610	0	0	0	198,610
Civic Centre Block Paving	0	69,820	0	0	0	69,820
Invest to Save schemes	2,010,000	27,750	0	0	0	2,037,750
Infrastructure & Transactions	1,085,000	1,170,290	0	0	0	2,255,290
Disaster recovery site	0	394,290	0	0	0	394,290
Disaster recovery	0	394,290	0	0	0	394,290
Planned Replacement Programme	1,085,000	776,000	0	0	0	1,861,000
Project General	275,000	0	0	0	0	275,000
Data Centre Support Equipment	300,000	0	0	0	0	300,000
PABX Replacement	0	776,000	0	0	0	776,000
IT Equipment	510,000	0	0	0	0	510,000
Resources	0	132,050	0	0	0	132,050
ePayments Project	0	91,050	0	0	0	91,050
Invoice Scanning SCIS/FIS	0	41,000	0	0	0	41,000
Corporate Items	17,025,360	2,259,380	(9,036,660)	0	0	10,248,080
Acquisitions Budget	5,791,770	1,309,910	0	0	0	7,101,680
Capital Bidding Fund	1,186,400	0	0	0	0	1,186,400
Housing Company	9,587,190	0	(9,036,660)	0	0	1,500,000
Westminster Coroners Court	460,000	0	0	0	0	460,000

Movement in the Approved Capital Programme 2018-19

2018-19 Budget							
Narrative	Budget 2018-19	Slippage into 2018-19	Reprofiled into 2019-20	New 2018-19	Virement	Clawback	Revised Budget 2018-19
Community and Housing	772,650	164,660	0	0	0	0	937,310
Adult Social Care	43,750	5,320	0	0	0	0	49,070
Laptops for Other Staff	0	3,500	0	0	0	0	3,500
Mosaic Report Development	0	1,820	0	0	0	0	1,820
Telehealth	43,750	0	0	0	0	0	43,750
Housing	628,900	142,600	0	0	0	0	771,500
Disabled Facilities Grant	628,900	142,600	0	0	0	0	771,500
Libraries	100,000	16,740	0	0	0	0	116,740
Colliers Wood Library Re-Fit	0	16,740	0	0	0	0	16,740
Libraries Management System	100,000	0	0	0	0	0	100,000
Children Schools & Families	15,158,000	952,510	(3,946,000)	495,000	0	(28,730)	12,630,780
Primary Schools	650,000	119,930	0	0	0	(28,730)	741,200
Dundonald Capital maintenance	0	20,280	0	0	0	0	20,280
Dundonald School Expansion	0	30,700	0	0	0	0	30,700
Morden Capital maintenance	0	16,380	0	0	0	0	16,380
Singlegate School Expansion	0	11,000	0	0	0	0	11,000
St Marks Capital maintenance	0	9,240	0	0	0	0	9,240
Stanford Capital maintenance	0	32,330	0	0	0	0	32,330
School Capital Maintenance	650,000	0	0	0	0	(28,730)	621,270
Secondary School	7,105,010	588,210	(700,000)	495,000	0	0	7,488,220
Harris Academy Morden	843,560	0	(700,000)	0	0	0	143,560
Harris Academy Merton	320,960	383,130	0	0	0	0	704,090
St Mark's Academy	200,000	0	0	0	0	0	200,000
Rutlish School Synthetic Pitch	0	0	0	495,000	0	0	495,000
Harris Academy Wimbledon	5,740,490	205,080	0	0	0	0	5,945,570
SEN	7,264,090	216,060	(3,246,000)	0	0	0	4,234,150
Perseid School Expansion	610,000	65,960	0	0	0	0	675,960
Cricket Green School Expansion	0	42,170	(2,046,000)	0	5,114,000	0	3,110,170
Harris Morden Sec Autism Unit	1,330,000	30,000	(1,200,000)	0	0	0	160,000
Further SEN Provision	5,324,090	77,930	0	0	(5,114,000)	0	288,020
CSF Schemes	138,900	28,310	0	0	0	0	167,210
Children's Safeguarding	30,000	28,310	0	0	0	0	58,310
Devolved Formula Capital	0	0	0	0	0	0	0

Movement in the Approved Capital Programme 2018-19

2018-19 Budget							
Narrative	Budget 2018-19	Slippage into 2018-19	Reprofiled into 2019-20	New 2018-19	Virement	Clawback	Revised Budget 2018-19
Environment and Regeneration	21,852,890	1,243,160	(1,000,000)	1,039,250	0	(323,920)	22,811,380
Public Protection and Developm	0	0	0	39,490	0	0	39,490
CCTV Investment	0	0	0	39,490	0	0	39,490
Street Scene & Waste	5,931,500	77,130	0	0	0	0	6,008,630
Replacement of Fleet Vehicles	542,000	20,900	0	0	0	0	562,900
Alley Gating Scheme	40,000	0	0	0	0	0	40,000
Wheelie Bins Pilot	5,500	0	0	0	0	0	5,500
Project General	0	56,230	0	0	0	0	56,230
SLWP - Waste Bins	2,674,000	0	0	0	0	0	2,674,000
SLWP - Replacement of Fleet Vehic	2,670,000	0	0	0	0	0	2,670,000
Sustainable Communities	15,921,390	1,166,030	(1,000,000)	999,760	0	(323,920)	16,763,260
Street Tree Programme	60,000	0	0	0	0	0	60,000
Bus Stop Compliance	0	6,500	0	(6,500)	0	0	0
s106 Mawson Close (B719)	0	7,180	0	0	0	0	7,180
Street Lighting Replacement Pr	509,000	0	0	0	0	(10,720)	498,280
Accessability Programme	0	17,680	0	180,000	0	0	197,680
Casualty Reduction & Schools	0	(7,380)	0	211,950	0	0	204,570
A298/A238 Strategic Corridor	0	39,820	0	41,180	0	0	81,000
Traffic Schemes	150,000	0	0	0	0	(1,680)	148,320
Surface Water Drainage	72,000	0	0	0	0	0	72,000
Borough wide 20mph Limit	0	0	0	74,000	0	0	74,000
Repairs to Footways	1,000,000	0	0	0	0	(5,960)	994,040
Maintain AntiSkid and Coloured	90,000	0	0	0	0	0	90,000
Borough Roads Maintenance	1,500,000	0	0	0	0	0	1,500,000
Highways bridges & structures	260,000	0	0	0	0	0	260,000
Cycling in Residential Streets	0	0	0	180,000	0	0	180,000
Commonside East/Windmill Rd	0	0	0	40,000	0	0	40,000
Safer Walking Routes/Streets	0	0	0	18,000	0	0	18,000
Tfl Principal Road Maint	0	7,550	0	92,450	0	0	100,000
B706 Boxley Road	0	13,810	0	0	0	0	13,810
TfL Cycle Quietways	0	18,700	0	(18,700)	0	0	0
Cycle access/parking	0	23,080	0	36,920	0	0	60,000
Cycle Improvements	0	54,830	0	0	0	0	54,830
Beddington Lane Cycle Route	0	(27,710)	0	393,710	0	0	366,000
Figges Marsh Roundabout	0	0	0	64,000	0	0	64,000
Mitcham Town Centre	0	46,680	0	453,000	0	0	499,680
Unallocated TfL	1,000,000	0	0	(1,000,000)	0	0	0
Mitcham Major schemes - TfL	0	14,360	0	0	0	0	14,360
Mitcham Cricket Green Imps	0	0	0	50,000	0	0	50,000

Movement in the Approved Capital Programme 2018-192018-19 Budget

Narrative	Budget 2018-19	Slippage into 2018- 19	Reprofiled into 2019- 20	New 2018- 19	Virement	Clawback	Revised Budget 2018-19
Canons - Parks for People	2,032,100	622,920	0	0	0	0	2,655,020
Transportation Enhancements	1,000,000	0	(1,000,000)	0	0	0	0
Wandle Project	0	111,820	0	46,000	0	0	157,820
B591b Shop Front Improvement	0	0	0	79,000	0	0	79,000
Morden Leisure Centre	6,389,320	0	0	0	0	(185,960)	6,203,360
Wimbledon Park Lake De-Silting	106,500	0	0	0	0	0	106,500
Leisure Centre Plant & Machine	300,000	0	0	0	0	(109,490)	190,510
Parks Bins - Finance Lease	27,500	0	0	0	0	0	27,500
Parks Investment	307,500	0	0	0	0	(10,110)	297,390
Canons - Parks for People	1,117,470	162,300	0	0	0	0	1,279,770
Abbey Rec Improvements	0	0	0	39,750	0	0	39,750
B737b Merton Park Green Walks	0	0	0	25,000	0	0	25,000
Mortuary Provision	0	53,890	0	0	0	0	53,890

Movement in the Approved Capital Programme 2019-22

	2019-20 Budget			2020-21 Budget			2021-22 Budget			
	Budget 2019-20	Reprofiled from 2018-19	Reprofiled to 2020-21	Revised Budget 2019-20	Budget 2020-21	Reprofiled from 2019-20	Revised Budget 2020-21	Budget 2021-22	Reprofiled from 2020-21	Revised Budget 2021-22
Corporate Services	15,818,360	9,036,660	0	24,855,020	3,944,980	0	3,944,980	3,862,000	0	3,862,000
Community and Housing	480,000	0	0	480,000	630,000	0	630,000	280,000	0	280,000
Children Schools & Families	8,107,240	3,946,000	0	12,053,240	3,202,300	0	3,202,300	650,000	0	650,000
Environment and Regeneration	9,060,170	0	(2,000,000)	7,060,170	5,017,000	2,000,000	7,017,000	4,052,000	1,000,000	5,052,000
Total	33,465,770	12,982,660	(2,000,000)	44,448,430	12,794,280	2,000,000	14,794,280	8,844,000	1,000,000	9,844,000
Capital	33,465,770	12,982,660	(2,000,000)	44,448,430	12,794,280	2,000,000	14,794,280	8,844,000	1,000,000	9,844,000
Corporate Services	15,818,360	9,036,660	0	24,855,020	3,944,980	0	3,944,980	3,862,000	0	3,862,000
Customer Contact Programme	250,000	0	0	250,000	0	0	0	1,900,000	0	1,900,000
Capital Building Works	300,000	0	0	300,000	300,000	0	300,000	300,000	0	300,000
Asbestos Safety Works	250,000	0	0	250,000	250,000	0	250,000	250,000	0	250,000
Water Safety Works	100,000	0	0	100,000	100,000	0	100,000	100,000	0	100,000
Civic Centre Lighting Upgrade	300,000	0	0	300,000	0	0	0	0	0	0
Invest to Save schemes	300,000	0	0	300,000	300,000	0	300,000	300,000	0	300,000
I&T Project General	200,000	0	0	200,000	200,000	0	200,000	200,000	0	200,000
IT Equipment	430,000	0	0	430,000	860,000	0	860,000	770,000	0	770,000
ePayments Project	0	0	0	0	125,000	0	125,000	0	0	0
Housing Company	13,088,360	9,036,660	0	22,125,020	1,809,980	0	1,809,980	0	0	0
Multi-Functioning Device (MFD)	600,000	0	0	600,000	0	0	0	0	0	0
Community and Housing	480,000	0	0	480,000	630,000	0	630,000	280,000	0	280,000
Disabled Facilities Grant	280,000	0	0	280,000	280,000	0	280,000	280,000	0	280,000
West Barnes Library Re-Fit	200,000	0	0	200,000	0	0	0	0	0	0
Library Self Service	0	0	0	0	350,000	0	350,000	0	0	0
Children Schools & Families	8,107,240	3,946,000	0	12,053,240	3,202,300	0	3,202,300	650,000	0	650,000
Unlocated Primary School Proj	650,000	0	0	650,000	650,000	0	650,000	650,000	0	650,000
Harris Academy Morden	2,199,940	700,000	0	2,899,940	0	0	0	0	0	0
St Mark's Academy	2,552,300	0	0	2,552,300	2,552,300	0	2,552,300	0	0	0
Harris Academy Wimbledon	1,600,000	0	0	1,600,000	0	0	0	0	0	0
Cricket Green School Expansion	0	2,046,000	0	2,046,000	0	0	0	0	0	0
Harris Morden Sec Autism Unit	0	1,200,000	0	1,200,000	0	0	0	0	0	0
Further SEN Provision	1,000,000	0	0	1,000,000	0	0	0	0	0	0
Admissions IT System	105,000	0	0	105,000	0	0	0	0	0	0
Environment and Regeneration	9,060,170	0	(2,000,000)	7,060,170	5,017,000	2,000,000	7,017,000	4,052,000	1,000,000	5,052,000
Public Protection and Developm	60,000	0	0	60,000	0	0	0	35,000	0	35,000
Replacement of Fleet Vehicles	300,000	0	0	300,000	300,000	0	300,000	300,000	0	300,000
Alley Gating Scheme	40,000	0	0	40,000	40,000	0	40,000	40,000	0	40,000
Street Tree Programme	60,000	0	0	60,000	60,000	0	60,000	60,000	0	60,000
Street Lighting Replacement Pr	290,000	0	0	290,000	290,000	0	290,000	290,000	0	290,000
Traffic Schemes	150,000	0	0	150,000	150,000	0	150,000	150,000	0	150,000
Surface Water Drainage	77,000	0	0	77,000	77,000	0	77,000	77,000	0	77,000
Repairs to Footways	1,000,000	0	0	1,000,000	1,000,000	0	1,000,000	1,000,000	0	1,000,000
Maintain AntiSkid and Coloured	90,000	0	0	90,000	90,000	0	90,000	90,000	0	90,000
Borough Roads Maintenance	1,200,000	0	0	1,200,000	1,200,000	0	1,200,000	1,200,000	0	1,200,000
Highways bridges & structures	260,000	0	0	260,000	260,000	0	260,000	260,000	0	260,000
Canons - Parks for People	301,040	0	0	301,040	0	0	0	0	0	0
Transportation Enhancements	3,000,000	0	(2,000,000)	1,000,000	1,000,000	2,000,000	3,000,000	0	1,000,000	1,000,000
Morden Leisure Centre	241,590	0	0	241,590	0	0	0	0	0	0
Wimbledon Park Lake De-Silting	1,250,000	0	0	1,250,000	0	0	0	0	0	0
Leisure Centre Plant & Machine	250,000	0	0	250,000	250,000	0	250,000	250,000	0	250,000
Parks Investment	295,000	0	0	295,000	300,000	0	300,000	300,000	0	300,000
Canons - Parks for People	195,540	0	0	195,540	0	0	0	0	0	0

Appendix 4

Subject: Miscellaneous Debt Update March 2018

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

- 1.1 A breakdown of departmental net miscellaneous debt arrears, as at 31 March 2018, is shown in column F of the table below.
- 1.2 Please note that on the 6 February 2017 the new financial computer system E5 went live and this included the raising and collection of invoices and the debt recovery system.

Sundry Debtors aged balance – 31 March 2018 – not including debt that is less than 30 days old (Please note the new system reports debt up to 30 days whereas previously we reported up to 39 days)

Department a	30 days to 6 months b	6 months to 1 year c	1 to 2 years d	Over 2 years e	March 18 arrears f	Sept 17 Arrears	Direction of travel
	£	£	£	£	£	£	
Env & Regeneration	1,025,710	141,926	500,947	197,143	1,865,726	2,330,047	↓
Corporate Services	755,601	73,195	92,603	57,380	978,779	1,399,184	↓
Housing Benefits	887,048	633,920	1,003,820	2,170,925	4,695,713	4,242,542	↑
Children, Schools & Families	239,450	354,443	231,454	227,370	1,052,717	1,360,416	↓
Community & Housing	1,429,695	704,959	1,112,573	1,688,347	4,935,575	4,204,826	↑
Chief Executive's	0	0	0	0	0	0	↓
CHAS 2013	12,272	6,643	35,145	43,416	97,475	160,380	↓
Total	4,349,776	1,915,086	2,976,542	4,384,581	13,625,985	13,697,395	↓
Mar-17	2,876,902	1,575,563	2,399,199	3,700,147	10,551,811		
<i>Variance March 17 to March 18</i>	<i>1,472,874</i>	<i>339,523</i>	<i>577,343</i>	<i>684,434</i>	<i>3,074,174</i>		↑

- 1.3 Since the position was last reported on 30 September 2017, the net level of arrears, i.e. invoices over 30 days old, has reduced by £71,410.

- 1.4 The new financial system (E5) was implemented on 6 February 2017 and there was an initial delay in raising new invoices. There was also a backlog of issuing invoices for Adult Social Care debt which was linked with the implementation of the new Social Care computer system (Mosaic). However, this backlog has now been addressed and invoicing was back on track in February 2018 as initially planned.
- 1.5 The two areas where there has been an increase in debt since the last reported in September 2017 are housing benefit overpayments and Community and Housing debt which is mainly due to an increase in Adult Social Care debt. Actions being taken in these two areas are detailed below in the report.

2 THE PROCESS FOR COLLECTION OF MISCELLANEOUS DEBT

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

The process for collecting debt

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

3. ACTION BEING TAKEN TO COLLECT OUTSTANDING DEBT

- 3.1 One of the two largest debts owed to the council is for Adult Social Care debt and the current level of debt is £5.43 million, an increase of £0.94 million since last reported in September 2017.

- 3.2 Over the past few year's council staff have been working closely and following new processes to manage this debt. This work involves regular joint meetings between the financial assessments, social services, client financial affairs and debt recovery teams to review the debts of individual clients and establish action plans for each one.
- 3.3 These actions include, but are not limited to: early intervention from social workers to prevent debts from getting out of control and to ensure that clients are supported earlier to get their finances in order; as part of their induction all new Social Workers spend time with the Financial Assessment Team, to understand how financial assessments are carried out; social workers also check to see if there any safeguarding issues around non-payment of bills and work very closely with the Welfare Benefits Officer; there is more use of credit checks and land registry checks when assessing/investigating debt issues; increased involvement from the client financial affairs team to take appointeeship for those without capacity or appropriate deputyship; Increased identification of cases where we will consider legal action to secure the debt and generally to share information and support each other in the collection and prevention of this debt. Although the debt has grown the actions being taken are mitigating the impact.
- 3.4 A new working group chaired by the Director of Community and Housing has been set up to monitor Community Care debt and to work across departments to improve processes and ensure best practice is in place to maximise collection of debts at all stages. As part of this a Lean review is taking place which will include the assessment and raising of invoices through to debt collection practices.
- 3.5 The table below shows the breakdown of Community Care debt by recovery action

Total Community Care Debt by recovery action as at March 2018 compared to June 2016, September 2016, December 2016, June 2017 and September 2017

Adult Social Care Debt	Jun 2016	% at stage	Sep 2016	% at stage	Dec 2016	% at stage	Jun 2017	% at stage	Sep-17	% at stage	Mar-18	% at stage
Invoice stage	387,608	9%	772,555	16%	646,210	13%	1,129,190	29%	476,610	11%	959,618	17%
Charge & Deferred Payment	775,880	18%	706,043	15%	635,671	13%	311,604	8%	305,710	7%	258,470	5%
Payment arrangement	462,801	11%	451,694	10%	235,667	5%	273,316	7%	256,469	6%	232,088	4%
Probate, DWP & Deputyship	944,870	22%	895,603	19%	771,456	15%	553,437	14%	580,404	13%	491,306	9%
Court action	141,345	3%	256,347	5%	188,264	4%	184,781	5%	142,352	3%	84,958	1%
Dept or service query	182,702	4%	51,821	1%	286,782	6%	90,530	2%	83,255	2%	71,185	1%
No action secured	1,460,347	33%	1,624,173	34%	2,186,747	44%	1,380,647	35%	2,653,529	58%	2,420,165	46%
J&P											920,885	17%
Total Debt	4,355,553		4,758,236		4,950,797		3,923,505		4,498,329		5,438,675	

- 3.6 In February 2018 agreement was reached with a specialist Adult Social Care debt collection company to collect some of our larger debts and debts for deceased debtors. This is initially a one year trial although already one case with a value of £31,000 has been paid in full.
- 3.7 In January 2018 we received full payment of £173,000 on an outstanding debt where we had a deferred payment arrangement in place.
- 3.8 The largest area of debt owed to the council is for housing benefit overpayments with the total level of debt being £8.4 million, of which £4.7 million is within the sundry debt system and the remainder of the debt is still within the housing benefit system.
- 3.9 The Department of Work and Pensions commenced a “Real Time” Information initiative at the end of September 2014 which was aimed at ensuring that earnings and pensions data within the housing benefit system matched that held by HMRC. At the same time they also commenced another initiative to identify fraud and error.
- 3.10 The DWP have provided additional funding to the council to undertake this work and up until March 2017 granted additional income based on targets met.
- 3.11 The Real Time information initiative continued throughout 2017/18 and will again run in 2018/19. The council receives up to 700 referrals every month where the information held in the HMRC system differs from that held in the housing benefit system.

