

## Cabinet

Date: 19 September 2019

**Subject: Financial Report 2019/20 – June 2019**

Lead officer: Roger Kershaw

Lead member: Mark Allison

### Recommendations:

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- A. That Cabinet note the financial reporting data relating to revenue budgetary control, showing a forecast net overspend at year end of £0.708 million, 0.13% of gross budget.
  - B. That Cabinet note the contents of Section 4 of the report
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#### **1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY**

1.1 This is the financial monitoring report for period 3, 30 June 2019 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 2019/20;
- Progress on the delivery of the 2019/20 revenue savings

#### **2. THE FINANCIAL REPORTING PROCESS**

2.1 The budget monitoring process in 2019/20 continues to focus on children's social care, which overspent in 2018/19 and continues to have budget pressures. There will also be focus on adult social care placements where there is continued pressure. Equally budget monitoring will focus on accuracy of forecasting as the 2018/19 outturn underspend demonstrates some over cautious forecasting in certain services. It is equally important to forecast expected underspends as it is overspends to ensure the overall Council forecast position is accurate.

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 2019/20 FORECAST OUTTURN BASED UPON LATEST AVAILABLE DATA

**Executive summary** – At period 3 to 30<sup>th</sup> June 2019, the year-end forecast is a net £0.708m overspend compared to the current budget.

### Summary Position as at 30<sup>th</sup> June 2019

	Current Budget 2019/20 £000s	Full Year Forecast (June) £000s	Forecast Variance at year end (June) £000s	Forecast Variance at year end (May) £000s	Outturn variance 2018/19 £000s
<b>Department</b>					
3A. Corporate Services	11,122	10,424	(698)	(766)	(2,511)
3B. Children, Schools and Families	60,933	63,168	2,235	2,845	2,271
3C. Community and Housing	63,752	64,020	268	274	(197)
3D. Public Health	0	0	0	0	0
3E. Environment & Regeneration	15,831	15,401	(430)	(373)	(1,526)
Overheads	0	0	0	0	(33)
<b>NET SERVICE EXPENDITURE</b>	<b>151,638</b>	<b>153,013</b>	<b>1,375</b>	<b>1,980</b>	<b>(1,996)</b>
<b>3E. Corporate Items</b>					
Impact of Capital on revenue budget	10,481	10,481	0	0	403
Other Central budgets	(19,805)	(20,471)	(667)	0	(6,064)
Levies	949	949	0	0	0
<b>TOTAL CORPORATE PROVISIONS</b>	<b>(8,375)</b>	<b>(9,041)</b>	<b>(667)</b>	<b>0</b>	<b>(5,661)</b>
<b>TOTAL GENERAL FUND</b>	<b>143,264</b>	<b>143,972</b>	<b>708</b>	<b>1,980</b>	<b>(7,657)</b>
<b>FUNDING</b>					
Revenue Support Grant	0	0	0	0	0
Business Rates	(44,026)	(44,026)	0	0	0
Other Grants	(8,169)	(8,169)	0	0	0
Council Tax and Collection Fund	(91,070)	(91,070)	0	0	0
<b>FUNDING</b>	<b>(143,265)</b>	<b>(143,265)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>NET</b>	<b>(1)</b>	<b>707</b>	<b>708</b>	<b>1,980</b>	<b>(7,657)</b>

The current level of GF balances is £13.778m and the minimum level reported to Council for this is £12.53m.

## Corporate Services

<b>Division</b>	<b>2019/20 Current Budget</b>	<b>2019/20 Full year Forecast (June)</b>	<b>2019/20 Full Year Forecast Variance (June)</b>	<b>2019/20 Full Year Forecast Variance (May)</b>	<b>2018/19 Outturn Variance</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Customers, Policy & Improvement	3,573	3,370	(203)	(143)	(246)
Infrastructure & Technology	11,613	11,649	35	84	(64)
Corporate Governance	2,432	2,358	(74)	(112)	(294)
Resources	5,839	5,501	(338)	(420)	(707)
Human Resources	1,900	1,973	74	18	16
Corporate Other	853	661	(192)	(193)	(1,216)
<b>Total (Controllable)</b>	<b>26,210</b>	<b>25,512</b>	<b>(698)</b>	<b>(766)</b>	<b>(2,511)</b>

### Overview

At the end of period 3 (June) the Corporate Services (CS) department is forecasting an underspend of £698k at year end.