3.12 Since the start of the Real Time information initiative over £5.4 million of overpayments have been identified. Where possible these overpayments are being recovered from on-going benefit payments. We are entitled to deduct between £10.95 and £23.35 per week from on-going housing benefit dependant on circumstances. Where the change has resulted in housing benefit being cancelled or nil entitlement we can contact the claimants employer and are paid a percentage deduction of their salary each month. So far we have over £300,000 secured by this method.

3.13 Although the overall housing benefit debt has increased there has been an increase in the amount of debt either being recovered from on-going benefit or on arrangements, with £3.0 million being recovered from on going benefit by reducing current housing benefit payments. Just under £5.7 million is on a payment arrangement or recovery from on going benefit

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

Total Housing Benefit Debt by recovery action from March 16 to March 18 by quarter

Recovery Stage	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Mar-18
Invoice and Reminder stage	1,205,885	667,690	624,877	874,548	723,613	284,713	379,477	340,008
On-going recovery	3,105,644	2,928,207	3,048,093	3,032,558	2,928,992	3,363,611	3,354,237	3,032,656
Payment Arrangements	1,792,340	1,922,400	2,134,893	2,220,007	2,314,257	2,353,352	2,511,028	2,647,525
No Arrangements secured	1,870,006	2,528,002	2,544,392	2,162,070	2,113,587	2,665,410	2,387,794	2,427,693
Total HB Debt	7,973,875	8,046,299	8,352,255	8,289,183	8,080,449	8,667,086	8,632,536	8,447,882

- 3.15 We have continued to review and target all housing benefit debt. We have tried to improve the procedures at the beginning of the process when a debt is first identified by ensuring that invoices are raised as soon as possible to give the best chance of recovery, we are targeting debtors who are now in work and we will be applying to recover the overpayments from their employers and we are looking at the oldest debts to consider if they are still collectable. However, it should be noted that a lot of the housing benefit debt is very difficult to recover as the Council's powers of recovery are very limited unless the debtor works or owns their own property.
- 3.16 We are about to participate in a new DWP initiative to assist with the collection of unpaid overpayments. We will share our data with the DWP who will compare with HMRC data and highlight where customers are now working so that we can apply for an attachment to their earnings. An update on this will be provided at the end of June 18.
- 3.17 The table below shows the amount of debt written off in accordance with financial regulations and scheme of management in 2014/15, 2015/16, 2016/17 and 2017/18.

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

	2014/15	2015/16	2016/17	2017/18				2017/18
	Total	Total	Total	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Debt type								
Sundry Debt	£347,726	£581,419	£129,338	£291,708	£0	£0	£151,609	£443,317
Housing benefit overpayments	£1,050,105	£510,352	£517,467	£0	£308,309	£78,041	£126,029	£512,379
Council Tax	£526,881	£951,280	£623,486	£0	£211,818	£399,568	£193,601	£804,987
Business Rates	£790,373	£659,514	£567,908	£136,709	£0	£241,446	£0	£378,155
Total	£2,715,085	£2,702,565	£1,838,199	£428,417	£520,127	£719,055	£471,239	£2,138,838

- 3.18 Of the business rates debt written off a large proportion relates to debts owed by businesses that went into liquidation. From 2014/15 to 2016/17 £2.017 million of business rates debt was written off and £1.071 million related to businesses that went into liquidation.
- 3.19 Although the debt written off within any of the years does not relate to one specific year it should be noted that in 2017/18 the council was collecting a net debt of £107.1 million in council tax (this includes the GLA portion), a net debt of £93.1 million in business rates (this includes Business Rates Supplement) and approximately £44 million raised through sundry debts.
- 3.20 Every effort is made to collect all outstanding debts and debts are only written off as a last resort. The council is still collecting some council tax debts that are greater than 6 years old or will have secured the debts against properties where possible.

4. SUNDRY DEBT COLLECTED

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

5. PROVISION FOR BAD AND DOUBTFUL DEBTS

- 5.1 Provision has been made in the draft 2017/18 account for writing off bad and doubtful debts held within the ASH, E5 and Housing benefits systems. These provisions are £3.441m for Accounts Receivable (including former ASH) miscellaneous debt and £6.504m for debt held in the Housing Benefits system, making a total General Fund provision for bad and doubtful debts of £9.945m. Clearly, every attempt is made to collect debts before write-off is considered. The current level of General Fund provision is analysed in the table below.
- 5.2 The Council adheres to the principles of the SORP when calculating its provisions. Merton's methodology is to provide on the basis of expected non collection using estimated collection rates for individual departmental debt which take account of the age of the debt.

Provision for Bad and Doubtful Debts

Department	Total Provision	
	At 31/03/2017	At 31/03/2018
	£000's	£000's
Env & Regeneration	294	607
Corporate Services	221	171
Housing Benefits	6,947	6,504
Children, Schools & Families	296	413
Community & Housing	2,148	2,250
Total	9,906	9,945

6. TOTAL DEBT DUE TO MERTON

The total amount due to Merton as at 31 March 2018 is detailed in the table below.

Total debt outstanding as at 31 March 2018 and compared with previous periods over the past 18 months

	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Mar 18
	£	£	£	£	£	£
Miscellaneous sundry debt Note 1	12,406,364	13,588,220	7,067,219	12,454,666	17,256,834	15,778,776
Housing Benefit debt	8,352,255	8,289,183	8,080,449	8,667,087	8,632,539	8,447,884
Parking Services	2,800,371	3,425,473	3,526,192	4,451,650	4,692,186	4,876,618
Council Tax Note 2	4,524,303	3,822,875	3,866,556	6,940,774	6,262,466	7,601,390
Business Rates Note 3	1,147,749	972,883	654,794	2,558,946	2,160,057	2,857,363
Total	29,231,042	30,098,634	23,195,210	35,073,123	39,004,082	39,562,031

Note 1 This figure differs from the amount shown in Table 1 as it shows all debt, including that which is less than 30 days old.

Note 2 Council tax debt now includes unpaid council tax for 2017/18 in March 18 figures hence the increase.

Note 3 Business rates debt now includes unpaid business rates for 2017/18 in March 18 figure hence the increase.

Note 4 From April 2017 council tax and business rates debt is being reported and monitored different. From April 2017 we will report the gross debt position whereas previously we have reported the net debt position (netting off credits on accounts).

- 6.1 The overall debt outstanding has increased by £558,000 since last reported at the end of September 2017.
- 6.2 The data for March 2018 cannot be directly compared to March 2017 as council tax and business rates debts are now reported as gross figures and the delay in issuing invoices due to the implementation of E5 in February 2017.
- 6.3 Included in the £15.77 million sundry debt outstanding is £6.8 million of invoices that are less than 30 days old.
- 6.4 Detailed breakdowns of the Council Car Parking figures are shown in the table below:

Car Parking Aged Debtors – 31 March 2018

Age of Debt	Outstanding £	Number of PCNs	Average Value £
0-3 months	1,352,095	11,448	118
3-6 months	749,099	4,532	165
6-9 months	602,852	3,513	171
9-12 months	579,407	3,380	171
12-15 months	560,788	3,210	175
Older than 15 months	1,032,377	6,028	171
Total March 2018	4,876,618	32,111	152

Total September 2017 £4,692,186 32,080 146

Increase/-decrease +£184,432 +31

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

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Financial Monitoring Task Group

Date: 30 August 2018

Subject: Financial Report 2018/19 – June 2018

Lead officer: Roger Kershaw

Lead member: Mark Allison

Recommendations:

- A. That Financial Monitoring Task Group discuss and comment on the financial reporting data relating to revenue budgetary control, showing a forecast net overspend at year end of £2.6 million, 0.5% of gross budget.
- B. That Financial Monitoring Task Group note the adjustments to the Capital Programme contained in Appendix 5b and summarised in the Table below:

Scheme		2018/19 Budget	2019/20 Budget	2020/21 Budget	2021/22 Budget	Funding/Re-profiling
<u>Community and Housing</u>						
Laptops for Other Staff		(3,500)	0	0	0	Revenue Expenditure
Mosaic Report Development		(1,820)	0	0	0	Revenue Expenditure
<u>Children, Schools and Families</u>						
Cricket Green	(1)	195,560	0	0	0	Virement
Scheme 4 New School Extra 6fe	(1)	(195,560)				Virement
<u>Environment and Regeneration</u>						
Mitcham Regen - Canons Parks for People	(1)	(2,533,020)	1,000,000	1,000,000	533,020	Re-profiling
Parks - Canons Parks for People	(1)	(1,178,770)	500,000	500,000	178,770	Specific Government Grant
Total		(2,717,110)	1,500,000	1,500,000	711,790	

* Requires Cabinet Approval

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 This is the financial monitoring report for the first quarter, 30th June 2018 presented in line with the financial reporting timetable.

This financial monitoring report provides:-

- The income and expenditure at period 3 and a full year forecast projection.
- An update on the capital programme and detailed monitoring information;
- An update on Corporate Items in the budget 2018/19;
- Progress on the delivery of the 2018/19 revenue savings

2. THE FINANCIAL REPORTING PROCESS

- 2.1 The budget monitoring process in 2018/19 will continue to focus on adult social care and children's social care as these areas overspent in 2017/18 and continue to have budget pressures.

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

2.3 2018/19 FORECAST OUTTURN BASED UPON LATEST AVAILABLE DATA

Executive summary – At period 3 to 30th June 2018, the year end forecast is a net £2.6m overspend compared to the current budget, 0.5% of the gross revenue budget.

Summary Position as at 30th June 2018

	Current Budget 2018/19 £000s	Full Year Forecast (June) £000s	Forecast Variance at year end (June) £000s	Forecast Variance at year end (May) £000s	Outturn variance 2017/18 £000s
Department					
3A. Corporate Services	10,441	9,281	(1,160)	(1,105)	(812)
3B. Children, Schools and Families	56,431	60,308	3,877	3,637	2,249
3C. Community and Housing	64,046	64,723	678	425	922
3D. Public Health	0	109	109	200	0
3E. Environment & Regeneration	18,122	17,291	(830)	(1,127)	(1,211)
Overheads	0	0	0	0	0
NET SERVICE EXPENDITURE	149,039	151,712	2,673	2,030	1,148
3E. Corporate Items					
Impact of Capital on revenue budget	8,403	8,371	(32)	0	(103)
Other Central budgets	(14,047)	(14,047)	0	0	(823)
Levies	938	938	0	0	0
TOTAL CORPORATE PROVISIONS	(4,706)	(4,738)	(32)	0	(926)
TOTAL GENERAL FUND	144,333	146,974	2,641	2,030	222
FUNDING					
Revenue Support Grant	0	0	0	0	1
Business Rates	(45,636)	(45,636)	0	0	182
Other Grants	(11,258)	(11,258)	0	0	(670)
Council Tax and Collection Fund	(87,439)	(87,439)	0	0	0
FUNDING	(144,333)	(144,333)	0	0	(487)
NET	(0)	2,641	2,641	2,030	(265)

The current level of GF balances is £12.778m and the minimum level reported to Council for this is £12.09m. This means that another reserve or further savings will need to be found to offset the remaining £1.95m overspend.

3. DEPARTMENTAL SUMMARY OF CURRENT POSITION

Corporate Services

Division	2018/19 Current Budget £000	2018/19 Full year Forecast (June) £000	2018/19 Full Year Forecast Variance (June) £000	2018/19 Full Year Forecast Variance (May) £000	2017/18 Outturn Variance £000
Customers, Policy & Improvement	3,456	3,504	49	105	46
Infrastructure & Technology	11,047	10,828	-219	-174	71
Corporate Governance	2,404	2,415	11	-4	-229
Resources	5,866	5,680	-186	-66	-515
Human Resources	1,775	1,759	-16	-3	-207
Corporate Other	1,084	285	-799	-964	22
Total (Controllable)	25,632	24,471	-1,160	-1,106	-812

Overview

At the end of period 3 (June) the Corporate Services (CS) department is forecasting an underspend of £1,160k at year end. The table above reflects the new structure within Corporate Services in 2018/19. This is an increase in the forecast underspend of £54k compared to the period 2 (May) position.

Customers, Policy and Improvement - £49k over

The principal reason for the forecast overspend is lower than budgeted advertising income within the Communications Service. This is partly offset by underspends elsewhere in the service, in particular within the Registrars service where additional income is forecast to be generated.

Infrastructure & Technology - £219k under

There are forecast underspends against the corporate print strategy and post service budgets that reflect the recharges to clients for the services provided within the division. There is an underspend against the Business Systems budget principally due to vacant posts and recharge income to CHAS. There is also additional rental income compared to the budget for the Civic Centre. These underspends are partly offset by a lower than expected income from the professional development centre (Chaucer Centre) where the number of bookings is expected to be below the budgeted level.

Corporate Governance - £11k over

There are no significant variations from budget at this stage.

However, it should be noted that whilst the budget for the South London legal partnership (SLLp) has been forecast to be on budget overall, there is an emerging risk to that position. The latest income projections, based on chargeable hours at the end of June, would suggest that a significant deficit on the SLLp trading position could be incurred in 2018/19 unless action is taken. At the moment, the deficit is projected to be in the region of £270k and Merton's share of that deficit would be c£50k (not currently shown in the numbers). The income levels will continue to be assessed in the coming months and adjustments to the forecast will be made if necessary.

Resources - £186k under

The Merton Bailiff Service is forecasting to over-achieve income by £275k which is in line with the over-achievement in 2017/18. There is a forecast underspend of £102k within Benefits Administration principally due to additional one-off unbudgeted income from DWP for a number of schemes. There is a forecast overspend with Local Taxation Services and Local Welfare Support of £210k principally due to additional IT licence and postage costs.

There is a forecast underspend within the Assistant Director's budget that will fund a forecast overspend on the Financial Information System budget where some additional temporary staffing resource is required. There is also an overspend on bank charges within the Corporate Accountancy budget.

Human Resources – £16k under

There are a number of vacant posts within the division that are offset by a number of budget pressures including lower than budgeted income from schools as part of the buy back scheme and higher than budgeted costs of the shared payroll system and iTrent client team that are charged by the London Borough of Kingston.

Corporate Items - £799k under

The Housing Benefit budget shows a forecast surplus of £1.6m on the account against a budgeted surplus of £1m. The £0.6m unbudgeted surplus principally relates to an underspend against the budget to top-up the bad debt provision. It has been assessed that no increase to the provision will be required in 2018/19 given that the existing level of provision is prudent, subject to final audit.

The remaining underspend relates to the budget held for corporately funded items which is not forecast to be required at this stage. This is partly offset by a forecast overspend on Merton's share of the coroners' court due to unbudgeted costs of the Westminster Bridge inquiry.

Environment & Regeneration

Environment & Regeneration	2018/19 Current Budget	Full year Forecast (June)	Forecast Variance at year end (June)	Forecast Variance at year end (May)	2017/18 Outturn Variance
	£000	£000	£000	£000	£000
Public Protection	(11,070)	(12,008)	(938)	(803)	(1,602)
Public Space	15,072	14,512	(560)	(603)	632
Senior Management	1,143	1,248	105	89	3
Sustainable Communities	7,624	8,187	563	190	(244)
Total (Controllable)	12,769	11,939	(830)	(1,127)	(1,211)

Description	2018/19 Current Budget	Forecast Variance at year end (June)	Forecast Variance at year end (May)	2017/18 Variance at year end
	£000	£000	£000	£000
Overspend within Regulatory Services	550	86	146	78
Underspend within Parking Services	(12,072)	(970)	(906)	(1,663)
Underspend within Safer Merton	452	(47)	(43)	(47)
Total for Public Protection	(11,070)	(938)	(803)	(1,602)
Underspend within Waste Services	13,857	(807)	(639)	97
Breakeven within Leisure & Culture	728	0	0	(166)
Overspend within Greenspaces	1,393	241	37	754
Overspend within Transport Services	(906)	6	(1)	(53)
Total for Public Space	15,072	(560)	(603)	632
Overspend within Senior Management & Support	1,143	105	89	3
Total for Senior Management	1,143	105	89	3
Overspend within Property Management	(2,906)	283	48	(422)
Overspend within Building & Development Control	(63)	99	(22)	397
Overspend within Future Merton	10,593	181	164	(219)
Total for Sustainable Communities	7,624	563	190	(244)
Total Excluding Overheads	12,769	(830)	(1,127)	(1,211)

Overview

The department is currently forecasting an underspend of £830k at year end. The main areas of variance are Parking Services, Waste Services, Greenspaces, Property Management, and Future Merton.

Public Protection

Parking & CCTV Services underspend of £970k

The underspend is mainly as a result of additional penalty charge notices being issued following the implementation of the ANPR system across the borough (£999k). The positive effects of this fully functional system are beginning to be realised e.g. improved traffic flow. An over achievement in Ringo parking fees is also forecast (£209k).

Included within this forecast is employee related overspend of c£165k due to a combination of savings not yet implemented and increased demand. Due to the implementation of the diesel surcharge and the delay in fully implementing ANPR, the section has been forced to delay implementing certain savings, whilst needing to recruit additional agency staff to manage PCN and permit demands.

In terms of ANPR, there was an initial assumption that there would be a peak in the processing work and, balanced with on-going compliance, the processing volume would drop. However, this has not yet occurred to the level expected as processing volumes remain above estimated levels, but the section still expects compliance to further increase. Staffing restructures have been further delayed by the recent retirement of the Parking Services Manager, but this will be revisited when the new Manager starts in mid-September.

Public Space

Waste Services underspend of £807k

The forecast underspend is largely as a result of an in-year underspend on disposal costs of £1,190k, which can be attributed to two main factors. Firstly, the section has experienced a c11% reduction in waste being landfilled this financial year – this is fairly consistent with the c8% reduction in total waste tonnages being generated across all of the authority's waste streams. Secondly, Viridor our disposal contractor, is scheduled to begin testing the new ERF facility. During this commissioning phase, currently three months, the authority will benefit from reduced disposal costs leading to an estimated cost reduction of c£500k this financial year only.

This forecast underspend is being partially offset by a forecast overspend relating to the Phase C contract (£194k), and mobilisation costs relating to the October 2018 service change (£250k).

Greenspaces overspend of £241k

Although significant savings have been realised, the section is forecasting to overspend on the idverde parks and ground maintenance contract service by around £168k. Work is underway to reduce this and to resolve the overspend.

The section is also currently forecasting to underachieve on its income expectations in the following areas. Firstly, on events related income (£51k), whereby related savings of £170k have been agreed over the last few years, and whilst one event boosted the income, work continues to identify how income from events in parks,

including developing working partnerships with external event production companies, can be generated.

Secondly, it is now recognised that saving E&R26 (£60k) i.e. P&D within certain parks, will only achieve c£8k. In part, this is as a consequence of the proposal to include charging on Saturdays being dropped following consultation alongside a significant reduction in commuter [paid for] parking. Mitigating actions are being considered and will be reported accordingly.

Sustainable Communities

Property Management overspend of £283k

The principal reason for the forecast overspend relates to costs involved with the management of Battle Close, which is now the responsibility of the Authority following the recent departure of the leaseholder (£391k). Consideration is being given to reducing the holding costs for Battle Close by short term lettings or demolition.

The section is also forecasting to incur some significant, but essential, costs this year on several of the buildings the Authority manages, resulting in a forecast premises related overspend of £263k. However, if applications to fund some of the essential health and safety items (fire doors at New Horizons Community Centre and boiler at Colliers Wood Community Centre) from capital are successful, this would reduce pressures on the revenue budget by approximately £90k.

These pressures are being partially mitigated by exceeding their commercial rental income expectations by £395k mainly due to conducting the back log of rent reviews in line with the tenancy agreements. £190k relates to ongoing rental income but £205k is back rent due this year only.

Future Merton overspend by £181k

£119k of the forecast overspend relates to the costs incurred with disabled bays, and consulting on and, where applicable, implementing Controlled Parking Zones. The section is also forecasting to underachieve on skip licence income by £51k.

Children Schools and Families

Children, Schools and Families	2017/18 Current Budget £000	Full year Forecast (Jun) £000	Forecast Variance at year end (Jun) £000	Forecast Variance at year end (May) £000	2017/18 Variance at year end £000
Education	19,063	19,704	641	665	(703)
Social Care and Youth Inclusion	21,280	24,792	3,512	3,322	3,596
Cross Department budgets	502	462	(40)	(20)	(95)
PFI	8,075	7,839	(236)	(330)	(342)
Redundancy costs	2,124	2,124	0	0	(207)
Total (controllable)	51,044	54,921	3,877	3,637	2,249

Overview

At the end of June Children Schools and Families had a forecast overspend of £3.877m on local authority funded services. This was mainly due to the volatile nature of placement and SEN transport budgets, and the current volume of CSC activity and Education, Health and Care Plan (EHCP) requests. Despite an increasing population, Merton is managing to keep our number of looked after children in care stable through a combination of actions, which is detailed in the management action section below.

The department received £500k growth for the current financial year that has mainly been used to fund the additional eight social workers that were previously funded through contingency for three years and were last year part of the departmental overspend. Last year's overspend also included planned underspends and non-recurring management action which, together with additional demographic growth for this year, is currently forecast to result in a higher overspend for the current financial year.

Local Authority Funded Services

Significant cost pressures and underspends identified to date are detailed in the table below:

Description	Budget £000	Jun £000	May £000	2017/18 £000
Procurement & School organisation	608	(215)	(236)	(319)
SEN transport	4,183	960	939	566
Other small over and underspends	14,272	(104)	(38)	(738)
Subtotal Education	19,063	641	665	(703)
Fostering and residential placements (ART)	5,302	372	429	813
Supported lodgings/housing	1,792	136	125	156
Un-accompanied asylum seeking children (UASC)	647	1,089	1,150	693
Community Placement	0	956	956	750
No Recourse to Public Funds (NRPF)	21	319	339	353
MASH & First Response staffing	1,559	281	180	403
Other small over and underspends	11,959	359	143	288
Subtotal Children's Social Care and Youth Inclusion	21,280	3,512	3,322	3,596

Education Division

Procurement and school organisation budgets are forecast to underspend by £215k because of lower spend on re-venueisation budgets. This budget relates to construction projects that cannot be classified as capital. The majority of this is required for temporary classrooms due to rising pupil demand when it is not viable to provide permanent buildings.

The SEN transport budget is forecasting to overspend by £960k at the end of the financial year, which includes £842k taxi cost and £118k direct payments. The forecast outturn for taxis is £3,222k, circa £450k more than last year. The forecast increase reflects the 35 extra taxi service agreements (21% increase in routes) compared to this time last year. Due to the increase in EHCPs requiring a specialist placement, the number of children needing to be transported is expected to continue to go up through the financial year and particularly from September. Strategies are in place to alleviate this further pressure, including maximising any further opportunities for placing more children on the buses, re-tendering routes and considering any consolidation possible. The position is unlikely to be much clearer until the October 2018 budget return when the outcome of summer tendering and 2018/19 academic year placements will be better known.

There are various other small over and underspends forecast across the division netting to a £104k underspend. These combine with the items described above to arrive at the total reported divisional overspend of £641k.

Children's Social Care and Youth Inclusion Division

While the numbers of Looked after Children (LAC) remain relatively stable, and indeed Merton maintains relatively low levels of children in care, the complexity of a significant proportion of cases is causing cost pressures as detailed below. Placement costs are reviewed on a monthly basis to ensure that projections of spend are as accurate as possible. Between May and June we have reduced the forecast placement overspend by £57k despite there being two more children in placements. This has been achieved by reducing the number of children in residential care and independent fostering placements, and increasing the number placed with in house foster carers.

Service	Budget £000	Forecast spend £000	Variance		Placements	
			Jun £000	May £000	Jun Nr	May Nr
Residential Placements	2,271	2,140	(131)	(211)	11	14
Independent Agency Fostering	1,816	2,062	246	417	45	47
In-house Fostering	978	1,472	494	460	68	62
Secure accommodation	136	0	(136)	(136)	0	0
Mother and baby	101	0	(101)	(101)	0	0
Total	5,302	5,674	372	429	125	123

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

- The residential placement expenditure is forecast to underspend by £131k. The placement numbers reduced due to one young person moving to semi-independent accommodation, one returning home and one young person was receiving respite only. These changes were included in last month's forecast. The underspend reduced due to one placement now expecting to stay longer than previously expected as well as including respite cost we were not aware of last month.
- The agency fostering placement expenditure is expected to overspend by £246k. The decrease from last month is due to 4 placements ending (one of which was a mother and baby foster placement) and two new placements starting.
- The in-house foster carer expenditure is forecast to overspend by £494k. The increase from last month is due to 6 new placements, 3 of which are short term respite.
- We have had no young people in secure accommodation for this year yet and are therefore forecasting no expected spend at this stage.
- We have had no mother and baby unit placements for this year yet and are therefore forecasting no expected spend at this stage.

The budget for semi-independent and supported lodgings/housing placements are estimated to overspend by £136k. These are for young people who require semi-independent provision and for Care Leavers through to independence or, in some cases, through to the age of 21 (older in exceptional circumstances), as part of our statutory duties. There were 61 semi-independent placements for young people at the end of June 2018.

The UASC placements are expected to overspend by £1.089m this year.

Service	Budget £000	Forecast spend £000	Variance		Placements	
			Jun £000	May £000	Jun Nr	May Nr
Independent Agency Fostering	375	435	60	29	10	9
In-house Fostering	105	495	390	538	20	20
Supported lodgings/housing	167	806	639	583	30	28
Total	647	1,736	1,089	1,150	60	57

- At the end of June we had 25 placements for UASC young people under 18. We are part of the London rota system for receiving UASC young people aged under 18 and there will be other young people referred to us throughout the year for whom we have not budgeted up to our cap of 32. We receive a proportion of the UASC grant received by the Council towards these placements, the rest being allocated to 14+.
- We have 35 young people aged 18+ with no recourse to public funds in semi-independent accommodation who were formerly UASC young people. Once UASC young people reach 18, we retain financial responsibility for them until their immigration status is agreed. We have budgeted for those young people currently in placement who are under 18 and who will become 18 during this financial year.

We are forecasting a £956k overspend on a community placement. This provision relates to a complex case currently under discussion between the CCG and the local authority. The figure is our best estimate at this stage but is subject to change. A review is underway to change the current provision that will, when agreed, be phased in later the year with the aim to limit disruption to the child. This should reduce the cost to Merton, but we are not able to quantify this until the CCG progress this further.

The NRPF budget is £21k this year, which is the same as last year. It is forecast to overspend by £319k in the current financial year. This will be less than last year's overspend. The NRPF worker is working closely with housing colleagues to manage cases as they arise and is also reviewing historic cases to identify ones where claimant circumstances have changed and can therefore be stepped down from services. We continue to use the Connect system to progress cases and continue to review open cases with the aim to limit the cost pressure on the council. Strong gate keeping has resulted in a reduction of overall numbers from a peak of about 30 in 2016/17 to a current caseload of 15.

The MASH and First Response team's staffing costs are expected to overspend by £281k. This is due to the team having to cover 14 vacancies with agency staff due to difficulty in recruiting permanent members of staff.

There are various other small over and underspends forecast across the division netting to a £359k overspend. These combine with the items described above to arrive at the total reported divisional overspend of £3,512k.

Dedicated Schools Grant

DSG funded services is forecast to overspend by £3.681m. Any overspend will initially be funded from the DSG reserve. At the current estimate, the DSG will be going into a deficit position during the current financial year. This will be carried forward as a negative reserve, similar to other boroughs. Variances between individual nominals have been shown in the overall departmental analyses.

The main reasons for the forecast relates to an estimated overspend of £1.952m on Independent Day School provision, £714k on EHCP allocations to Merton maintained primary and secondary schools, £585k on EHCP allocations to out of borough maintained primary, secondary and special schools, and £703k on one-to-one support, OT/SLT and other therapies as well as alternative education. The table below shows the increase in number of EHCPs over the past 7 years.

Type of Provision	Jan 2012 (Statements)		Jan 2013 (Statements)		Jan 2014 (Statements)		Jan 2015 (Statements and EHCPs)		Jan 2016 (Statements and EHCPs)		Jan 2017 (Statements and EHCPs)		Jan 2018 (Statements and EHCPs)	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Mainstream School (inc. Academies)	436	47%	451	46%	470	45%	456	44%	423	39%	432	34%	526	35%
State Funded Special School	287	31%	327	33%	339	33%	338	32%	354	33%	386	31%	415	28%
Independent/Non-Maintained Provision (including Other Independent Special Schools)	96	10%	91	9%	110	11%	119	11%	145	13%	178	14%	217	15%
ARP (Additional Resourced Provision)	92	10%	101	10%	109	10%	113	11%	108	10%	137	11%	116	8%
Further Education	0	0%	1	0%	1	0%	0	0%	20	2%	97	8%	164	11%
Early Years (inc. Private & Voluntary Settings)	10	1%	8	1%	2	0%	4	0%	5	0%	2	0%	7	0%
Other (including children Educated at Home, Pupil Referral Units and Secure Units)	7	1%	9	1%	8	1%	15	1%	23	2%	32	3%	41	3%
Total	928	100%	988	100%	1039	100%	1045	100%	1078	100%	1264	100%	1486	100%
Percentage increase in total numbers			6%		5%		1%		3%		17%		18%	

There are various other smaller over and underspends forecast across the DSG netting to a £273k underspend which, combined with the items above, equates to the net overspend of £3.681m.

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

New burdens

There are a number of duties placed on the Local Authority that have not been fully funded or not funded at all through additional burdens funding from Central Government. Excluding the cost of these duties would leave a net departmental overspend of £2.333m, however that figure masks substantial once off windfalls and non-recurrent and recurrent management action. The table below highlights the continued estimated overspends relating to these unfunded duties:

Description	Budget £000	Jun overspend forecast £000	May overspend forecast £000	2017/18 over £000
Supported lodgings/housing- care leavers	1,792	136	125	156
Supported lodgings/housing- UASC	167	639	567	520
Un-accompanied asylum seeking children (UASC)	375	450	583	173
No Recourse to Public Funds (NRPF)	21	319	339	353
Total	2,355	1,544	1,614	1,202

Following changes introduced through the Children & Social Work Act, local authorities took on new responsibilities in relation to children in care and care leavers. Local authorities are required to offer support from a Personal Adviser to all care leavers to age 25. New burdens funding of £21k was provided to support implementation of this change. There has been no on-going funding for the additional work required.

Other unfunded burdens include:

- the increase the age range of EHCPs, particularly for those young people aged 18-25, due to legislation changes, which are causing cost pressures in both the general fund (in education psychology and SEN transport) and the DSG (High Needs Block costs relating to most EHCP services);
- new statutory duties in relation to children missing from education has increased the cases dealt with by the Education Welfare Service by 79% (from 290 in the 6 months from September to March 2016 to 519 in the same 6 months the following year and the level of referrals has remained at this level)

Further new burdens are expected for 2018/19 including:

- Social Care Act requirement for new assessment process for all social workers
- SEND tribunals will cover elements of children care packages and therefore cost
- New requirement of social work visits to children in residential schools and other provision.
-

Management action

Staffing

Agency cost continues to be a cost pressure for the department as permanent social worker recruitment continues to be challenging in certain services. We are operating, however at our lowest level of agency staff in 3 years. The continued recruitment drive including recruitment of NQSWs, temporary to permanent initiatives and retention payments will all have a positive impact on the current financial year and we will continue to take action to bring down anticipated overspends on agency/staffing costs.

Placements

Our strong management oversight enables us to ensure that an appropriate entry to care threshold is well maintained. The impact of increased numbers of UASC is in particular affecting our LAC and care leaver numbers. As other London Boroughs have reached the agreed cap on numbers of asylum-seeking children accepted under the National Transfer Scheme, the pace of transfers to those authorities still below the cap (such as Merton) has increased. Despite this, we remain in the lowest rate of care range in London.

We are continuing to work with colleagues in CCGs in order to secure appropriate health contribution to children with complex needs, particularly through continuing healthcare funding. Our ART service is driving down placement costs through negotiations with providers

Our ART Fostering Recruitment and Assessment team is continuing to recruit new foster carers who will offer locally based placements. This is slowing down the increase in more expensive agency foster placements, but there is a time lag. We currently have only four vacancies in our in house fostering service- three are for children aged 0-4 whereas much of the pressure relates to the need for placements for adolescents.

Our ART Placement service is working with providers to establish more local provision and offer better value placements to the Council. There is now an established cost framework agreed for semi-independent providers and this has resulted in more appropriately priced placements for Care Leavers and older LAC.

We have contracted with a provider to block purchase five independent units for care leavers aged 18+. This will act as a step down into permanent independent living. For the total 5 placements in the provision, this cost is £1,800 per week including support costs. This is a significantly better financial deal than using the semi-independent market for our care leavers. We have 5 young people living there, fully utilising these cost-effective placements.

We have updated our Staying Put policy for young people aged 18+ to enable them to remain with their foster carers in line with statutory requirements and as recommended by Ofsted in our inspection. We currently have 8 young people remaining with in-house foster carers and a further 4 with IFAs. Financially this is a more cost-effective offer than semi-independent provision. However, the increased use of Staying Put for young people aged 18+ impacts on available placements for younger teenagers and therefore there is a likelihood of an increase in the use of further IFA placements in the near future, unless we can recruit more foster carers willing to foster adolescents. We continue to focus our foster carer recruitment on carers for teenagers to mitigate these potential additional costs.

All semi-independent placements are being reviewed over the coming weeks and all residential placements are regularly reviewed. As a result of this review process, we have been able to move two young people this month and have a further 2 during the next 3-month period. The fostering recruitment strategy was refreshed in light of the new Staying Put requirement and the need to focus on recruiting more foster carers for teenagers, mother and baby placements and UASC.

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

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

Community & Housing Current Summary Position

Community and Housing is currently forecasting an overspend of £785k as at June 2018

The department is currently forecasting an over spend of £785k as at June 2018 which is an increase of £160k since May. The main variances are in Public Health, Housing and Adult Social Care. The increase is due to increased packages of care in adult services. The pressure in Public Health budgets, caused by activity levels in the sexual health contract, have been mitigated in part, which is reflect in the reduced forecast overspend.

Community and Housing	2018/19 Current Budget £000	Forecast (Jun18) £'000	Forecast Variance (Jun18) £000	Forecast Variance (May 18) £000	2017/18 Outturn Variance £000
Access and Assessment	45,863	46,219	356	176	455
Commissioning	4,569	4,644	75	(49)	211
Direct Provision	4,303	4,343	40	84	(195)
Directorate	943	1,007	64	64	181
Adult Social Care	55,678	56,213	536	275	652
Libraries and Heritage	1,982	1,991	9	(3)	20
Merton Adult Learning	(14)	(14)	0	0	(6)
Housing General Fund	1,829	1,960	131	152	256
Sub-total	59,475	60,150	676	424	922
Public Health	(143)	46	109	200	0
Grand Total	59,331	60,196	785	624	922

Access & Assessment - £356k overspend

This section is forecasting an over spend of £356k which made up of under and overspends as set out in the table below. Part of the pressure relates to unachieved savings in housing support contracts from 2017/18, and an increase in transitions cost 2018/19

The table below shows areas of significant expenditure

Access & Assessment	Forecast Variances Jun 18 £'000	Forecast Variances May 18 £000	Outturn Variances March 18 £000
Underspend on Concessionary Fares	(15)	(15)	(100)
Overspend on Better Care Fund Risk Share	0	0	425
Other	(297)	(315)	(307)
Placements	1,255	1,093	1,671
Income	(587)	(587)	(1,234)
Total	356	176	455

There are a range of movements each month, which are monitored in detail. This month the main cause of the increase is the increases in packages of care to reflect the increased needs of existing service users. The impact of the exceptionally hot weather has not yet been felt in social care, although hospitals are very busy. There is often a time lag and we expect the impact to start to show next month.

There is pressure on the pool equipment budget, which is joint with the Merton Clinical Commission Group (MCCG). Part of the pressure is due to a new requirement to increase the frequency of equipment inspection. We are however looking at options with our insurer. Further analysis is in progress to ascertain reasons for increase in health prescriptions of equipment. Actions are being agreed with MCCG to mitigate or reduce this budget pressure

The department continues to manage demand, whilst planning for the future. Work is continuing on savings, although proposed savings on transport and mental health staffing will take more time than anticipated to deliver. Underspend elsewhere on the budget are expected to compensate for these shortfalls.

The table below sets on the movement in the number of service users in each care group between months. It shows a net decrease of 19 packages since April. This is for a range of reasons including client death, moves to other boroughs and care no longer required.

Total Number of Clients with an external care package

Placements	Nos. of Clients June'18	Nos. of Client May'18	Nos. of Client Apr'18
Older People	1150	1157	1167
Physical/Sensory	214	215	219
Learning Disabilities	353	353	356
LD Housing Support	2	2	2
Mental Health	130	126	125
MH Housing Support	11	11	11
Substances Misuse	2	2	1
Grand Total	1862	1866	1881

Commissioning - £75k overspend

The commissioning service is forecasting an overspend of £75k as at June which is mainly due to picking up staff costs that were previously part of a capital project and the costs of sickness cover in essential posts.

Direct Provision - £40k overspend

Direct Provision service is currently forecasting an over spend at Riverside Drive which is an internal 8 bed residential home for people with learning disabilities. Staffing costs have also been high due to sickness in night cover posts; which are expensive shifts to cover but are necessary to meet CQC requirements. A temporary delay in processing bank time sheets led to a large number being paid in April and May. A grading claim by a group of staff is in the process of being

settled; this could add between £6 and £12k to the staffing costs. The situation is monitored on a weekly basis and a new rota has been introduced. Some mitigation will come from underspending in day services; a more accurate view on this will be possible next month.

Adult Social Care: other management action 2018/19

Adult Social Care will continue its senior management scrutiny of budgets and spend and the action plan to manage budget pressures.

Key elements of the current financial year action plan:-

- Transitions from Children's to Adult Services
- Detailed monitoring of placements activity and spend
- Ensuring that Direct Payments are used for the designated purposes
- Riverside Drive staffing/salary rota
- Ensuring an efficient and effective financial assessment service, so that service users are assessed for their contribution as soon as possible so they know what they need to pay, and invoices for care adjusted accordingly.
- There is also additional pressure of legal costs to be incurred by this service which is unquantified at this time.

C&H - Other Services

Libraries - £9k overspend

This service is currently forecasting a £9k overspend. This is attributable to the cost of maternity cover and the under achievement of income in the school library service

Merton Adult Education – Breakeven

The Merton Adult Learning service is expected to breakeven in 2018/19.

Housing - £131k overspend

Housing is forecasting an over spend of £131k which is mainly due to rent deposits but temporary accommodation will continue to be a pressure on this budget. To meet new burdens this service is also using the Homelessness Reduction Grant of £166k which has minimised overspends.

As part of the homelessness prevention agenda and in line with Homeless Reduction Act 2017 rent deposits are made available to households experiencing acute housing need. This is a critical part of the prevention agenda as it not only avoids the need to provide expensive temporary accommodation and a cost to the housing general fund it also seeks to increase housing supply, thus reducing reliance upon the social housing rented sector. There is however an over spend of £131k linked to rent deposits.

Analysis of Housing Temporary Accommodation Expenditure

Housing	Budget 2018/19 £000	Forecast Variance (Jun 18) £'000	Forecast Variances (May 18) £000	Outturn Variances (Mar 18) £000
Temporary Accommodation-Expenditure	2,330	528	0	909
Temporary Accommodation-Client Contribution	(140)	(622)	0	(595)
Temporary Accommodation-Housing Benefit Income	(2,000)	(60)	0	(160)
Temporary Accommodation-Subsidy Shortfall	322	280	199	517
Temporary Accommodation- Grant	-	(166)	-	(406)
Sub-total Temporary Accommodation	512	(40)	199	259
Housing Other Budgets-Over(under)spend	1,317	169	(47)	(3)
Total	1,829	131	152	256

Temporary Accommodation (TA) Movements to date

The data below shows the number of households i.e. families and single (placements) in TA.