### Customers, Policy and Improvement - £203k under

Customer contact is forecasting a £119k underspend due to lower than budgeted licence costs. The licences to be extended are being reviewed and the forecast will be updated accordingly throughout the year. There is a forecast underspend of £39k on cash collections, capturing part of a future year saving early in 2019/20. The translations service has a forecast underspend of £29k, mainly as a result of additional income from internal translation requests compared to the budgeted amount and a vacancy within the team. Merton link is forecasting a £27k underspend owing to various running costs. Marketing and communications have a £45k underspend forecast from less than budgeted spend on the council magazine and graphic design, this is in line with the level of spend in 2018/19. A further £43k underspend is forecast on community engagement, this is a result of maternity leave in the team as well as there being no resident survey planned for 2019/20.

A £40k overspend is forecast on the registrars service relating to various running cost budgets such as ground maintenance and marketing as well as an underachievement of a staffing saving (2019-20 CS05). This is partly offset by the overachievement of income; however, income for 19/20 is expected to be £103k less than that achieved in 18/19 due to the Home Office no longer providing additional work. Additionally, press and PR are forecasting a £30k overspend due to underachievement of income.

Overall the forecast underspend on CPI has increased by £60k from period 2. This is mainly due to the identification of an underspend on customer contact, offset by reduced income forecasts on press and PR and the translation service.

### **Infrastructure & Technology - £35k over**

The main areas of overspend forecast within I&T are telecoms (£109k) due to delays in the PABX telecoms implementation and the Professional Development Centre (Chaucer Centre) (£85k) due to the underachievement of rental income. The business systems team is forecasting a further £10k overspend due to the underachievement of income. Facilities management are forecasting a £24k overspend due to staff budget pressures and the use of agency staff. The corporate print strategy is forecasting a £44k underspend due to less than budgeted multi-functional device (MFD) costs.

Various underspends within the division are partly offsetting the above overspends. IT service delivery is forecasting a £69k underspend due to less than budgeted licence costs and additional recharges to clients. The Civic Centre is forecasting a £29k underspend due to additional rental income and the print and post room are forecasting a £45k underspend with a vacancy held in the team.

The forecast overspend in I&T has reduced by £49k since period 2. This is mainly due to a correction of the corporate print strategy budget following the identification of a historic £44k error.

### **Corporate Governance – £74k under**

The underspend within Corporate Governance is formed of £7k from various running cost budgets held by the AD, £17k from democracy services largely due to a vacancy and £15k inflation. A further £23k underspend is forecast in the information governance team due to vacancies and consultants budget not required in year. The South London Legal Partnership (SLLp) are forecasting a £49k surplus, of which £10k is to be retained by Merton.

The forecast underspend on Corporate Governance has reduced by £38k from the position in period 2. This is due to estimated recruitment costs for replacing the outgoing AD of the division as well as reduced income forecast from LB Richmond as the interim replacement will not be acting as their monitoring officer. The income forecast for SLLp chargeable hours has also reduced from period 2.

### **Resources - £338k under**

There are various underspends forecast within senior management, made up of the Chief Executive's budget (£42k under), Director of Corporate Services (£71k under) and AD Resources (£89k under) due to subscription and consultancy budgets not expected to be required in year.

Accountancy has a £177k overspend forecast on corporate accountancy due to agency spend and additional bank charges being incurred in relation to RingGo payments. Mitigating actions to reduce the additional bank charges are being reviewed and the current forecast represents a worst case scenario at this point. As more information is gathered the updated overspend position will be examined and additional funding required from E&R budgets will be considered. This is part offset by a £16k underspend within budget management due to vacancies within the team.

A £30k overspend is forecast on the financial information system team mainly due to staffing costs, with a business case pending to review ongoing budget pressures within the team.

The insurance and treasury teams are forecasting a £64k underspend due to recovery of insurance premiums and additional recharges to the pension fund, part offset by an underachievement of schools buyback income.