Temporary Accommodation	Numbers IN	Numbers OUT	Total for the Month
March 2018	16	16	165
April 2018	22	17	170
May 2018	21	16	175
June 2018	14	17	172

Public Health - £109k overspend

This service is forecasting £109k overspend on sexual health services. The team is currently working on plans to mitigate this pressure which is caused by a combination of an increase in activity at some South West London providers; and higher tariff prices in Sutton & Croydon services, which have not yet been recommissioned in line with the London framework. There is also the added pressure of increase in demand for this service.

Mitigating actions to contain pressures on sexual health services include:

- In-depth work/review of the key drivers and activity trends behind these financial pressures, which will ensure we better understand the need/demand and people accessing services.

- Close collaborative work with partners in South West London, including discussion with Sutton and Croydon about recommissioning of services from 2019 in line with the London tariff.
- Close collaboration with pan-London Sexual health programme, including continued commitment to preventative work.
- Working with partners to explore negotiation of a cap across wider services, in order to have more control and predictability.
- Work with local services in order to repatriate service users to the Merton integrated services.
- Introduction of an e-service which will provide testing services for asymptomatic patients over 16 years old.
- Identify potential underspends across the public health budget which can offset this pressure.
- Work on establishing an online tool which will undertake initial assessment of symptoms and provide recommendation and thus reduce attendance at clinics.

Corporate Items

The details comparing actual expenditure up to 30 June 2018 against budget are contained in Appendix 2. The main areas of variance as at 30 June 2018 are:-

Corporate Items	Current Budget 2018/19 £000s	Full Year Forecast (June) £000s	Forecast Variance at year end (June) £000s	Forecast Variance at year end (May) £000s	2016/17 Year end Variance £000s
Impact of Capital on revenue budget	8,403	8,371	(32)	0	(103)
Investment Income	(759)	(759)	0	0	408
Pension Fund	3,346	3,346	0	0	(389)
Pay and Price Inflation	2,486	2,486	0	0	(736)
Contingencies and provisions	4,291	4,291	0	0	(2,447)
Income Items	(1,367)	(1,367)	0	0	(104)
Appropriations/Transfers	(1,897)	(1,897)	0	0	2,445
Central Items	6,100	6,100	0	0	(823)
Levies	938	938	0	0	0
Depreciation and Impairment	(19,008)	(19,008)	0	0	0
TOTAL CORPORATE PROVISIONS	(3,567)	(3,599)	(32)	0	(926)

There is a small underspend of £32,000 forecast at year end which arises from the capital financing costs of the Capital Programme. This results mainly from reprofiling of the programme following a review of schemes and slippage in the programme following outturn in 2017/18.

4 Capital Programme 2018-22

4.1 The Table below shows the movement in the 2018/22 corporate capital programme since the last meeting of Cabinet:

Depts	Current Budget 18/19	Variance	Revised Budget 18/19	Current Budget 19/20	Variance	Revised Budget 19/20	Current Budget 20/21	Variance	Revised Budget 20/21	Revised Budget 21/22	Variance	Revised Budget 21/22
CS	10,062		10,062	26,002	0	26,002	3,945	0	3,945	12,150	0	12,150
C&H	937	(5)	932	480	0	480	630	0	630	280	0	280
CSF	11,497	1,000	12,497	13,626	(1,000)	12,626	3,202	0	3,202	650	0	650
E&R	23,372	(3,713)	19,659	6,560	1,500	8,060	6,017	1,500	7,517	6,552	712	7,264
TOTAL	45,868	(2,718)	43,150	46,668	500	47,168	13,794	1,500	15,294	19,632	712	20,344

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

Capital Budget Monitoring June 2018

Department	2018/19 Actuals £	Profiled Budget To June £	Variance £	Revised Annual Budget £	June Year End Forecast £	Forecast Full Year Variance £
Corporate Services	652,162	2,103,740	(1,451,578)	10,061,540	9,645,277	(416,263)
Community and Housing	176,201	278,130	(101,929)	931,990	910,323	(21,667)
Children Schools & Families	548,322	1,239,960	(691,638)	11,496,600	10,519,287	(977,313)
Environment and Regeneration	2,300,427	1,633,110	667,317	19,660,310	19,626,799	(33,511)
Total	3,677,112	5,254,940	(1,577,828)	42,150,440	40,701,686	(1,448,754)

- Corporate Services – There is currently one projected in year underspend Customer Contact (£416k) (*wording outstanding*).
- Community and Housing – Two small schemes have been removed from the programme as expenditure will be classified as revenue. Officers are projecting a small underspend of Libraries IT (£22k) due to a slippage in the project.
- Children, Schools and Families – After all proposed adjustments to the programme officers are currently projecting one in-year underspend of £977k for the new secondary school. A virement of £196k is proposed from the new secondary school to Cricket Green School.
- Environment and Regeneration – Officers are currently projecting an underspend of (£46k) in Parks and a £12k overspend on fleet vehicles. The budget for Canons Parks for the people held within both Parks and Mitcham Regeneration Cost Centres has been re-profiled over the approved programme in accordance with expected spend.

4.3 Appendix 5b details the adjustments being made to the Capital Programme this month.

Scheme	2018/19 Budget	2019/20 Budget	2020/21 Budget	2021/22 Budget	Funding/Re-profiling	
Community and Housing						
Laptops for Other Staff	(3,500)	0	0	0	Revenue Expenditure	
Mosaic Report Development	(1,820)	0	0	0	Revenue Expenditure	
Children, Schools and Families						
Cricket Green	(1)	195,560	0	0	Virement	
Scheme 4 New School Extra 6fe	(1)	(195,560)			Virement	
Environment and Regeneration						
Mitcham Regen - Canons Parks for People	(1)	(2,533,020)	1,000,000	1,000,000	533,020	Re-profiling
Parks - Canons Parks for People	(1)	(1,178,770)	500,000	500,000	178,770	Specific Government Grant
Total		(2,717,110)	1,500,000	1,500,000	711,790	

* Requires Cabinet Approval

4.4 Appendix 5c details the impact all the adjustments to the Capital Programme have on the funding of the programme in 2018-22. The table below summarises the movement in 2018/19 funding since its approval in February 2018:

Depts.	Original Budget 18/19	Net Slippage 2018/19	Adjustments	New External Funding	New Internal Funding	Re-profiling	Revised Budget 18/19
Corporate Services	23,482	5,051				(18,472)	10,062
Community & Housing	773	165	(5)			0	932
Children Schools & Families	15,158	924		933		(5,518)	11,497
Environment and Regeneration	21,853	919		1,600		(4,713)	19,659
Total	61,266	7,059	(5)	2,533	0	(28,703)	42,150

4.5 The table below compares capital expenditure (£000s) to June 2018 to that achieved over the last few years:

Depts.	Spend To June 2015	Spend To June 2016	Spend To June 2017	Spend to June 2018	Variance 2015 to 2018	Variance 2016 to 2018	Variance 2017 to 2018
CS	131	79	195	652	521	573	457
C&H	(13)	(26)	98	176	189	203	78
CSF	1,869	699	367	548	(1,321)	(151)	181
E&R	376	1,051	1,625	2,300	1,924	1,249	675
Total Capital	2,363	1,803	2,285	3,677	793	1,301	935

Outturn £000s	29,327	30,626	32,230	
Budget £000s				42,150
Projected Spend June 2018 £000s				40,702
Percentage Spend to Budget				8.72%
% Spend to Outturn/Projection	8.06%	5.89%	7.09%	9.03%
Monthly Spend to Achieve Projected Outturn £000s				4,114

4.6 During June 2018 departments have spent a total of £3.677 million. It is apparent from the annual spend over the past few years and the average monthly spend required to achieve outturn that the current budget for 2018/19 is approximately £10-12 million above that likely to be achieved. Finance officers will continue to work with budget managers to reduce 2018/19 budget to a more realistic level.

5. DELIVERY OF SAVINGS FOR 2018/19

Department	Target Savings 2018/19	Projected Savings 2018/19	Period 3 Forecast Shortfall	Period Forecast Shortfall (P3)	2019/20 Expected Shortfall
	£000	£000	£000	%	£000
Corporate Services	2,024	1,549	475	23.5%	375
Children Schools and Families	489	489	0	0.0%	0
Community and Housing	2,198	1,858	340	15.5%	(100)
Environment and Regeneration	1,874	1,388	486	25.9%	162
Total	6,585	5,284	1,301	19.8%	437

Appendix 6 details the progress on savings for 2018/19 by department.

Progress on savings 2017/18

Department	Target Savings 2017/18	2017/18 Shortfall	2018/19 Period 3 Projected shortfall	2019/20 Period 3 Projected shortfall	2018/19 Period 2 Projected shortfall	2019/20 Period 2 Projected shortfall
	£000	£000	£000	£000	£000	£000
Corporate Services	2,316	196	0	0	0	0
Children Schools and Families	2,191	0	0	0	0	0
Community and Housing	2,673	201	149	49	200	200
Environment and Regeneration	3,218	1,953	805	0	443	0
Total	10,398	2,350	954	49	643	200

Appendix 7 details the progress on savings for 2017/18 by department and the impact on the current year.

6. CONSULTATION UNDERTAKEN OR PROPOSED

6.1 All relevant bodies have been consulted.

7. TIMETABLE

7.1 In accordance with current financial reporting timetables.

8. FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

8.1 All relevant implications have been addressed in the report.

9. LEGAL AND STATUTORY IMPLICATIONS

9.1 All relevant implications have been addressed in the report.

10. HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

10.1 Not applicable

11. CRIME AND DISORDER IMPLICATIONS

11.1 Not applicable

12. RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

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

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

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

14. BACKGROUND PAPERS

14.1 Budgetary Control files held in the Corporate Services department.

15. REPORT AUTHOR

- Name: Roger Kershaw
- Tel: 020 8545 3458
- email: roger.kershaw@merton.gov.uk

APPENDIX 1

Summary Position as at 30th June 2018

	Original Budget 2018/19 £000s	Current Budget 2018/19 £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	Outturn variance 2017/18 £000
Department	-	-	-	-	-	-	-	-
3A. Corporate Services	9,495	10,441	7,004	5,467	9,281	(1,160)	(1,105)	(812)
3B. Children, Schools and Families	56,145	56,431	4,264	2,388	60,308	3,877	3,637	2,249
3C. Community and Housing	-	-	-	-	-	-	-	-
Adult Social Care	58,778	59,245	14,196	12,650	59,783	537	276	646
Libraries & Adult Education	2,771	2,678	829	726	2,687	9	(3)	20
Housing General Fund	2,207	2,122	457	(234)	2,254	131	152	256
3D. Public Health	(0)	0	27	(2,445)	109	109	200	0
3E. Environment & Regeneration	17,951	18,122	3,131	(5,267)	17,291	(830)	(1,127)	-1,211
NET SERVICE EXPENDITURE	147,345	149,039	29,908	13,285	151,712	2,673	2,030	1,148
3E. Corporate Items	-	-	-	-	-	-	-	-
Impact of Capital on revenue budget	8,403	8,403	1,579	1,212	8,371	(32)	0	(103)
Other Central items	(12,353)	(14,047)	(1,674)	(338)	(14,047)	0	0	(823)
Levies	938	938	306	306	938	0	0	0
TOTAL CORPORATE PROVISIONS	(3,012)	(4,706)	211	1,180	(4,738)	(32)	0	(926)
TOTAL GENERAL FUND	144,333	144,333	30,118	14,465	146,974	2,641	2,030	222
Funding	-	-	-	-	-	-	-	-
- Business Rates	(45,636)	(45,636)	48	48	(45,636)	0	0	182
- RSG	0	0	0	0	0	0	0	1
- Section 31 Grant	(1,975)	(1,975)	(1,295)	(1,295)	(1,975)	0	0	(672)
- New Homes Bonus	(2,371)	(2,371)	(593)	(593)	(2,371)	0	0	2
- PFI Grant	(4,797)	(4,797)	(1,199)	(1,199)	(4,797)	0	0	0
- Adult Social Care Grant 2017/18	(2,115)	(2,115)	0	0	(2,115)	0	0	0
Grants	(56,894)	(56,894)	(3,039)	(3,039)	(56,894)	0	0	(487)
Collection Fund - Council Tax Surplus(-)/Deficit	(1,653)	(1,653)	0	0	(1,653)	0	0	0
Collection Fund - Business Rates Surplus(-)/Deficit	1,223	1,223	0	0	1,223	0	0	0
Council Tax	-	-	-	-	-	-	-	-
- General	(86,678)	(86,678)	0	0	(86,678)	0	0	0
- WPCC	(331)	(331)	0	0	(331)	0	0	0
Council Tax and Collection Fund	(87,439)	(87,439)	-	-	(87,439)	0	0	0
FUNDING	(144,333)	(144,333)	(3,039)	(3,039)	(144,333)	0	0	(487)
NET	(0)	(0)	27,079	11,426	2,641	2,641	2030	(265)

Appendix 2

3E. Corporate Items	Council 2018/19 £000s	Original Budget 2018/19 £000s	Current Budget 2018/19 £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	Outturn Variance 2017/18 £000s
Cost of Borrowing	8,403	8,403	8,403	1,579	1,212	8,371	(32)	0	(103)
Impact of Capital on revenue budget	8,403	8,403	8,403	1,579	1,212	8,371	(32)	0	(103)
Investment Income	(759)	(759)	(759)	(190)	(169)	(759)	0	0	408
Pension Fund	3,346	3,346	3,346	0	0	3,346	0	0	(389)
Provision for Pay Award	2,108	2,108	2,108		0	2,108	0	0	0
Provision - excess inflation	378	378	378		0	378	0	0	(436)
Utilities Inflation Provision	0	0	0		0	0	0	0	(300)
Pay and Price Inflation	2,486	2,486	2,486	0	0	2,486	0	0	(736)
Contingency	1,500	1,500	1,500		0	1,500	0	0	(1,500)
Single Status/Equal Pay	100	100	100		9	100	0	0	(96)
Bad Debt Provision	500	500	500		0	500	0	0	395
Loss of income - P3/P4	200	200	200		0	200	0	0	(400)
Loss of HB Admin grant	179	179	179		0	179	0	0	(179)
Apprenticeship Levy	450	450	450	413	(60)	450	0	0	(235)
Revenuisation and miscellaneous	1,361	1,361	1,361		252	1,361	0	0	(432)
Contingencies/provisions	4,291	4,291	4,291	413	200	4,291	0	0	(2,447)
Other income	0	0	0	0	(6)	0	0	0	(56)
CHAS IP/Dividend	(1,367)	(1,367)	(1,367)		0	(1,367)	0	0	(48)
Income items	(1,367)	(1,367)	(1,367)	0	(6)	(1,367)	0	0	(104)
Appropriations: CS Reserves	0	0	(555)	(555)	(406)	(555)	0	0	0
Appropriations: E&R Reserves	4	4	4	4	43	4	0	0	2
Appropriations: CSF Reserves	49	49	49	49	0	49	0	0	0
Appropriations: C&H Reserves	(104)	(104)	(104)	(104)	0	(104)	0	0	(600)
Appropriations: Public Health Reserves	(1,200)	(1,200)	(1,200)	(1,200)	0	(1,200)			600
Appropriations: Corporate Reserves	(91)	(91)	(91)	(91)	0	(91)	0	0	2,443
Appropriations/Transfers	(1,342)	(1,342)	(1,897)	(1,897)	(363)	(1,897)	0	0	2,445
Depreciation/Impairment	(19,008)	(19,008)	(19,008)	0	0	(19,008)	0	0	0
Central Items	(3,950)	(3,950)	(4,505)	(96)	874	(4,537)	(32)	0	(926)
Levies	938	938	938	306	306	938	0	0	0
TOTAL CORPORATE PROVISIONS	(3,012)	(3,012)	(3,567)	211	1,180	(3,599)	(32)	0	(926)

Pay and Price Inflation as at June 2018

In 2018/19, the budget includes 2.7% for increases in pay and 1.5% for increases in general prices, with an additional amount, currently £0.378m which is held to assist services that may experience price increases greatly in excess of the inflation allowance provided when setting the budget. With CPI inflation currently at 2.4% and RPI at 3.4% this budget will only be released when it is certain that it will not be required

Pay:

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

Prices:

The Consumer Prices Index (CPI) 12-month rate was 2.4% in June 2018, unchanged from May 2018. The Consumer Prices Index including owner occupiers' housing costs (CPIH) 12-month inflation rate was 2.3% in June 2018, unchanged from May 2018. The rate has fallen back from a recent high of 2.8% during autumn 2017.

Rising prices for motor fuels and domestic gas and electricity produced the largest upward contributions to change in the rate between May and June 2018. Falling prices for clothing and games, toys and hobbies provided the largest downward effects.

The RPI 12-month rate for June 2018 stood at 3.4%, up from 3.3% in May 2018.

Outlook for inflation:

The Bank of England's Monetary Policy Committee (MPC) sets monetary policy to meet the 2% inflation target and in a way that helps to sustain growth and employment. At its meeting ending on 20 June 2018, the MPC voted by a majority of 6-3 to maintain Bank Rate at 0.5%. The Committee voted unanimously to maintain the stock of sterling non-financial investment-grade corporate bond purchases, financed by the issuance of central bank reserves, at £10 billion. The Committee also voted unanimously to maintain the stock of UK government bond purchases, financed by the issuance of central bank reserves, at £435 billion. The next Bank Rate decision by the MPC is on 2 August.

The latest Inflation Report was published on the 10 May 2018.

In the May 2018 Inflation Report, the MPC noted that "Labour demand growth remains robust and a very limited degree of slack is left in the economy. Productivity growth is projected to rise from its recent weak pace, but to remain well below pre-crisis rates. As a result, the pace at which output can grow without generating inflationary pressures is likely to be modest."

In the minutes to its June 2018 meeting the MPC noted that "CPI inflation was 2.4% in May, unchanged from April. Inflation is expected to pick up by slightly more than

projected in May in the near term, reflecting higher dollar oil prices and a weaker sterling exchange rate. Most indicators of pay growth have picked up over the past year and the labour market remains tight, suggesting that domestic cost pressures will continue to firm gradually, as expected.

The Committee’s best collective judgement remains that were the economy to develop broadly in line with the May Inflation Report projections, an ongoing tightening of monetary policy over the forecast period would be appropriate to return inflation sustainably to its target at a conventional horizon All members agree that any future increases in Bank Rate are likely to be at a gradual pace and to a limited extent.”

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

Table 11: Forecasts for the UK Economy

Source: HM Treasury - Forecasts for the UK Economy (July 2018)			
	Lowest %	Highest %	Average %
2018 (Quarter 4)			
CPI	1.9	3.0	2.3
RPI	2.5	3.6	3.1
LFS Unemployment Rate	1.0	4.8	4.1
2019 (Quarter 4)	Lowest %	Highest %	Average %
CPI	1.5	3.5	2.1
RPI	2.5	4.2	3.0
LFS Unemployment Rate	0.8	5.1	4.1

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 2018 to 2022 are summarised in the following table:-

Source: HM Treasury - Forecasts for the UK Economy (May 2018)					
	2018	2019	2020	2021	2022
	%	%	%	%	%
CPI	2.5	2.0	2.0	2.1	2.1
RPI	3.4	3.0	3.0	3.2	3.2
LFS Unemployment Rate	4.2	4.3	4.4	4.4	4.5

Treasury Management: Outlook

At its meeting ending on 20 June 2018, the MPC voted by a majority of 6-3 to maintain Bank Rate at 0.5%. The Committee voted unanimously to maintain the stock of sterling non-financial investment-grade corporate bond purchases, financed by the issuance of central bank reserves, at £10 billion. The Committee also voted unanimously to maintain the stock of UK government bond purchases, financed by the issuance of central bank reserves, at £435 billion. The next Bank Rate decision by the MPC is on 2 August.

In the May 2018 Inflation Report, the MPC discussed potential increases in Bank Base Rate. Over the period of the next MTFs, it was stated that “The MPC continues to judge, however, that a very limited degree of slack remains in the economy. As in February, based on a conditioning path for Bank Rate that embodies three 25 basis point rises over the next three years, a small margin of excess demand is likely to emerge by early 2020, raising domestic inflationary pressures such that inflation settles at the 2% inflation target.”

The MPC’s forecasts of Bank Base Rate in recent Quarterly Inflation Reports which were made pre-Brexit up to May 2016 are summarised in the following table:-

	End Q.2 2018	End Q.3 2018	End Q.4 2018	End Q.1 2019	End Q.2 2019	End Q.3 2019	End Q.4 2019	End Q.1 2020	End Q.2 2020	End Q.3 2020	End Q.4 2020	End Q.1 2021	End Q.2 2021
May '18	0.6	0.7	0.7	0.8	0.9	1.0	1.0	1.1	1.1	1.2	1.2	1.2	1.2
Feb.'18	0.5	0.6	0.7	0.8	0.9	0.9	1.0	1.0	1.1	1.1	1.1	1.2	
Nov.'17	0.6	0.7	0.7	0.8	0.8	0.8	0.9	0.9	0.9	1.0	1.0		
Aug.'17	0.4	0.5	0.5	0.5	0.6	0.6	0.7	0.7	0.7	0.8			
May '17	0.3	0.3	0.3	0.4	0.4	0.4	0.5	0.5	0.5				
Feb'17	0.4	0.4	0.4	0.5	0.5	0.6	0.6	0.7					
Nov.'16	0.2	0.3	0.3	0.3	0.3	0.4	0.4						
Aug.'16	0.1	0.1	0.2	0.2	0.2	0.2							
May '16	0.6	0.6	0.7	0.7	0.8								
Feb. '16	0.9	1.0	1.0	1.1									
Nov '15	1.1	1.2	1.3										
Aug.'15	1.7	1.7											
May '15	1.4												

Source: Bank of England Inflation Reports

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

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

1. global growth remains robust
2. investment and net trade support UK demand, while consumption growth remains subdued
3. very little slack remains and the pace of potential supply growth is modest
4. with demand outstripping potential supply, domestic inflationary pressures continue to build while the contribution from energy and import prices dissipates further.

Merton Capital Programme June 2018 Monitoring

Narrative	2018/19 Actuals	Profiled Budget To June	Variance	Revised Annual Budget	June Year End Forecast	Forecast Full Year Variance
Capital	3,677,112	5,254,940	(1,577,828)	42,150,440	40,701,686	(1,448,754)
Corporate Services	652,162	2,103,740	(1,451,578)	10,061,540	9,645,277	(416,263)
Business Improvement	48,000	363,970	(315,970)	2,412,980	1,996,717	(416,263)
Customer Contact Programme			0	1,899,010	1,482,747	(416,263)
IT Systems Projects		163,970	(163,970)	363,970	363,970	0
Social Care IT System	48,000	200,000	(152,000)	150,000	150,000	0
Facilities Management Total	335,358	939,720	(604,362)	3,301,220	3,301,220	0
Works to other buildings	(6,616)	130,040	(136,656)	695,040	695,040	0
Civic Centre	61,201	268,430	(207,229)	568,430	568,430	0
Invest to Save schemes	264,824	541,250	(276,426)	2,037,750	2,037,750	0
Asbestos Safety Works	15,950		15,950			0
Infrastructure & Transactions	203,805	668,000	(464,195)	2,255,290	2,255,290	0
Disaster recovery site		105,000	(105,000)	394,290	394,290	0
Planned Replacement Programme	203,805	563,000	(359,195)	1,861,000	1,861,000	0
Resources		132,050	(132,050)	132,050	132,050	0
ePayments System		91,050	(91,050)	91,050	91,050	0
Invoice Scanning SCIS/FIS		41,000	(41,000)	41,000	41,000	0
Corporate Items	65,000		65,000	1,960,000	1,960,000	0
Acquisitions Budget	65,000		65,000		0	0
Transformation Budgets			0	1,500,000	1,500,000	0
Westminster Ccl Coroners Court			0	460,000	460,000	0
Community and Housing	176,201	278,130	(101,929)	931,990	910,323	(21,667)
Adult Social Care	5,160	4,790	370	43,750	43,750	0
ASC IT Equipment	5,160	4,790	370	0	0	0
Telehealth			0	43,750	43,750	0
Housing	163,350	256,600	(93,250)	771,500	771,500	0
Disabled Facilities Grant	163,350	256,600	(93,250)	771,500	771,500	0
Libraries	7,690	16,740	(9,050)	116,740	95,073	(21,667)
Library Enhancement Works	7,113	16,740	(9,627)	16,740	16,740	0
Major Library Projects	578		578			0
Libraries IT			0	100,000	78,333	(21,667)

Merton Capital Programme June 2018 Monitoring

Narrative	2018/19 Actuals	Profiled Budget To June	Variance	Revised Annual Budget	June Year End Forecast	Forecast Full Year Variance
Children Schools & Families	548,322	1,239,960	(691,638)	11,496,600	10,519,287	(977,313)
Primary Schools	(34,912)	791,330	(826,242)	796,200	796,200	0
Hatfeild	0	50,000	(50,000)	50,000	50,000	0
Joseph Hood	2,836	2,900	(64)	2,900	2,900	0
Dundonald	(22,695)	50,980	(73,675)	50,980	50,980	0
Poplar	(8,569)	40,000	(48,569)	40,000	40,000	0
Wimbledon Chase	(1,337)		(1,337)			0
Wimbledon Park		23,500	(23,500)	23,500	23,500	0
Abbotsbury	(628)		(628)			0
Morden	(3,829)	74,380	(78,209)	74,380	74,380	0
Cranmer		72,000	(72,000)	72,000	72,000	0
Gorringer Park		60,000	(60,000)	60,000	60,000	0
Haslemere		50,000	(50,000)	50,000	50,000	0
Liberty		70,000	(70,000)	70,000	70,000	0
Links	(690)		(690)			0
Singlegate		11,000	(11,000)	11,000	11,000	0
St Marks		99,240	(99,240)	99,240	99,240	0
Lonesome		55,000	(55,000)	55,000	55,000	0
Stanford		132,330	(132,330)	132,330	132,330	0
Unlocated Primary School Proj			0	4,870	4,870	0
Secondary School	233,412	328,210	(94,798)	6,459,960	5,482,650	(977,310)
Harris Academy Morden			0	143,560	143,560	0
Harris Academy Merton	(1,021)	123,130	(124,151)	444,090	444,090	0
St Mark's Academy			0	200,000	200,000	0
Rutlish			0	495,000	495,000	0
Harris Academy Wimbledon	234,433	205,080	29,353	5,177,310	4,200,000	(977,310)
SEN	258,297	301,460	(43,163)	3,719,840	3,719,840	0
Perseid	214,954	325,960	(111,006)	935,960	935,960	0
Cricket Green	19,033	(162,430)	181,463	2,305,860	2,305,860	0
Secondary School Autism Unit		30,000	(30,000)	160,000	160,000	0
Unlocated SEN	24,310	77,930	(53,620)	288,020	288,020	0
Melbury College - Smart Centre		30,000	(30,000)	30,000	30,000	0
CSF Schemes	91,524	(181,040)	272,564	520,600	520,597	(3)
CSF - IT Schemes	3,735	28,310	(24,575)	58,310	58,310	0
School Equipment Loans		(209,350)	209,350	108,900	108,900	0
Devolved Formula Capital	87,789		87,789	353,390	353,387	(3)

Merton Capital Programme June 2018 Monitoring

Narrative	2018/19 Actuals	Profiled Budget To June	Variance	Revised Annual Budget	June Year End Forecast	Forecast Full Year Variance
Environment and Regeneration	2,300,427	1,633,110	667,317	19,660,310	19,626,799	(33,511)
Public Protection and Developm	(12,796)		(12,796)	39,490	39,490	0
CCTV Investment	(12,796)		(12,796)	39,490	39,490	0
Street Scene & Waste	3,150	222,630	(219,480)	6,008,630	6,021,063	12,433
Fleet Vehicles		156,400	(156,400)	562,900	575,333	12,433
Alley Gating Scheme	3,150	10,000	(6,850)	40,000	40,000	0
Smart Bin Leases - Street Scene			0	5,500	5,500	0
Waste SLWP		56,230	(56,230)	5,400,230	5,400,230	0
Sustainable Communities	2,310,073	1,410,480	899,593	13,612,190	13,566,246	(45,944)
Street Trees			0	60,000	60,000	0
Highways & Footways	323,637	563,160	(239,523)	4,479,880	4,479,880	0
Cycle Route Improvements	81,266	155,200	(73,934)	480,830	480,830	0
Mitcham Transport Improvements	1,248	51,680	(50,432)	563,680	563,680	0
Tackling Traffic Congestion	(16,743)		(16,743)			0
Mitcham Area Regeneration	8,210	59,360	(51,150)	186,360	186,360	0
Borough Regeneration	212,405	196,820	15,585	559,590	559,590	0
Morden Leisure Centre	1,639,775		1,639,775	6,203,360	6,203,360	0
Sports Facilities	(5,192)		(5,192)	446,960	446,960	0
Parks	65,467	330,370	(264,903)	577,640	531,696	(45,944)
Mortuary Provision		53,890	(53,890)	53,890	53,890	0

Virement, Re-profiling and New Funding - June 2018

Appendix 5b

		2018/19 Budget	Virements	Funding Adjustments	Reprofiling	Revised 2018/19 Budget	2019/20 Budget	Reprofiling	Revised 2019/20 Budget	Narrative
-	-	£	£		£	£	£		£	
Community and Housing										
Laptops for Staff		3,500		(3,500)		3,500	0		0	Revenue Expenditure
Mosaic Report Development		1,820		(1,820)		1,820	0		0	Revenue Expenditure
Children, Schools and Families										
Cricket Green	(1)	2,110,170	195,560			2,305,730	3,046,000	0	3,046,000	Re-profiled & Budget in accordance with expected spend and Tender Price
Scheme 4 New School Extra 6fe	(1)	5,373,000	(195,560)			5,177,440	2,172,570	0	2,172,570	Re-profiled & Budget in accordance with expected spend and Tender Price
Environment and Regeneration										
Mitcham Regen - Canons Parks for People	(1)	2,655,020			(2,533,020)	122,000	301,040	1,000,000	1,301,040	Re-profiling
Parks - Canons Parks for People	(1)	1,279,770			(1,178,770)	101,000	195,540	500,000	695,540	Re-profiling
						0				
Total		11,423,280	0	(5,320)	(3,711,790)	7,711,490	5,715,150	1,500,000	7,215,150	

1) Requires Cabinet Approval

Virement, Re-profiling and New Funding - June 2018

Appendix 5b

		2020/21 Budget	Reprofiling	Revised 2020/21 Budget	2021/22 Budget	Reprofiling	Revised 2021/22 Budget	Narrative
-	-	£	£	£	£	£	£	
Environment & Regeneration								
Mitcham Regen - Canons Parks for People	(1)	0	1,000,000	1,000,000	0	533,020	533,020	Re-profiled in line with anticipated spend
Parks - Canons Parks for People	(1)	0	500,000	500,000	0	178,770	178,770	Re-profiled in line with anticipated spend
Total		0	1,500,000	1,500,000	0	711,790	711,790	

Capital Programme Funding Summary 2018/19

	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
Approved May 2018 Monitoring	30,099	15,768	45,868
<u>Community and Housing</u>			
Laptops for Staff	(4)	0	(4)
Mosaic Report Development	(2)	0	(2)
<u>Environment and Regeneration</u>			
Mitcham Regen - Canons Parks for People	(303)	(2,230)	(2,533)
Parks - Canons Parks for People	0	(1,179)	(1,179)
Proposed Capital Programme	29,791	12,360	42,150

Capital Programme Funding Summary 2019/20

	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
Approved May 2018 Monitoring	43,545	3,123	46,668
<u>Environment and Regeneration</u>			
Mitcham Regen - Canons Parks for People	303	697	1,000
Parks - Canons Parks for People	0	500	500
Proposed Capital Programme	43,849	4,319	48,168

Capital Programme Funding Summary 2020/21

	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
Approved Programme - May Monitoring	11,614	2,180	13,794
<u>Environment and Regeneration</u>			
Mitcham Regen - Canons Parks for People	0	1,000	1,000
Parks - Canons Parks for People	0	500	500
Proposed Capital Programme	11,614	3,680	15,294

Capital Programme Funding Summary 2021/22

	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
Approved Programme - May Monitoring	18,702	930	19,632
<u>Environment and Regeneration</u>			
Mitcham Regen - Canons Parks for People	0	533	533
Parks - Canons Parks for People	0	179	179
Proposed Capital Programme	18,702	1,642	20,344

APPENDIX 6

Department	Target Savings 2018/19	Projected Savings 2018/19	Period 3 Forecast Shortfall	Period Forecast Shortfall (P3)	2019/20 Expected Shortfall
	£000	£000	£000	%	£000
Corporate Services	2,024	1,549	475	23.5%	375
Children Schools and Families	489	489	0	0.0%	0
Community and Housing	2,198	1,858	340	15.5%	(100)
Environment and Regeneration	1,874	1,388	486	25.9%	162
Total	6,585	5,284	1,301	19.8%	437

DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2018/19

Ref	Description of Saving	2018/19 Savings Required £000	2018/19 Expected Savings £000	Shortfall £000	RAG	2019/20 Savings Expected £000	2019/20 Expected Shortfall £000	19/20 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend ? Y/N
Adult Social Care											
CH55	Less 3rd party payments through "Promoting Independence" throughout the assessment, support planning and review process and across all client groups. Aim to reduce Res Care by £650k and Dom Care by £337k.	987	987	0	G	987	0	G	Richard Ellis	£561k achieved as at June 2018	Y
CH73	A review of management and staffing levels of the AMH team in line with the reductions carried out in the rest of ASC.	100	0	100	R	100	0	G	Richard Ellis	Work is ongoing regarding the integration model for mental health	Y
CH36	Single homeless contracts (YMCA, Spear, Grenfell) - Reduce funding for contracts within the Supporting People area which support single homeless people - Reduced support available for single homeless people - both in terms of the numbers we could support and the range of support we could provide. In turn this would reduce their housing options. (CH36)	38	38	0	A	38	0	G	Richard Ellis	Project lead recruitment in progress. Plan & timetable in place	Y
Page 95 CH71	Transport: moving commissioned taxis to direct payments. Service users can purchase taxi journeys more cheaply than the council.	50	50	0	A	50	0	G	Richard Ellis	Analysis done. Project resource to be allocated	Y
CH72	Reviewing transport arrangements for in-house units, linking transport more directly to the provision and removing from the transport pool.	100	0	100	R	0	100	A	Richard Ellis	Not achievable in 1819	Y
CH74	The implementation of the MOSAIC social care system has identified the scope to improve the identification of service users who should contribute to the costs of their care and assess them sooner, thus increasing client income. Assessed as a 3% improvement less cost of additional staffing	231	231	0	G	231	0	G	Richard Ellis	Additional income from more efficient processes	Y
Subtotal Adult Social Care		1,506	1,306	200		1,406	100				
Library & Heritage Service											
CH56	Introduce a coffee shop franchise across 6 libraries	30	30	0	G	30	0	G	Anthony Hopkins		Y
Housing Needs & Enabling											
CH42	Further Staff reductions. This will represent a reduction in staff from any areas of the HNES & EHH :	62	62	0	A	62	0	G	Steve Langley	Work on demand and resources is in progress, alongside a review of housing related support contracts.	Y

DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES - PROGRESS ON SAVINGS 18-19

Ref	Description of Saving	2018/19 Savings Required £000	Shortfall	18/19 RAG	2019/20 Expected Shortfall £000	19/20 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
	<u>Schools</u>								
CSF2015-03	Increased income from schools and/or reduced LA service offer to schools	200	0	G	0	G	Jane McSherry		N
	<u>Commissioning, Strategy and Performance</u>								
CSF2015-04	Commissioning rationalisation	60	0	G	0	G	Leanne Wallder		N
	<u>Cross cutting</u>								
CSF2017-01	Review of non-staffing budgets across the department	106	0	G	0	G	Jane McSherry		N
CSF2017-02	Reduction in business support unit staff	33	0	G	0	G	Jane McSherry		N
	<u>Children Social Care</u>								
CSF2017-03	Delivery of preventative services through the Social Impact Bond	45	0	G	0	G	Jane McSherry		N
CSF2017-04	South London Family Drug and Alcohol Court commissioning	45	0	G	0	G	Jane McSherry		N
	Total Children, Schools and Families Department Savings for 2017/18	489	0		0				

DEPARTMENT: ENVIRONMENT & REGENERATION SAVINGS PROGRESS: 2018-19

Ref	Description of Saving	2018/19 Savings Required £000	2018/19 Savings Expected £000	Shortfall	18/19 RAG	2019/20 Savings Expected £000	2019/20 Expected Shortfall £000	19/20 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
SUSTAINABLE COMMUNITIES											
E&R6	Property Management: Reduced costs incurred as a result of sub-leasing Stouthall until 2024.	18	18	0	G	18	0	G	James McGinlay		N
ENV14	Property Management: Increase in income from rent reviews of c60 properties.	100	100	0	G	100	0	G	James McGinlay	Performance dependent on implementation of commercial property review.	N
ENV16	Traffic & Highways: Further reductions in the highways maintenance contract costs following reprourement	65							James McGinlay	For both 2018-19 and 2019-20 these savings are covered by Growth (ERG1)	N
ENV17	Traffic & Highways: Reduction in reactive works budget	35							James McGinlay	For both 2018-19 and 2019-20 these savings are covered by Growth (ERG1)	N
ENV20	D&BC: Increased income from building control services.	35	0	35	R	35	0	A	James McGinlay	This has not been possible due to severe staff shortages and very difficult to fill posts	Y
ENV34	Property Management: Increased income from the non-operational portfolio.	40	40	0	G	40	0	G	James McGinlay		N
ENR8	Property Management: Increased income from rent reviews	150	150	0	G	150	0	G	James McGinlay	Performance dependent on implementation of commercial property review.	N
PUBLIC PROTECTION											
E&R7	Parking: Due to additional requests from residents, the budget will be adjusted to reflect the demand for and ongoing expansion of Controlled Parking Zone coverage in the borough.	163	163	0	G	163	0	G	Cathryn James		N
ENV07	Parking: Reduction in supplies & services/third party payment budgets.	60	13	47	R	13	47	R	Cathryn James	£13k saving will be made in CCTV but equipment savings of £47k will not be achieved in Parking due to continued necessary expenditure on P&D maintenance / technical team operations.	Y
ENR07	Regulatory Services: Funding of EH FTE by public health subsidy. As agreed between DPH and Head of PP .	40	0	40	R	0	40	R	Cathryn James	Alternative saving required	Y
ENR07	Regulatory Services: Investigate potential commercial opportunities to generate income	50	0	50	R	50	0	A	Cathryn James	Commercial income generating team to be established as part of the proposed restructure of regulatory services. Currently investigating charging for food hygiene rating rescues.	Y
ENR2	Parking & CCTV: Pay & Display Bays (On and off street)	44	22	22	R	44	0	G	Cathryn James	Implementation of saving delayed due to May 18 elections. Proposal now needs to urgently be put to new Cabinet member for approval. As a result, it is unlikely that any revenue effect be will be seen before Oct 18. The shortfall will be mitigated by over-achievement in other revenue streams.	Y
ENR3	Parking & CCTV: Increase the cost of existing Town Centre Season Tickets in Morden, Mitcham and Wimbledon.	17	0	17	R	17	0	G	Cathryn James	In May 2017, we were advised that members wanted options to review/increase permit prices for all Parking activities. These options have now been collated for presentation to the new Cabinet member following the May 18 election. Any increase in season tickets will form part of this as extensive work will be needed to change relevant TMOs / statutory notices etc. Once decided, it is unlikely that any price increases will be implemented before April 19. Shortfall will be mitigated by over-achievement in other revenue streams	Y
ALT1	Parking: The further development of the emissions based charging policy by way of increased charges applicable to resident/business permits as a means of continuing to tackle the significant and ongoing issue of poor air quality in the borough.	440	440	0	G	440	0	G	Cathryn James		N