The Merton and Sutton bailiff services are forecasting to underspend by £92k due to additional income in excess of the budget. Benefits administration is forecasting a £217k underspend mainly due to additional income from DWP for various schemes, though this is in part offset by agency spend. There is a forecast overspend of £45k on local taxation services due to various running costs and agency spend which is not fully offset by additional income relating to the cost of collection for NDR and council tax.

The forecast underspend in the resources division has reduced by £81k compared to period 2. This is mainly due to revenues and benefits which in total reduced the underspend position by £100k, primarily as a result of an in-depth quarterly review of the bailiff services identifying increased commission costs and reduced income projections. The income on these services is known to fluctuate throughout the year and will be kept under close review. The remaining change in forecast position is due to the banking cost forecast reducing by £20k.

**Human Resources – £74k over**

A small underspend on the AD budget is forecast as a result of a vacancy being held for part of the year. Payroll has an underspend forecast of £21k as a result of a restructure in year which captures part of a future year saving early. Occupational health fees are forecast to have a £10k underspend.

Learning and development is forecasting a £41k overspend due to the recruitment in progress for the Head of Organisational Development and HR Strategy and estimated interim agency costs. The underachievement of schools buy back income is also contributing to the HR overspend. A significant budget pressure within HR is from the transactions budget which is currently forecasting a £75k overspend. This is due a £15k budget pressure on DBS recharges to clients which no longer include an internal admin charge as the work is carried out by the London Borough of Kingston and the remainder relates to the shared payroll system and iTrent client team charges, also by the London Borough of Kingston.

Overall the HR overspend has increased by £56k, mainly due to increased recruitment costs, the forecasting of interim agency cover for two senior management posts and the implementation and licence cost of a new recruitment system.

**Corporate Items - £192k under**

The Housing Benefit budget shows a forecast surplus of £1.23m on the account against a budgeted surplus of £1m. The unbudgeted surplus relates to an underspend against the budget to top-up the bad debt provision, part offset by an overpayment recovery shortfall.

The Coroners Court is forecasting an overspend, pending updated information from Westminster on additional charges. This part offsets with additional income from the Magistrates court.

The forecast underspend on corporate items has changed by only £1k since period 2.

**Environment & Regeneration**

Environment & Regeneration	2019/20 Current Budget	Full year Forecast (June)	Forecast Variance at year end	Forecast Variance at year end	2018/19 Outturn Variance

	£000	£000	(June) £000	(May) £000	£000
Public Protection	(13,064)	(13,466)	(402)	(124)	(753)
Public Space	14,682	14,986	304	70	(1,449)
Senior Management	975	987	12	(38)	(17)
Sustainable Communities	8,074	7,730	(344)	(281)	694
<b>Total (Controllable)</b>	<b>10,667</b>	<b>10,237</b>	<b>(430)</b>	<b>(373)</b>	<b>(1,525)</b>

Description	2019/20 Current Budget £000	Forecast Variance at year end (June) £000	Forecast Variance at year end (May) £000	2018/19 Variance at year end £000
Overspend within Regulatory Services	552	76	116	112
Underspend within Parking Services	(14,487)	(669)	(452)	(964)
Overspend within Safer Merton & CCTV	871	191	212	99
<b>Total for Public Protection</b>	<b>(13,064)</b>	<b>(402)</b>	<b>(124)</b>	<b>(753)</b>
Overspend within Waste Services	13,716	321	113	(1,611)
Underspend within Leisure & Culture	416	(35)	0	(222)
Underspend within Greenspaces	1,245	(58)	(119)	145
Overspend within Transport Services	(695)	76	76	239
<b>Total for Public Space</b>	<b>14,682</b>	<b>304</b>	<b>70</b>	<b>(1,449)</b>
Overspend within Senior Management & Support	975	12	(38)	(17)
<b>Total for Senior Management</b>	<b>975</b>	<b>12</b>	<b>(38)</b>	<b>(17)</b>
Underspend within Property Management	(2,792)	(472)	(340)	368
Overspend within Building & Development Control	4	118	109	275
Overspend within Future Merton	10,862	10	(50)	51
<b>Total for Sustainable Communities</b>	<b>8,074</b>	<b>(344)</b>	<b>(281)</b>	<b>694</b>
<b>Total Excluding Overheads</b>	<b>10,667</b>	<b>(430)</b>	<b>(373)</b>	<b>(1,525)</b>

## Overview

The department is currently forecasting an underspend of £430k at year end. The main areas of variance are Parking Services, Safer Merton & CCTV, Waste Services, and Property Management.