DEPARTMENT: ENVIRONMENT & REGENERATION SAVINGS PROGRESS: 2018-19

Ref	Description of Saving	2018/19 Savings Required £000	2018/19 Savings Expected £000	Shortfall	18/19 RAG	2019/20 Savings Expected £000	2019/20 Expected Shortfall £000	19/20 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
PUBLIC SPACE											
E&R1	Leisure Services: Arts Development - further reduce Polka Theatre core grant	4	4	0	G	4	0	G	Anita Cacchioli		N
E&R2	Leisure Services: Water sports Centre - Additional income from new business - Marine College & educational activities.	5	5	0	G	5	0	G	Anita Cacchioli		N
E&R4	Leisure Services: Morden Leisure Centre	100	100	0	G	100	0	G	Anita Cacchioli		N
E&R20	Waste: To contribute to a cleaner borough, enforcement of litter dropping under EPA/ ASB legislation with FPN fines for contraventions.	-2	-2	0	G	-2	0	G	Anita Cacchioli	The level of income from the successful issuing and processing of FPN has remained constant. High payment rates are being achieved supported by the prosecution of non payment with full cost being award	N
ENV18	Greenspaces: Increased income from events in parks	100	100	0	A	100	0	A	Anita Cacchioli	Works on going to secure additional income from events.	N
ENV31	Waste: Commencing charging schools for recyclable waste (17/18) and food waste (18/19) collection	9	9	0	G	9	0	G	Anita Cacchioli	garanteed income being achieved. Risk is now manged by our collections contractor.	N
ENV32	Transport: Review of Business Support requirements	30	0	30	R	0	30	R	Anita Cacchioli	This can no longer be delivered as the service has transferred to the CSF commissioning team.	Y
ENV35	Waste: Efficiency measures to reduce domestic residual waste rounds by 1 crew following analysis of waste volumes and spread across week	150	150	0	G	150	0	G	Anita Cacchioli	This has been achieved as part of the Phase C savings	N
ENV37	Transport workshop: develop business opportunities to market Tacho Centre to external third parties	35	0	35	R	0	35	R	Anita Cacchioli	This can no longer be delivered as the facility is now under the operational mangement of our waste contractor.	Y
ENV38	Transport Services: Delete 1 Senior Management post	76	76	0	G	76	0	G	Anita Cacchioli	Completed - establishment and budget has been amended to reflect the reduction of post.	Y
ENV39	Waste: Wider Department restructure in Waste Services	200	0	200	R	200	0	A	Anita Cacchioli	This will not be delivered in 2018. Review and restructure still outstanding	Y
ENV40	Transport Services: Shared Fleet services function with LB Sutton	10	0	10	R	0	10	R	Anita Cacchioli	This can no longer be delivered as LB Sutton no longer require this service.	Y
Total Environment and Regeneration Savings 2017/18		1,874	1,388	486		1,712	162				

DEPARTMENT: CORPORATE SERVICES - PROGRESS ON SAVINGS 18-19

Ref	Description of Saving	2018/19 Savings Required £000	Shortfall	18/19 RAG	2019/20 Expected Shortfall £000	19/20 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Under spend?
Customers, Policy & Improvement									
CSD19	Staff reductions - Delete 1 FTE	49	0	G	0	G	Sophie Poole		Y
CS2015-11	Reduction in corporate grants budget	19	0	G	0	G	John Dimmer		Y
CSREP 2018-19 (7)	Translation - increase in income	10	0	A	0	A	Sean Cunniffe	The decision of existing customers to refer work elsewhere, within other organisations i.e. LB Sutton using RBK translation Services.	N
CSREP 2018-19 (16)	Operating cost reduction	11	0	G	0	G	Sophie Ellis		Y
Infrastructure & Technology									
CS71	Delete two in house trainers posts	43	0	G	0	G	Richard Warren		Y
CSD2	Energy Savings (Subject to agreed investment of £1.5m)	150	0	G	0	G	Richard Neal		Y
CS2015-09	Restructure of Safety Services & Emergency Planning team	30	0	G	0	G	Adam Vicarri		Y
CS2015-10	FM - Energy invest to save	465	465	R	365	A	Richard Neal	The capital spend to achieve this was slipped and hence the saving will be delayed with £100k expected in 19/20 and the balance in 20/21. Shortfall to be funded by Corporate Services reserve	Y
CSREP 2018-19 (1)	Renegotiation of income generated through the corporate catering contract	20	0	G	0	G	Edwin O Donnell		Y
CSREP 2018-19 (2)	Review the specification on the corporate cleaning contract and reduce frequency of visits	15	0	G	0	G	Edwin O Donnell		Y
CS2015-01	Reduction in IT support / maintenance contracts	3	0	G	0	G	Clive Cooke		Y
CS2015-02	Expiration of salary protection	16	0	G	0	G	Clive Cooke		Y
CSREP 2018-19 (13)	Business Improvement - Business Systems maintenance and supp	10	0	A	0	G	Clive Cooke	At risk due to APR increases by some suppliers.	Y
CSREP 2018-19 (14)	M3 support to Richmond/Wandsworth	20	0	A	0	G	Clive Cooke	This is dependent on agreement with RSSP, may be at risk if they don't migrate to M3 system	Y
CSREP 2018-19 (15)	Street Naming and Numbering Fees/Charges Review	15	0	G	0	G	Clive Cooke		Y
Corporate Governance									
CSD43	Share FOI and information governance policy with another Council	10	10	R	10	R	Karin lane		Y
CS2015-06	Delete auditor post and fees	50	0	G	0	G	Margaret Culleton		Y

CS2015-12	Savings in running expenses due to further expansion of SLLP	41	0	G	0	G	Fiona Thomsen		Y
CSREP 2018-19 (9)	Corp Gov -Reduction in running costs budgets	11	0	G	0	G	Julia Regan		Y
CSREP 2018-19 (10)	SLLp - Increase in legal income	25	0	G	0	G	Fiona Thomsen		Y
CSREP 2018-19 (11)	Audit and investigations	50	0	G	0	G	Margaret Culleton		Y
	<u>Resources</u>								
CSD20	Increased income	16	0	G	0	G	Nemashe Sivayogan		Y
CSD27	Further restructuring (2 to 4 posts)	100	0	G	0	G	Roger Kershaw		Y
CS2015-05	Staffing costs and income budgets	75	0	G	0	G	Roger Kershaw		Y
CSREP 2018-19 (6)	Reduction in running costs budgets	9	0	G	0	G	David Keppler		Y
CSREP 2018-19 (3)	Miscellaneous budgets within Resources	13	0	G	0	G	Roger Kershaw		Y
CSREP 2018-19 (4)	Recharges to pension fund	128	0	G	0	G	Nemashe Sivayogan		Y
	<u>Human Resources</u>								
CSREP 2018-19 (12)	Reduction in posts across the department	185	0	G	0	G	Kim Brown		Y
	<u>Corporate</u>								
CSREP 2018-19 (5)	Council tax and business rates credits	220	0	G	0	G	Roger Kershaw		Y
CSREP 2018-19 (8)	Dividend from CHAS 2013 Limited	215	0	G	0	G	Ian McKinnon		Y
	Total Corporate Services Department Savings for 2018/19	2,024	475		375				

APPENDIX 7

Department	Target Savings 2017/18	2017/18 Shortfall	2018/19 Period 3 Projected shortfall	2019/20 Period 3 Projected shortfall	2018/19 Period 2 Projected shortfall	2019/20 Period 2 Projected shortfall
	£000	£000	£000	£000	£000	£000
Corporate Services	2,316	196	0	0	0	0
Children Schools and Families	2,191	0	0	0	0	0
Community and Housing	2,673	201	149	49	200	200
Environment and Regeneration	3,218	1,953	805	0	443	0
Total	10,398	2,350	954	49	643	200

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

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

DEPARTMENT: CORPORATE SERVICES - PROGRESS ON SAVINGS 17-18

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

DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2017/18

Ref	Description of Saving	2017/18 Savings Required £000	Shortfall £000	17/18 RAG	2018/19 Expected Shortfall £000	18/19 RAG	2019/20 Expected Shortfall £000	19/20 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend ? Y/N
Adult Social Care											
CH57	Staff savings: transfer of savings from housing	50	19	R	0	G	0	G	Richard Ellis	To be met from housing related support review	Y
CH35, CH36, CH52	Supporting People: re-commissioning of former Supporting People contracts. Savings can be achieved by removing funding from community alarms and reducing the capacity for housing support (including single homeless, mental health and young people at risk)	100	100	R	100	R	0	G	Richard Ellis	Work on re-commissioning in progress	Y
Library & Heritage Service											
CH7	Introduce self-serve libraries at off peak times: Smaller libraries to be self-service and supported only by a security guard during off peak times (nb. Saving would be reduced to £45k if Donald Hope and West Barnes libraries are closed). 3.5FTE at risk	90	33	R	0	G	0	G	Anthony Hopkins	The new operating model went live in May 2018 and savings will continue to be achieved ongoing. The first year's underachievement was due to the savings only being realised over 11 months and increased one off spend for agency staff.	Y
Housing Needs & Enabling											
Page 104 H43	Further Staff reductions. This will represent a reduction in staff from any areas of the HNES & EHH :	100	49	R	49	R	49	R	Steve Langley		Y
Total C & H Savings for 2017/18			201		149		49			The department has looked at ways to mitigate unachieved savings in 18/19 by securing further under spends across C&H	

DEPARTMENT: ENVIRONMENT & REGENERATION SAVINGS PROGRESS: 2017-18

Ref	Description of Saving	2017/18 Savings Required £000	Shortfall	17/18 RAG	2018/19 Expected Shortfall £000	18/19 RAG	2019/20 Expected Shortfall £000	19/20 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
SUSTAINABLE COMMUNITIES											
ER23a	Staff savings from 6th month review following the merger of the traffic and highways and the FutureMerton team in to one team and further budget savings/adjustments within the controllable expenditure budgets	214							James McGinlay	For 2017/18, 2018-19 and 2019-20 this saving is covered by Growth	N
ER23b	Restructure of team to provide more focus on property management and resilience within the team.	18	18	R	18	R	0	A	James McGinlay	Business Case for restructure in progress, but due to the delay it's unlikely to be fully achieved this financial year. Saving being achieved through rents (reported through monthly budget return).	Y
E&R5	Team transformation and asset review	82	0	G	0	G	0	G	James McGinlay		N
E&R32	Income from wifi concessionary contract to be let from 2015/16	5							James McGinlay	For 2017/18, 2018-19 and 2019-20 this saving is covered by Growth	N
E&R34	Alternative delivery model of highway safety inspection service	30							James McGinlay	For 2017/18, 2018-19 and 2019-20 this saving is covered by Growth	N
E&R35	Reduce street lighting contract costs	25	0	G	0	G	0	G	James McGinlay	Contract renegotiated	N
E&R37	Introduction of Lane rental approach to Highways works to assist in reducing congestion.	50							James McGinlay	For 2017/18, 2018-19 and 2019-20 this saving is covered by Growth	N
E&R41	Staff restructure	80							James McGinlay	For 2017/18, 2018-19 and 2019-20 this saving is covered by Growth	N
D&BC1	Fast track of householder planning applications	55	55	R					James McGinlay	A replacement saving (ALT1) implemented in 2018/19, was agreed by Cabinet in November 2017.	N
D&BC2	Growth in PPA and Pre-app income	50	50	R					James McGinlay	A replacement saving (ALT1) implemented in 2018/19, was agreed by Cabinet in November 2017.	N
D&BC3	Commercialisation of building control	50	50	R					James McGinlay	A replacement saving (ALT1) implemented in 2018/19, was agreed by Cabinet in November 2017.	N
D&BC4	Deletion of 1 FTE (manager or deputy) within D&BC	45	45	R	45	R	0	A	James McGinlay		Y
D&BC5	Eliminate the Planning Duty service (both face to face and dedicated phone line) within D&BC	35	35	R					James McGinlay	A replacement saving (ALT1) implemented in 2018/19, was agreed by Cabinet in November 2017.	N
D&BC6	Stop sending consultation letters on applications and erect site notices	10	10	R					James McGinlay	A replacement saving (ALT1) implemented in 2018/19, was agreed by Cabinet in November 2017.	N
ENV15	Reduction in street lighting energy and maintenance costs. Would require Capital investment of c£400k, which forms part of the current capital programme - Investment in LED lights in lamp Column stock most capable of delivering savings	148	48	R	0	G	0	G	James McGinlay		N
ENV16	Further reductions in the highways maintenance contract costs following reprocurement. Part year effect in 17/18 due to contract start date mid year.	65							James McGinlay	For 2017/18, 2018-19 and 2019-20 this saving is covered by Growth	N
ENV17	Reduction in reactive works budget	30							James McGinlay	For 2017/18, 2018-19 and 2019-20 this saving is covered by Growth	N
ENV20	Increased income from building control services.	35	35	R					James McGinlay	A replacement saving (ALT1) implemented in 2018/19, was agreed by Cabinet in November 2017.	N
ENV24	Cease subscription to Urban London and Future London Leaders	10	0	G	0	G	0	G	James McGinlay		N
ENV34	Increased income from the non-operational portfolio.	8	0	G	0	G	0	G	James McGinlay		N
SENIOR MANAGEMENT											
ENV01	Reduce the level of PA support to Heads of Service by 0.6fte.	19	0	G	0	G	0	G	Chris Lee		N
PUBLIC PROTECTION											
EV11	Increase all pay and display charges for on and off street parking by 10%. it should be noted that no allowance has been made for elasticity of demand this figure could reduce by 25%	125	0	G	0	G	0	G	Cathryn James		N
E&R7	Due to additional requests from residents, the budget will be adjusted to reflect the demand for and ongoing expansion of Controlled Parking Zone coverage in the borough.	163	0	G	0	G	0	G	Cathryn James		N
E&R8	In response to residents concerns about traffic congestion, enforcement of moving traffic contraventions, following the Implementation of ANPR.	-1,540	0	G	0	G	0	G	Cathryn James		N
E&R14	Further expansion of the Regulatory shared service.	100	100	R	50	R	0	A	Cathryn James	Wandsworth staff transferred under TUPE to Merton on 1st November with the new expanded service expected to go live in August/September 2018.	Y
E&R43	Reprofiling how Safer Merton will achieve savings of £70,000 in 2017-18. The reprofiling will see staff levels maintained and budget reductions met through cutting back on non statutory budgetary spend.	70	0	G	0	G	0	G	Cathryn James		N
ENV02	Review the current CEO structure, shift patterns and hours of operation with the intention of moving toward a two shift arrangement based on 5 days on/2 days off.	190	190	R	190	R	0	A	Cathryn James	This saving is not currently being achieved as the there has been slippage in the timetable for the restructure. Mitigation could come from increased revenue.	Y

DEPARTMENT: ENVIRONMENT & REGENERATION SAVINGS PROGRESS: 2017-18

Ref	Description of Saving	2017/18 Savings Required £000	Shortfall	17/18 RAG	2018/19 Expected Shortfall £000	18/19 RAG	2019/20 Expected Shortfall £000	19/20 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
ENV03	Reduction number of CEO team leader posts from 4 to 3	45	45	R	45	R	0	A	Cathryn James	This saving is not currently being achieved for the same reasons as those given in respect of ENV02 .	Y
ENV04	Improved management of traffic flows/congestion and availability of parking space through Increase compliance	250	0	G	0	G	0	G	Cathryn James		N
ENV05	Review the back office structure based upon the anticipated tailing off of ANPR activity and the movement of CCTV into parking services.	70	70	R	70	R	0	A	Cathryn James		Y
ENV06	Reduction in transport related budgets	46	46	R					Cathryn James	A replacement saving (ALT1) implemented in 2018/19, was agreed by Cabinet in November 2017.	N
ENV09	Investigate potential commercial opportunities to generate income	50	43	R	25	R	0	A	Cathryn James		Y
ENV10	Reduction in Transport/Supplies and Services budget through greater efficiency	10	0	G	0	G	0	G	Cathryn James		N
ENV33	Development of emissions based charging policy for resident/business permits recognising the damage particularly from diesel engined motor vehicles	250	0	G	0	G	0	G	Cathryn James		N
ENR3	Increase the cost of existing Town Centre Season Tickets in Morden, Mitcham and Wimbledon.	16	0	G	0	G	0	G	Cathryn James		N
PUBLIC SPACE											
E&R1	Arts Development - further reduce Polka Theatre core grant	5	0	G	0	G	0	G	Anita Cacchioli		N
E&R2	Water sports Centre - Additional income from new business - Marine College & educational activities.	10	0	G	0	G	0	G	Anita Cacchioli		N
E&R3	Various Budgets - Reduction in supplies & services &/or increased income over expenditure	16	0	G	0	G	0	G	Anita Cacchioli		N
E&R16	Procurement of waste, street cleansing, winter maintenance and fleet maintenance services (Phase C)	1,500	400	R	194	R	0	A	Anita Cacchioli	Full savings not achieved in Year 1 of contract. Actual savings delivered are being monitored closely	N
E&R20	Contribute to a cleaner borough, enforcement of litter dropping under EPA/ ASB legislation with FPN fines for contraventions.	-3	0	G	0	G	0	G	Anita Cacchioli		N
E&R25	Procurement of greenspace services as part 2 of the Phase C SLWP procurement contract with LB Sutton	160	116	R	0	G	0	G	Anita Cacchioli		N
ENV11	Source leisure and sports activities	59	0	G	0	G	0	G	Anita Cacchioli		Y
ENV12	Costs of head of section/amalgamated with head of Greenspaces	70	70	R	0	A	0	A	Anita Cacchioli		N
ENV13	Staff savings through the reorganisation of the back office through channel shift from phone and face to face contact.	70	70	R	70	R	0	A	Anita Cacchioli		N
ENV18	Increased income from events in parks	100	100	R					Anita Cacchioli	A replacement saving (ALT1) implemented in 2018/19, was agreed by Cabinet in November 2017.	N
ENV19	Planned re-distribution of North East Surrey Crematorium funds	90	0	G	0	G	0	G	Anita Cacchioli		N
ENV21	Reduction in the grant to Wandle Valley Parks Trust	6	6	R	0	G	0	G	Anita Cacchioli		N
ENV22	Reduction in grant to Mitcham Common Conservators.	24	0	G	0	G	0	G	Anita Cacchioli		N
ENV23	Further savings from the phase C procurement of Lot 2.	160	160	R	98	R	0	A	Anita Cacchioli	Saving forms part of Phase C, but may not be achieved this financial year.	N
ENV25	Department restructure of the waste section	191	191	R	0	G	0	G	Anita Cacchioli	Saving achieved as part of Phase C procurement and outsourcing of service. Budget reduced in line with savings target	N
ENV26	Re-balancing of rounds	20	0	G	0	G	0	G	Anita Cacchioli	Saving achieved as part of Phase C procurement and outsourcing of service. Budget reduced in line with savings target	N
ENV27	Remove free provision of food waste liners	66	0	G	0	G	0	G	Anita Cacchioli	Saving achieved as part of Phase C procurement and outsourcing of service. Budget reduced in line with savings target	N
ENV28	Divert gully waste and mechanical Street sweepings from landfill through pre-treatment and recycling	37	0	G	0	G	0	G	Anita Cacchioli	On going street sweeping are being diverted from landfill and disposal savings achieved. More work to be done in relation to gully waste to generate additional disposal savings .	N
ENV29	Realign budget to reflect actual income achieved through sale of textiles	20	0	G	0	A	0	A	Anita Cacchioli	This budget income is under pressure due to the fall in textile prices. This is currently mitigated by increased savings on disposal costs.	N
ENV30	Increase annual Garden Waste subscription fees by £5 p.a.	30	0	G	0	G	0	G	Anita Cacchioli	Completed - Income guaranteed by waste contractor	N
ENV31	Commencing charging schools for recyclable waste (17/18) and food waste (18/19) collection	102	0	G	0	G	0	G	Anita Cacchioli	Completed - Income guaranteed by waste contractor	N
ENV36	Review and removal of NRCs	50	0	G	0	G	0	G	Anita Cacchioli	Savings being delivered through the disposal cost to landfill.	N
Total Environment and Regeneration Savings 2016/17		3,218	1,953		805		0				

Appendix 8

Subject: Miscellaneous Debt Update June 2018

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

- 1.1 A breakdown of departmental net miscellaneous debt arrears, as at 30 June 2018, is shown in column F of the table below.
- 1.2 Please note that on the 6 February 2017 the new financial computer system E5 went live and this included the raising and collection of invoices and the debt recovery system.

Sundry Debtors aged balance – 30 June 2018 – not including debt that is less than 30 days old (Please note the new system reports debt up to 30 days whereas previously we reported up to 39 days)

Department a	30 days to 6 months b	6 months to 1 year c	1 to 2 years d	Over 2 years e	June 18 arrears f	Mar 18 Arrears	Direction of travel
	£	£	£	£	£	£	
Env & Regeneration	1,616,544	245,593	419,364	220,362	2,501,863	1,865,726	↑
Corporate Services	336,099	166,616	90,295	60,427	653,437	978,779	↓
Housing Benefits	806,407	633,650	1,012,516	2,302,092	4,754,665	4,695,713	↑
Children, Schools & Families	485,098	287,890	147,105	249,816	1,169,909	1,052,717	↑
Community & Housing	1,996,048	735,581	1,131,489	1,809,370	5,672,488	4,935,575	↑
Chief Executive's	0	0	0	0	0	0	↓
CHAS 2013	20,113	4,923	26,116	50,420	101,572	97,475	↑
Total	5,260,309	2,074,253	2,826,885	4,692,487	14,853,934	13,625,985	↑
Jun-17	6,316,331	1,793,452	2,481,712	3,599,246	14,190,741		
<i>Variance June 17 to June 18</i>	<i>-1,056,022</i>	<i>280,801</i>	<i>345,173</i>	<i>1,093,241</i>	<i>663,193</i>		↑

- 1.3 Since the position was last reported on 31 March 2018, the net level of arrears, i.e. invoices over 30 days old, has increased by £1,227,949.
- 1.4 The new financial system (E5) was implemented on 6 February 2017 and there was an initial delay in raising new invoices. There was also a

backlog of issuing invoices for Adult Social Care debt which was linked with the implementation of the new Social Care computer system (Mosaic). However, this backlog has now been addressed and invoicing was back on track in February 2018 as initially planned.

- 1.5 There has been an increase in debt for Environment and Regeneration of over £600,000, this is due to two areas that have seen increases, Trading standards (£400,000) and Community Infrastructure Levy (£200,000). There has also been an increase in Community and Housing of over £600,000, this is due to increases in MASCOT (£250,000), Public Health Re-charges (£240,000) and Service Accountancy (£170,000).
- 1.6 Since the data was extracted at the end of June the majority of the increased debt for Trading Standards, MASCOT Public Health and Service Accountancy have now been collected.
- 1.7 Actions being taken to collect housing benefit overpayments and Adult Social Care debt are detailed below in the report.

2 THE PROCESS FOR COLLECTION OF MISCELLANEOUS DEBT

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

The process for collecting debt

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

3. ACTION BEING TAKEN TO COLLECT OUTSTANDING DEBT

- 3.1 One of the two largest debts owed to the council is for Adult Social Care debt and the current level of debt is £4.976 million, a reduction of £0.462 million since last reported in March 2018.
- 3.2 Over the past few year's council staff have been working closely and following new processes to manage this debt. This work involves regular joint meetings between the financial assessments, social services, client financial affairs and debt recovery teams to review the debts of individual clients and establish action plans for each one.
- 3.3 These actions include, but are not limited to: early intervention from social workers to prevent debts from getting out of control and to ensure that clients are supported earlier to get their finances in order; as part of their induction all new Social Workers spend time with the Financial Assessment Team, to understand how financial assessments are carried out; social workers also check to see if there any safeguarding issues around non-payment of bills and work very closely with the Welfare Benefits Officer; there is more use of credit checks and land registry checks when assessing/investigating debt issues; increased involvement from the client financial affairs team to take appointeeship for those without capacity or appropriate deputyship; Increased identification of cases where we will consider legal action to secure the debt and generally to share information and support each other in the collection and prevention of this debt. New deferred payment arrangements are excluded from the debt position as the cases are managed separately within Community and Housing. Although the debt has grown the actions being taken are mitigating the impact.
- 3.4 A new working group chaired by the Director of Community and Housing has been set up to monitor Community Care debt and to work across departments to improve processes and ensure best practice is in place to maximise collection of debts at all stages. As part of this a Lean review is taking place which will include the assessment and raising of invoices through to debt collection practices.
- 3.5 The table below shows the breakdown of Community Care debt by recovery action

Total Community Care Debt by recovery action as at June 2018 compared to June 2016, December 2016, June 2017 and March 2018

Please note that debt at invoice stage is where the invoice is less than 30 days old so not included in table 1 above under Community and Housing.

Adult Social Care Debt	Jun 2016	% at stage	Dec 2016	% at stage	Jun 2017	% at stage	Mar-18	% at stage	Jun-18	% at stage
Invoice stage	387,608	9%	646,210	13%	1,129,190	11%	959,618	17%	360,575	7%
Charge & Deferred Payment	775,880	18%	635,671	13%	311,604	7%	258,470	5%	255,870	5%
Payment arrangement	462,801	11%	235,667	5%	273,316	6%	232,088	4%	178,224	4%
Probate, DWP & Deputyship	944,870	22%	771,456	15%	553,437	13%	491,306	9%	476,696	10%
Court action	141,345	3%	188,264	4%	184,781	3%	84,958	1%	84,598	2%
Dept or service query	182,702	4%	286,782	6%	90,530	2%	71,185	1%	25,097	1%
No action secured	1,460,347	33%	2,186,747	44%	1,380,647	58%	2,420,165	46%	2,271,872	45%
J&P							920,885	17%	1,323,327	26%
Total Debt	4,355,553		4,950,797		3,923,505		5,438,675		4,976,259	

- 3.6 In February 2018 agreement was reached with a specialist Adult Social Care debt collection company to collect some of our larger debts and debts for deceased debtors for a one year trial. Already we have had three cases paid in full for £35,000, £32,000 and £12,000 debts.
- 3.7 In the last quarter the debt recovery team have obtained payments to clear debts for £66,000, £34,000 and £25,000.
- 3.8 The team are working closely with Financial Assessments to assist with obtaining information from clients so that accurate re-assessments are undertaken. This ensures that recovery of debts is based on correct charges and invoices rather than disputed amounts.
- 3.9 Additional resources within the debt recovery team have been allocated to work on adult social care cases in an attempt reduce the debt outstanding.
- 3.10 The largest area of debt owed to the council is for housing benefit overpayments with the total level of debt being £8.3 million, of which £4.7 million is within the sundry debt system and the remainder of the debt is still within the housing benefit system.
- 3.11 The Department of Work and Pensions commenced a "Real Time" Information initiative at the end of September 2014 which was aimed at ensuring that earnings and pensions data within the housing benefit system matched that held by HMRC. At the same time they also commenced another initiative to identify fraud and error.

- 3.12 The DWP have provided additional funding to the council to undertake this work and up until March 2017 granted additional income based on targets met.
- 3.13 The Real Time information initiative continued throughout 2017/18 and will again run in 2018/19. The council receives up to 700 referrals every month where the information held in the HMRC system differs from that held in the housing benefit system.
- 3.14 Since the start of the Real Time information initiative over £5.4 million of overpayments have been identified. Where possible these overpayments are being recovered from on-going benefit payments. We are entitled to deduct between £10.95 and £23.35 per week from on-going housing benefit dependant on circumstances. Where the change has resulted in housing benefit being cancelled or nil entitlement we can contact the claimants employer and are paid a percentage deduction of their salary each month. So far we have over £450,000 secured by this method.
- 3.15 Although the overall housing benefit debt has increased over the years there has also been an increase in the amount of debt either being recovered from on-going benefit or on arrangements, with £2.7 million being recovered from on going benefit by reducing current housing benefit payments. Just over £5.6 million is on a payment arrangement or recovery from on going benefit
- 3.16 The table below shows breakdown of all housing benefit overpayments by recovery action.

Total Housing Benefit Debt by recovery action from June 16 to June 18 by quarter

Recovery Stage	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Mar-18	Jun-18
Invoice and Reminder stage	667,690	624,877	874,548	723,613	284,713	379,477	340,008	312,186
On-going recovery	2,928,207	3,048,093	3,032,558	2,928,992	3,363,611	3,354,237	3,032,656	2,775,552
Payment Arrangements	1,922,400	2,134,893	2,220,007	2,314,257	2,353,352	2,511,028	2,647,525	2,826,435
No Arrangements secured	2,528,002	2,544,392	2,162,070	2,113,587	2,665,410	2,387,794	2,427,693	2,384,329
Total HB Debt	8,046,299	8,352,255	8,289,183	8,080,449	8,667,086	8,632,536	8,447,882	8,298,502

- 3.17 We have continued to review and target all housing benefit debt. We have tried to improve the procedures at the beginning of the process when a debt is first identified by ensuring that invoices are raised as soon as possible to give the best chance of recovery, we are targeting debtors who are now in work and we will be applying to recover the overpayments from their employers and we are looking at the oldest debts to consider if they are still collectable. However, it should be noted that a lot of the housing benefit debt is very difficult to recover as the Council's powers of recovery are very limited unless the debtor works or owns their own property.
- 3.18 We commenced another new DWP initiative to assist with the collection of unpaid overpayments. On a monthly basis we provide a list of debts to the DWP who will compare it to HMRC data and highlight where customers are now working so that we can apply for an attachment to their earnings. This commenced in May 2018 and within the first month we have applied for over 180 attachment to earnings to recover unpaid overpayments. This will hopefully secure payments and improve collection.
- 3.19 The table below shows the amount of debt written off in accordance with financial regulations and scheme of management in 2014/15, 2015/16, 2016/17 and 2017/18.

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

	2014/15	2015/16	2016/17	2017/18	2018/19				2018/19
	Total	Total	Total	Total	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Debt type									
Sundry Debt	£347,726	£581,419	£129,338	£443,317					£0
Housing benefit overpayments	£1,050,105	£510,352	£517,467	£512,379					£0
Council Tax	£526,881	£951,280	£623,486	£804,987					£0
Business Rates	£790,373	£659,514	£567,908	£378,155					£0
Total	£2,715,085	£2,702,565	£1,838,199	£2,138,838	£0				£0

- 3.20 No debt has been written off in the first quarter of 2018/19.
- 3.21 Of the business rates debt written off a large proportion relates to debts owed by businesses that went into liquidation. From 2014/15 to 2016/17 £2.017 million of business rates debt was written off and £1.071 million related to businesses that went into liquidation.
- 3.22 Although the debt written off within any of the years does not relate to one specific year it should be noted that in 2017/18 the council was collecting a net debt of £107.1 million in council tax (this includes the GLA portion), a net debt of £93.1 million in business rates (this includes Business Rates Supplement) and approximately £44 million raised through sundry debts.

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

4. **SUNDRY DEBT COLLECTED**

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

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

5. **PROVISION FOR BAD AND DOUBTFUL DEBTS**

5.1 Provision has been made in the draft 2017/18 account for writing off bad and doubtful debts held within the ASH, E5 and Housing benefits systems. These provisions are £3.441m for Accounts Receivable (including former ASH) miscellaneous debt and £6.504m for debt held in the Housing Benefits system, making a total General Fund provision for bad and doubtful debts of £9.945m. Clearly, every attempt is made to collect debts before write-off is considered. The current level of General Fund provision is analysed in the table below.

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

Provision for Bad and Doubtful Debts

Department	Total Provision	
	At 31/03/2017	At 31/03/2018
	£000's	£000's
Env & Regeneration	294	607
Corporate Services	221	171
Housing Benefits	6,947	6,504
Children, Schools & Families	296	413
Community & Housing	2,148	2,250
Total	9,906	9,945

6. TOTAL DEBT DUE TO MERTON

The total amount due to Merton as at 30 June 2018 is detailed in the table below.

Total debt outstanding as at 31 March 2018 and compared with previous periods over the past 18 months

	Dec-16	Mar-17	Jun-17	Sep-17	Mar 18	Jun-18
	£	£	£	£	£	£
Miscellaneous sundry debt Note 1	13,588,220	7,067,219	12,454,666	17,256,834	15,778,776	14,758,378
Housing Benefit debt	8,289,183	8,080,449	8,667,087	8,632,539	8,447,884	8,298,503
Parking Services	3,425,473	3,526,192	4,451,650	4,692,186	4,876,618	4,398,706
Council Tax Note 2	3,822,875	3,866,556	6,940,774	6,262,466	7,601,390	7,340,722
Business Rates Note 3	972,883	654,794	2,558,946	2,160,057	2,857,363	2,806,594
Total	30,098,634	23,195,210	35,073,123	39,004,082	39,562,031	37,602,903

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

Note 2 Council tax debt now includes unpaid council tax for 2017/18 in March 18 figures hence the increase.

Note 3 Business rates debt now includes unpaid business rates for 2017/18 in March 18 figure hence the increase.

Note 4 From April 2017 council tax and business rates debt is being reported and monitored different. From April 2017 we will report the gross debt position whereas previously we have reported the net debt position (netting off credits on accounts).

- 6.1 The overall debt outstanding has reduced by £1,959,128 since last reported at the end of March 2018.
- 6.2 The data for June 2018 cannot be directly compared to June 2017 as there was a delay in issuing invoices due to the implementation of E5 in February 2017.
- 6.3 Included in the £14.75 million sundry debt outstanding is £4.7 million of invoices that are less than 30 days old.

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

Car Parking Aged Debtors – 30 June 2018

Age of Debt	Outstanding £	Number of PCNs	Average Value £
0-3 months	1,349,495	11,379	119
3-6 months	685,858	4,205	163
6-9 months	551,086	3,123	176
9-12 months	521,357	2,964	176
12-15 months	539,198	3,131	172
Older than 15 months	751,712	4,523	166
Total June 2018	4,398,706	29,325	150

Total March 2018 £4,876,618 32,111

Increase/-decrease -£477,912 -32,786

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

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Overview and Scrutiny Commission – financial monitoring task group

Meeting date 30 August 2018

Establishment Control and Vacancy reporting

Lead officer: Kim Brown – HR lead

Lead member: Councillor Mark Allison

Contact officer: Kim Brown ext 3152

Recommendations:

A. To discuss and comment on the contents of this report

1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1. The last report to this committee reported data as at Q3 2017/18, 31 December 2017.
- 1.2. This report provides data as at 4th quarter 2017/18 (data as at 31 March 2018) and 1st quarter 2018/19 (data as at 30 June 2018). It is intended to provide quarterly updates to coincide with the financial monitoring reports, with quarter 2 coming to the 13 November 2018 and Quarter 3 to the 25 February 2019 meeting.
- 1.3. The data reflects further work to align iTrent, our personnel and payroll system, agency workers and interims with the established posts they are covering.
- 1.4. A mechanism is in place to convert agency workers to Employees, subject to safeguards to ensure there is no conflict of interest and that named individuals are not hired via agency on an interim basis and then offered direct employment with no competitive selection.

2 DETAILS

- 2.1. Annex A shows the positions as at 31 March 2018, and Annex B the position as at 30 June 2018. The appendices show vacancies not filled by direct employees, and vacancies not filled by either a direct employee or an agency worker/consultant. The size of establishment is measured in terms of authorised Full Time Equivalents (FTEs), rather than numbers of posts, and therefore the appendix totals FTEs for budgeted posts, employees, agency workers and vacancies.
- 2.2. A change was made in the last reported quarter to also show the budgeted FTEs at time of revenue budget setting alongside the actual FTE establishment, based on iTrent data the report dates. The two figures can vary due, for example, to in-year

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

3 ALTERNATIVE OPTIONS

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

4 CONSULTATION UNDERTAKEN OR PROPOSED

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

5 TIMETABLE

- 5.1. Subject to the timing of committee dates it is proposed to provide a quarterly update to this committee, based on data as at, 30th June, 30th September 31st December and 31st March each year. Heads of Service will receive a monthly update of establishment details in their area so that they can address any corrections required.

6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

- 6.1. Employees account for 15% of the gross General Fund spend in the authority. Having an accurate establishment helps managers plan their service, account for their costs and ensure delivery of staff related savings and financial implications.
- 6.2. As a result of the earlier technical establishment exercise and ongoing establishment controls, each post will be linked to appropriate budgetary provision.

7 LEGAL AND STATUTORY IMPLICATIONS

- 7.1. There are no specific legal implications arising from this report.

8 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

- 8.1. There are no specific human rights, equalities or community cohesion implications arising from this report.

9 CRIME AND DISORDER IMPLICATIONS

- 9.1. There are no crime disorder implications arising from this report.

10 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

- 10.1. There are no specific risk or health and safety issues arising from this report.

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

- Annex A – establishment analysis including FTE agency workers and vacancies as at 31st March 2018
- Annex B – establishment analysis including FTE agency workers and vacancies as at 30th June 2018

12 BACKGROUND PAPERS

- 12.1 NONE

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Column	Explanatory Notes
	<p>The tables have been simplified to focus on FTE establishment, FTE employees and agency workers and FTE vacancies - with the aim of making them easier to read and understand.</p> <p>The data excludes Schools and Apprentices</p>
Budgeted FTE Establishment	The total budget FTE
FTE Employees	Total FTE employees
Vacancies: Budgeted FTE less FTE Employees	Budgeted FTE less FTE employees, i.e. the vacancies before accounting for agency workers
FTE vacancies covered by agency workers	Total FTE agency workers
Unfilled vacancies	Total FTE vacancies not filled by an employee or covered by an agency worker

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Department	iTrent FTE Establishment	FTE Employees	Vacancies: iTrent Estab FTE less FTE Employees
Corporate Services	522.04	427.73	94.31
Children Schools and Families	563.09	457.95	105.14
Community and Housing	419.99	343.01	76.98
Environment and Regeneration	438.05	330.73	107.32
Total	1943.17	1559.42	383.75

it 30th June 2018

FTE vacancies covered by agency workers	Unfilled vacancies
59.29	35.02
67.40	37.74
23.60	53.38
56.17	51.15
206.46	177.29