## Public Protection

### **Parking Services underspend of £669k**

The underspend is mainly as a result of additional penalty charge notices being issued, following the implementation of the ANPR system across the borough (£1,179k), and P&D income (£483k).

Any increase in parking charges will inevitably have an effect on parking income behaviour and reduce car usage. The Public Health, air quality and sustainable transport – a strategic approach to parking charges report sets out a series of measures to improve air quality, encourage changed behaviours that will impact on public health and active travel, as well as dealing with congestion and demand for kerbside space across the Borough. As such, the current Medium Term Financial Strategy (MTFS) savings of £1.9m in 2019/20 and a further £1.9m in 2020/21 reflect assumptions on estimated demand across each income stream e.g. resident permits, visitor permits etc. These

are a best estimate at this stage taking into account the changes proposed and the potential changes in motorist behaviour that we expect to see.

The estimated 19/20 income of £1.9m was based on an implementation date of 1<sup>st</sup> October 2019. This has now been extended due to further consideration of the proposals. As the implementation date for the revised charges is still subject to Cabinet approval and subject to change, the forecast reflects a prudent approach to the likely implementation date, and associated income of £950k.

Included within this forecast is an employee related overspend of £107k due to a combination of savings not yet implemented and increased demand.

There have been delays in implementing all of the parking savings to date. 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, although the section still expects compliance to further increase, it has not yet occurred to the level expected as processing volumes remain above estimated levels, leading to the need to continue to employ additional agency staff.

### **Safer Merton & CCTV overspend of £191k**

The section is forecasting to overspend on annual network and connection costs by £28k, and by c£40k on one-off CCTV upgrade and relocation costs. In addition, the CCTV section has a 2019/20 saving of £100k relating to charging local businesses for monitoring of their CCTV, which will not be achieved, coupled with the underachievement of its current income budget by £44k.

The CCTV budgets are currently being reviewed by the Safer Merton & CCTV manager and the AD of Public Protection in order to mitigate these pressures, which may include an alternative saving being presented to Cabinet in due course.

## **Public Space**

### **Waste Services overspend of £321k**

The section is forecasting to overspend on its employee costs by £93k, which is mainly due to a delay in fully implementing a 2018/19 saving (ENR6), and the temporary employment of a Public Space Inspector for six months to provide greater resilience in the monitoring of our service provider performance.

The section is also forecasting to overspend on its waste collection and street cleansing contract by £403k. This is largely due to the non-budgeted internal debt charge of £676k, along with recharges for additional services being undertaken by the service provider.

These pressures are being partially mitigated by a forecast underspend on disposal costs of £226k.

Following the introduction of the new wheelie bin service we have seen a significant reduction in the level of general refuse being collected and disposed of through our Energy Waste facility at Beddington, alleviating the need for landfill and the associated landfill tax charges.

Over this period, we have seen a 12% reduction in refuse, which equates to a monthly average reduction of over 450 tonnes per month. The main contributor to this success is the increase in food waste participation, which has seen an increase of over 70% or 191 tonnes per month.

## Sustainable Communities

### **Property Management underspend of £472k**

The principal reason for the forecast underspend relates to exceeding the commercial rental income expectations by £658k, which includes £150k of one-off income from conducting the backlog of rent reviews in line with the tenancy agreements.

This is being partially offset by an overspend of £92k on premises related expenditure, for example, utility and repairs & maintenance costs. In addition, a £50k overspend is being forecast relating to external valuations to support asset valuations.

## Children Schools and Families

<b>Children, Schools and Families</b>	<b>2019/20 Current Budget £000</b>	<b>Full year Forecast Jun £000</b>	<b>Forecast Variance at year end (Jun) £000</b>	<b>Forecast Variance at year end (May) £000</b>	<b>2018/19 Variance at year end £000</b>
Education	22,985	23,509	524	618	(37)



Social Care and Youth Inclusion	21,562	23,991	2,429	2,942	3,211
Cross Department budgets	519	516	(3)	0	(20)
PFI	8,573	8,228	(345)	(345)	(354)
Redundancy costs	2,183	1,813	(370)	(370)	(529)
<b>Total (controllable)</b>	<b>55,822</b>	<b>58,057</b>	<b>2,235</b>	<b>2,845</b>	<b>2,271</b>

## Overview

At the end of June, Children Schools and Families forecast to overspend by £2.235m on local authority funded services, a reduction in overspend of £610k from May's outturn forecast. The overspend is mainly due to the volatile nature of placement and SEN transport budgets, and the current volume of CSC activity and Education, Health and Care Plan (EHCP) requests. Despite an increasing population, Merton has managed to hold steady our number of children in care through a combination of actions, which are detailed in the management action section below. However, EHCP numbers continue to rise.

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

## Local Authority Funded Services

Significant budget variances identified to date are detailed in the table below:

Description	Budget £000	Jun £000	May £000	2018/19 £000
Procurement & School organisation	594	(191)	(207)	(411)
SEN transport	4,705	978	978	1,223
Early Years services	3,171	(136)	0	(349)
Other small over and underspends	14,515	(127)	(153)	(500)
<b>Subtotal Education</b>	<b>22,985</b>	<b>524</b>	<b>618</b>	<b>(37)</b>
Fostering and residential placements (ART)	7,111	696	871	1,057
Un-accompanied asylum seeking children (UASC)	75	601	658	488
Community Placement	0	500	500	500
No Recourse to Public Funds (NRPF)	21	141	141	301
MASH & First Response staffing	1,618	233	346	354
Legal costs	526	264	251	280
Other small over and underspends	12,211	(6)	175	231
<b>Subtotal Children's Social Care and Youth Inclusion</b>	<b>21,562</b>	<b>2,429</b>	<b>2,942</b>	<b>3,211</b>

## Education Division

The procurement and school organisation budget is forecast to underspend by £191k because of lower spend on revenue budgets. This budget relates to the revenue cost of construction projects and is affected by slippage of capital schemes. The majority of this is required for temporary classrooms due to rising pupil demand when it is not viable to provide permanent buildings.

The SEN transport budget is forecast to overspend by £978k. The forecast for maintained school taxis is £3.535m, circa £250k more than last year. This is our best estimate based on the information available at the end of June. More work is being undertaken to forecast the full year effect of the packages that started from September 2018. A more accurate forecast for the current financial year is expected in October once all the changes of the new academic year have been procured. The current estimated cost does not include a forecast for new placements that may be required during the year. To support the cost pressure in this area, the £500k growth allocated to the department in 2019/20 has been allocated against this budget.

As part of management action to reduce the overall in-year departmental overspend, where possible in the Early Years' service, recruitment to vacancies are being delayed. At the end of June this is estimated to result in a £136k underspend.

There are various other small over and underspends forecast across the division netting to a £127k underspend. These combine with the items described above to arrive at the total divisional overspend forecast of £524k.

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

At the end of June, Merton had 161 looked after children (LAC). This is an increase of 13 children from May. This impacted on placements as detailed in the section below but is mainly due to a net increase of 11 in-house Foster Carer placements.

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

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

<b>Service</b>	<b>Budget £000</b>	<b>Jun spend £000</b>	<b>Variance</b>		<b>Placements</b>	
			<b>Jun £000</b>	<b>May £000</b>	<b>Jun No</b>	<b>May No</b>
Residential Placements	2,306	2,006	(300)	300	14	17
Independent Agency Fostering	1,753	1,953	200	200	34	32
In-house Fostering	992	1,696	704	434	73	62
Secure accommodation	138	138	0	0	2	2
Mother and baby	103	103	0	0	0	0
Supported lodgings/housing	1,819	1,911	92	(63)	61	58
<b>Total</b>	<b>7,111</b>	<b>7,807</b>	<b>696</b>	<b>871</b>	<b>184</b>	<b>171</b>

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

The placement forecast includes a prediction of costs expected for known placements as well as an estimated cost for movement in placements, including new cases, expected during the year. These assumptions are reviewed and updated every month and estimates adjusted accordingly to provide our best estimate of full year costs.