Department / Team	Sub Team (if any)	iTrent FTE Establishment	FTE Employees	Vacancies: iTrent Estab FTE less FTE Employees	FTE vacancies covered by agency workers	Unfilled vacancies
Chief Exec - Management		2.00	2.00	0.00	0.00	0.00
Chief Exec - Management Total		2.00	2.00	0.00	0.00	0.00
Corporate Governance						
Democracy Services		13.70	13.14	0.56	0.00	0.56
Electoral Services		6.50	3.50	3.00	0.00	3.00
Information		11.01	11.39	-0.38	0.00	-0.38
South London Legal Partnership		110.76	80.99	29.77	32.69	-2.92
Management		1.00	1.00	0.00	0.00	0.00
Corporate Governance Total		142.97	110.02	32.95	32.69	0.26
Customers, Policy and Improvement						
Communications		5.00	1.80	3.20	2.00	1.20
	Community Engagement	2.00	1.50	0.50	0.00	0.50
Continuous Improvement		4.00	4.00	0.00	0.00	0.00
Customer Contact	Reception - Contact Centre & Cash Office	19.03	17.29	1.74	0.60	1.14
	Registrars	10.30	5.20	5.10	0.00	5.10
	Translation	2.00	1.60	0.40	0.00	0.40
	Web Team	2.00	2.00	0.00	0.00	0.00
	Management	2.00	2.00	0.00	0.00	0.00
Customer Contact Programme		4.00	0.00	4.00	1.00	3.00
Policy Strategy & Partnerships		4.60	4.60	0.00	0.00	0.00
Management		3.00	2.71	0.29	0.00	0.29
Business Improvement (Corporate Services) Total		57.93	42.70	15.23	3.60	11.63
Executive						
Executive Assistant		1.00	1.00	0.00	0.00	0.00
Executive Total		1.00	1.00	0.00	0.00	0.00
Human Resources						
Human Resources	Advice and Consultancy	8.50	6.61	1.89	0.00	1.89
	HR Processing and Report	7.00	6.80	0.20	0.00	0.20
	Organisational Development & HR Strategy	16.00	12.67	3.33	1.00	2.33
	Staff Side - Merton	3.54	3.14	0.40	0.00	0.40
	Management	1.00	0.00	1.00	0.00	1.00
HR Total		36.04	29.22	6.82	1.00	5.82
Infrastructure & Technology						
Business Systems Team		31.20	23.20	8.00	6.00	2.00
Client Financial Affairs Team		6.00	4.80	1.20	1.00	0.20
Commercial Services		9.00	7.00	2.00	0.00	2.00
Facilities Management	Compliance and Maintenance	9.00	7.66	1.34	1.00	0.34
	Energy and Sustainability	3.00	3.00	0.00	0.00	0.00
	Facilities	5.60	4.60	1.00	2.00	-1.00
	Major Projects	3.00	0.00	3.00	2.00	1.00
	Post & Print	12.43	10.57	1.86	1.00	0.86
	Management	1.00	1.00	0.00	0.00	0.00
IT Service Delivery	Business Development and Projects	3.00	3.00	0.00	0.00	0.00
	IT Customer Support & Services	11.60	9.60	2.00	0.00	2.00
	IT Operations	14.00	11.00	3.00	1.00	2.00
	Management	3.00	3.00	0.00	0.00	0.00
Safety Services		4.00	4.00	0.00	0.00	0.00
Transactional Services	Trans Services (Accounts)	8.00	8.00	0.00	0.00	0.00
	Trans Services (Care First)	2.60	2.60	0.00	0.00	0.00
	Vendor Maintenance Officer	1.71	1.71	0.00	0.00	0.00
	Management	1.00	1.00	0.00	0.00	0.00
Management		2.00	2.00	0.00	0.00	0.00
Infrastructure & Technology Total		131.14	107.74	23.40	14.00	9.40
Resources						
Accountancy	Budget Team	15.00	9.40	5.60	3.00	2.60
	Corporate Accountancy	8.00	7.00	1.00	2.00	-1.00
	Service Financial Adviser CSF	4.50	4.43	0.07	0.00	0.07
	Management	1.00	1.00	0.00	0.00	0.00
Business Planning		10.00	8.00	2.00	1.00	1.00
Revenues and Benefits	Bailiffs	16.60	18.60	-2.00	0.00	-2.00
	Council Tax Incl R&B	1.00	1.00	0.00	0.00	0.00
	Council Tax Incl R&B Team 2	22.70	21.39	1.31	0.00	1.31
	HB Support	10.00	9.80	0.20	0.00	0.20
	Housing Benefits Incl Appeals	39.86	35.63	4.23	0.00	4.23
	Income Collection C Tax Recovery	11.80	10.80	1.00	0.00	1.00
	Management & Support	2.00	2.00	0.00	0.00	0.00
Treasury & Insurance		5.50	3.00	2.50	2.00	0.50
Management	Management	2.00	2.00	0.00	0.00	0.00
Resources Total		149.96	134.05	15.91	8.00	7.91
Management						
Management		1.00	1.00	0.00	0.00	0.00
Management Total		1.00	1.00	0.00	0.00	0.00
Grand Total		522.04	427.73	94.31	59.29	35.02

Department / Team	Sub Team (if any)	iTrent FTE Establishment	FTE Employees	Vacancies: iTrent Estab FTE less FTE Employees	FTE vacancies covered by agency workers	Unfilled vacancies
Children's Social Care & Youth Inclusion						
Access to Resources	Children with Disability Social Work Team	11.00	9.00	2.00	2.00	0.00
	Family Support Centre Bond Road	19.40	16.30	3.10	2.00	1.10
	Fostering Team	5.60	5.00	0.60	0.00	0.60
		13.10	11.10	2.00	0.00	2.00
Adolescent and Family Serv	Support Team	4.00	3.80	0.20	0.00	0.20
	Tackling Exploitation Team	3.00	3.00	0.00	0.00	0.00
	Transforming Families Team	12.24	10.60	1.64	3.00	-1.36
	Youth Justive Team (Risk and Court)	5.00	5.40	-0.40	0.00	-0.40
	Youth Justice Team (Safeguarding and Pa Management)	6.60	6.20	0.40	0.00	0.40
		1.00	1.00	0.00	0.00	0.00
MASH & Child Protection S	First Response Team 1	5.00	4.00	1.00	1.00	0.00
	First Response Team 2	5.00	3.00	2.00	2.00	0.00
	First Response Team 3	5.00	4.00	1.00	2.00	-1.00
	First Response Team 4	3.00	4.00	-1.00	1.00	-2.00
	MASH	7.60	3.60	4.00	5.00	-1.00
	Support Team	8.00	4.80	3.20	5.00	-1.80
	Management	1.00	1.00	0.00	1.00	-1.00
Permanency, Looked after	14+ Looked After & Leaving Care	21.97	14.06	7.91	0.00	7.91
	Adoption Team	7.90	6.90	1.00	1.00	0.00
	Permanency	6.00	6.10	-0.10	0.00	-0.10
	Quality Assurance & Panel	1.00	0.80	0.20	0.00	0.20
	Support Team	8.51	8.50	0.01	0.00	0.01
	Management	2.00	1.00	1.00	0.00	1.00
Quality Assurance and Prac	Support Team	7.60	4.00	3.60	4.00	-0.40
		13.70	12.20	1.50	4.00	-2.50
Safeguarding and Planning	Safeguarding and Care Planning Team 1	6.00	2.00	4.00	4.00	0.00
	Safeguarding and Care Planning Team 2	7.00	6.00	1.00	0.00	1.00
	Safeguarding and Care Planning Team 3	6.00	2.00	4.00	3.00	1.00
	Safeguarding and Care Planning Team 4	6.00	5.00	1.00	1.00	0.00
	Safeguarding and Care Planning Team 5	6.00	5.80	0.20	1.00	-0.80
	Support Team	7.00	6.60	0.40	1.00	-0.60
	Vulnerable Children Team	7.60	7.60	0.00	0.00	0.00
	Management	3.00	1.80	1.20	0.00	1.20
Management	Management	1.00	1.00	0.00	0.00	0.00
Children's Social Care & Youth Inclusion Total		233.82	187.16	46.66	43.00	3.66
Education Division						
Contracts and School Organ	Capital	2.00	1.00	1.00	0.00	1.00
	Contracts Management	6.00	6.00	0.00	0.00	0.00
	Schools Admissions	5.86	6.00	-0.14	0.00	-0.14
		1.00	1.00	0.00	0.00	0.00
Early Years Childcare and C	Brightwell Team	14.76	11.71	3.05	1.00	2.05
	Business, Finance and Resources	4.11	2.71	1.40	1.00	0.40
	Children's Centres	31.00	26.80	4.20	3.00	1.20
	Continuous Improvement, Inclusion, Port	58.92	47.24	11.68	1.00	10.68
	Early Years 0-5s Supporting Families	15.00	13.00	2.00	1.00	1.00
	Funded Places, Sufficiency and Informati	6.50	4.50	2.00	2.00	0.00
	Systems and Service Development	4.00	3.00	1.00	1.00	0.00
	Management	1.69	1.69	0.00	0.00	0.00
Education Inclusion	Education Welfare Service	10.35	8.59	1.76	3.40	-1.64
	Learning Behaviour & Language Team	17.03	15.43	1.60	1.00	0.60
	My Futures Team	9.00	4.60	4.40	2.00	2.40
	Parent Partnership Service	2.00	2.00	0.00	0.00	0.00
	Participation	2.09	2.00	0.09	0.00	0.09
	Virtual Behaviour Service (Youth Inclusio	10.70	10.80	-0.10	0.00	-0.10
	Youth Service	13.11	10.17	2.94	0.00	2.94
	Management	3.00	2.00	1.00	1.00	0.00
Merton School Improve	Education Support Team	1.60	1.60	0.00	0.00	0.00
	Equality & Diversity	4.39	3.89	0.50	0.00	0.50
	Educational Psychology Service	15.98	14.26	1.72	0.00	1.72
	Governance Team	3.00	3.00	0.00	0.00	0.00
	Schools ICT Support Management	6.60	5.00	1.60	0.00	1.60
	Strategic School Improvement	6.20	6.20	0.00	0.00	0.00
	Sensory Impairment Service	5.06	5.30	-0.24	0.00	-0.24
	Virtual Team	5.87	5.97	-0.10	0.00	-0.10
	Management	1.00	1.00	0.00	0.00	0.00
Policy, Planning & Perform	Business Support Team (CSPD)	4.00	2.00	2.00	2.00	0.00
	MCSB	2.60	2.60	0.00	0.00	0.00
	Research & Information	6.66	3.36	3.30	1.00	2.30
		3.36	2.36	1.00	1.00	0.00
SEN & Inclusion Service	0-25 SEND Intervention Team	7.00	3.00	4.00	0.00	4.00
	Assesment, Planning and Resource Team	12.93	8.11	4.82	2.00	2.82
	SEN Team	14.46	12.46	2.00	1.00	1.00
	Short Breaks Team	3.00	3.00	0.00	0.00	0.00
	Management	1.00	1.00	0.00	0.00	0.00
	Management	1.00	1.00	0.00	0.00	0.00
Education Division Total		323.83	265.35	58.48	24.40	34.08
Joint Commissioning & Partnerships						
Joint Commissioning & Partnerships		3.44	3.44	0.00	0.00	0.00
Commissioning, Strategy And Performance Division Total		3.44	3.44	0.00	0.00	0.00
Management & Exec Assistant						
Management & Exec Assistant		2.00	2.00	0.00	0.00	0.00

Management & Exec Assistant total	2.00	2.00	0.00	0.00	0.00
Grand Total	563.09	457.95	105.14	67.40	37.74

Department / Team	Sub Team (if any)	iTrent FTE Establishment	FTE Employees	Vacancies: iTrent Estab FTE less FTE Employees	FTE vacancies covered by agency workers	Unfilled vacancies
Adult Social Care						
Adult Social Care	Long Term Services	40.89	35.15	5.74	5.00	0.74
	Mental Health Team	26.23	18.00	8.23	4.00	4.23
	Operations and Commissioning	27.41	22.01	5.40	2.00	3.40
	Prevention and Recovery	85.33	67.16	18.17	7.00	11.17
	Safeguarding Team	5.60	5.60	0.00	0.00	0.00
	Management	3.00	3.00	0.00	0.00	0.00
Adult Social Care Total		188.46	150.92	37.54	18.00	19.54
Housing Services						
Housing Needs	Advice & Options	13.50	11.50	2.00	0.00	2.00
	Development	5.00	4.00	1.00	0.00	1.00
	Environmental Health (Housing) Team	5.03	2.80	2.23	1.00	1.23
	Housing Strategy	1.00	1.00	0.00	0.00	0.00
	Management	4.00	3.00	1.00	0.00	1.00
Housing Services Total		28.53	22.30	6.23	1.00	5.23
Libraries, Heritage and Adult Education Service						
Library Service	Heritage Centre	1.00	1.00	0.00	0.00	0.00
	Mitcham Library	3.80	3.80	0.00	1.00	-1.00
	Morden Library	5.46	5.46	0.00	0.00	0.00
	Pollards Hill & Colliers Wood Library	3.57	3.57	0.00	0.00	0.00
	Raynes Park & West Barnes Library	3.28	3.27	0.01	0.00	0.01
	Resources Team	2.00	2.00	0.00	0.00	0.00
	Service Development	2.00	2.00	0.00	0.00	0.00
	Wimbledon Library	7.43	7.44	-0.01	0.00	-0.01
		2.00	2.00	0.00	0.00	0.00
Adult Learning		3.90	3.80	0.10	1.00	-0.90
Management		1.00	1.00	0.00	0.00	0.00
Libraries, Heritage and Adult Education Service Total		35.44	35.34	0.10	2.00	-1.90
Provider Services						
All Saints/High Path Day Centre	All Saints	9.00	8.80	0.20	0.00	0.20
	High Path	7.71	6.51	1.20	0.00	1.20
		1.00	1.00	0.00	0.00	0.00
Jan Malinowski/Eastways Centre	Eastways Day Centre	7.64	7.50	0.14	0.00	0.14
	Jan Malinowski Centre	29.21	27.15	2.06	0.00	2.06
		1.00	1.00	0.00	0.00	0.00
Supported Living/Mascot/Glebelands	Glebelands	10.97	6.60	4.37	0.00	4.37
	Mascot	22.67	14.63	8.04	0.00	8.04
	Support Living Services	27.60	17.71	9.89	0.00	9.89
		1.00	1.00	0.00	0.00	0.00
Meadowsweet/Riverside	Meadowsweet	8.04	8.12	-0.08	0.00	-0.08
	Riverside Drive	15.66	14.66	1.00	0.00	1.00
		1.00	1.00	0.00	0.00	0.00
Merton Employment Team		2.60	2.31	0.29	0.00	0.29
Service Provision Business Support		3.00	1.60	1.40	0.00	1.40
Provider Services	Management	1.00	1.00	0.00	0.00	0.00
Provider Services Total		149.10	120.59	28.51	0.00	28.51
Public Health Team						
Public Health Team		14.46	10.86	3.60	1.60	2.00
Public Health Team Total		14.46	10.86	3.60	1.60	2.00
Management						
Management		4.00	3.00	1.00	1.00	0.00
Management Total		4.00	3.00	1.00	1.00	0.00
Grand Total Community & Housing		419.99	343.01	76.98	23.60	53.38

Department / Team	Sub Team (if any)	iTrent FTE Establishment	FTE Employees	Vacancies: iTrent Estab FTE less FTE Employees	FTE vacancies covered by agency workers	Unfilled vacancies
Public Protection						
Parking & CCTV Services	Parking Services	101.90	77.31	24.59	10.00	14.59
Regulatory Services Partner	Administration and Finance	3.00	2.00	1.00	1.00	0.00
	Environmental Health (Commercial)	10.48	6.40	4.08	3.00	1.08
	Environmental Health (Pollution)	10.00	7.44	2.56	3.00	-0.44
	Licensing	10.00	4.73	5.27	4.60	0.67
	Trading Standards	10.10	8.09	2.01	1.00	1.01
	Wandsworth Regulatory Services Team Management	65.57	57.67	7.90	4.00	3.90
Safer Merton - Strategic Team	Safer Merton Strategic Team	6.86	6.49	0.37	0.00	0.37
Safer Merton Operations Management	ASB Team Management	2.00	2.00	0.00	0.00	0.00
	Management	1.40	0.40	1.00	1.00	0.00
Public Protection total		222.31	173.53	48.78	27.60	21.18
Public Realm Contracting and Commissioning						
Leisure & Culture Development	Leisure Support Services	2.80	2.80	0.00	0.00	0.00
	Wimbledon Park Watersports Centre	7.00	6.00	1.00	0.00	1.00
	Management	1.00	1.00	0.00	0.00	0.00
Leisure & Culture Green Spaces	Arboricultural	2.00	2.00	0.00	0.00	0.00
	Events	1.40	0.00	1.40	0.00	1.40
	Greenspaces Development	6.30	6.30	0.00	0.00	0.00
	Mitcham Common	0.00	2.00	-2.00	0.00	-2.00
	Management	1.00	1.00	0.00	0.00	0.00
Strategic Partnership Team		1.00	1.00	0.00	0.00	0.00
Waste Engagement & Enforcement	Community Waste Partnerships	2.00	1.86	0.14	0.00	0.14
	Enforcement and Inspection	6.00	4.80	1.20	0.00	1.20
		1.00	0.60	0.40	0.00	0.40
Waste Services	Finance & Administration Support	2.00	2.00	0.00	0.00	0.00
	Finance and Performance	3.00	1.96	1.04	0.00	1.04
	Service Development & Strategy	4.69	2.29	2.40	0.00	2.40
	Training and Road Safety	1.00	0.50	0.50	0.00	0.50
	Transport and Operations	46.93	42.29	4.64	0.57	4.07
	Management	2.00	2.00	0.00	0.00	0.00
Management		5.00	3.71	1.29	1.00	0.29
Public Realm Contracting and Commissioning		96.12	84.11	12.01	1.57	10.44
Sustainable Communities						
Business Performance (Sustainable Communities)	Business Performance	1.57	1.00	0.57	0.00	0.57
Development Control	Admin & Finance	6.00	5.00	1.00	1.00	0.00
	Building Control	11.61	3.00	8.61	4.00	4.61
	Enforcement	5.50	4.50	1.00	0.00	1.00
	Planning Mitcham & Morden	11.00	5.20	5.80	4.00	1.80
	Planning Wimbledon	6.00	4.00	2.00	1.00	1.00
	Management	1.00	1.00	0.00	0.00	0.00
futureMerton	Commissioning	16.04	5.43	10.61	6.00	4.61
	Economy	6.00	4.46	1.54	0.00	1.54
	Infrastructure	30.30	21.30	9.00	7.00	2.00
	Programming	14.00	9.60	4.40	4.00	0.40
	Management	1.00	1.00	0.00	0.00	0.00
Property Management	Estates (Property Management)	3.00	2.00	1.00	0.00	1.00
	Finance & Admin (Property Management)	1.60	1.00	0.60	0.00	0.60
	Management -	1.00	1.00	0.00	0.00	0.00
Management	Management	2.00	1.60	0.40	0.00	0.40
Sustainable Communities Total		117.62	71.09	46.53	27.00	19.53
Management						
Management		2.00	2.00	0.00	0.00	0.00
Management Total		2.00	2.00	0.00	0.00	0.00
Grand Total		438.05	330.73	107.32	56.17	51.15

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Committee: Overview and Scrutiny Commission – Financial Monitoring Task Group

Date: 30 August 2018

Subject: Work programme

Lead officer: Julia Regan, Head of Democracy Services

Lead member: Councillor Peter Southgate, Chair, Overview and Scrutiny Commission

Recommendations:

- A. That the task group discuss and agree a small number of agenda items for future meetings, guided by but not limited to those set out in this report
-

1 TERMS OF REFERENCE

- 1.1. The terms of reference of the financial monitoring task group are:
- I. To carry out scrutiny of the council's financial monitoring information on behalf of the Overview and Scrutiny Commission;
 - II. To advise on other agenda items as requested by the Overview and Scrutiny Commission;
 - III. To report minutes of its meetings back to the Overview and Scrutiny Commission;
 - IV. To send via the Commission any recommendations or references to Cabinet, Council or other decision making bodies.
- 1.2. The meetings of the task group are held in public and the agenda and minutes are published on the Council's website.

2 FINANCIAL MONITORING REPORTS

- 2.1. Three dates have been identified for meetings in the 2018/19 meeting cycle for the purpose of receiving the quarterly financial monitoring reports as follows:
- 30 August 2018 - quarter 1 financial monitoring report 2018/19 plus outturn report for 2017/18
 - 13 November 2018 - quarter 2 financial monitoring report
 - 25 February 2019 - quarter 3 financial monitoring report
- 2.2. Should members wish, there may be a final meeting in July 2019 to consider the 2018/19 financial outturn report prior to it being received by Standards and General Purposes Committee.

3 OTHER WORK PROGRAMME ITEMS

- 3.1. In the past two years the financial monitoring task group has also carried out in-depth work ("deep dives") on a small number of service areas:

- asset management
- Wimbledon tennis championship – council’s relationship with AELTC
- the council’s approach to commercialisation
- the service and financial position of the council’s CHAS company
- transport services
- savings achieved by the customer contact programme
- overspend in the greenspaces budget
- budgets for supported lodging/housing, unaccompanied asylum seeking children and no recourse to public funds.

3.2. At its meeting in March 2018, the financial monitoring task group has suggested the following areas for review in 2018/19:

- update on Phase C costs and savings - this should include a statement from partner boroughs on whether their predicted savings are being realised.
- review of the treasury management strategy
- review of the capital programme - this should include information on the principles behind which items are capitalised and plans for future capital spend.
- review of the council’s progress in adopting commercial best practice as an item for its 2018/19 work programme.

The Corporate Services Departmental Management Team has also suggested the client financial affairs service as an area to review.

4 SETTING THE 2018/19 WORK PROGRAMME

4.1. Task group members are requested to discuss and agree a small number of items for deep-dive review at the meetings on 13 November 2018 and 25 February 2019. These may be items listed in section 3 above or items that emerge from scrutiny of the 2018/19 quarter 1 monitoring report.