- The Residential placement expenditure is forecast to underspend by £300k at the end of the financial year. We had 14 residential placements (including 9 respite) in June. The net reduction of £600k is due to 3 placements ending (2 placements moved to semi-independent and one moved to in-house fostering) and forecasting the cost implications of one child who will become 18 during this year and one child who will be moving into an education placement soon.
- The Independent Agency Fostering expenditure is forecast to overspend by £200k. We currently have 34 placements. An increase in predicted cost due to having 3 new placements and one ending in June was offset by a reduction in our forecast of future placement changes.

- The In-house Foster carer expenditure is forecast to overspend by £804k. We currently have 73 placements. The increase of £370k from May is due to a combination 12 new placements, 1 placement ending and a forecast of additional placements expected during the remainder of the financial year. On balance, in-house foster care is more cost effective than other types of placement, so if we are successful in moving more children to in-house placements, we would expect to see this overspend increase, but some offset in other budget areas.
- The Youth Justice secure accommodation expenditure is projected to be on budget in June. We have 2 placements in June but are forecasting for additional placements expected by the end of financial year.
- The mother and baby assessment unit expenditure is forecast to spend to budget for the current financial year.
- We are forecasting that the budget for the semi-independent accommodation and supported lodgings/housing placements will overspend by £92k. We currently have 61 placements. The increase in cost is due to having 6 new placements while 3 placements ended in June, as well as including additional cost for forecast of future placement changes.
- At the end of June, UASC placements and previous UASC that are now Care Leavers were forecasting to overspend by £601k, down from £658k in May.

Service	Budget £000	Jun	Variance			
		spend £000	Jun £000	May £000	Jun No	May No
Independent Agency Fostering	380	470	90	89	11	11
In-house Fostering	0	543	543	534	26	24
Supported lodgings/housing	170	675	505	572	25	26
UASC grant	(475)	(1,012)	(537)	(537)		
<b>Total</b>	<b>75</b>	<b>676</b>	<b>601</b>	<b>658</b>	<b>62</b>	<b>61</b>

At the end of June, we had 30 placements for UASC young people under 18 in foster care. We also had 7 previous UASC that are now care leavers in foster placements. This will increase over the next few months due to the administration's commitment to increase the quota under the national transfer scheme to 37 (0.08% of the child population). Merton receives UASC grant towards these placements although it is not sufficient to recover the full costs.

Merton had 37 young people aged 18+ who were formerly UASC in our care at the end of June, 7 in foster care, 25 in semi-independent accommodation and 5 who received non-accommodation related support. Once UASC young people reach age 18, we retain financial responsibility for them as Care Leavers until their immigration status is agreed.

We are currently forecasting to 'over-achieve' our UASC grant income by £537k. This is based on the funding Merton received last year. Rate increases have been announced and these need to be forecast to enable both grant and expenditure budgets to be adjusted.

We accrued £500k at year-end for the un-budgeted community placement and are estimating that these costs will be the same in the current financial year. This provision relates to a complex case currently under discussion between the CCG and the local authority. The figure is our best current estimate and is subject to change as we are still in negotiation. Forecast costs are currently based on an interim arrangement in place while further work is undertaken to secure the right long term support arrangements, although it may not be possible to establish permanent arrangements until the young person is an adult.

The NRPF budget is forecast to overspend by £141k in the current financial year. This is £160k less than last year's overspend. The NRPF worker is working closely with housing colleagues to manage cases as they arise and also reviews historic cases to identify ones where claimant circumstances have changed and they 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 30 in 2016/17 to a current caseload of 11.

We are forecasting to overspend by £233k on the MASH and First Response teams' staffing costs. This is because the team is covering 14 vacancies out of an establishment of 30 (excluding Common and Shared Assessments and management also included in this service area on iTrent) with agency staff due to difficulty in recruiting permanent members of staff in this area.

Legal costs are forecast to overspend by £264k. This cost relates to third party legal fees including Counsel, court and medical fees as well as independent expert witness and Family Drug and Alcohol Court (FDAC) costs. The investment in the FDAC is intended to reduce placement costs due to fewer children coming into care. The evidence is that this is effective in those cases that go through the FDAC process, but that this is more than offset by increases in other placement costs.

There are various other small over and underspends forecast across the division netting to a £6k underspend. These combine with the items described above to arrive at the total divisional forecast overspend of £2.429m.

### Dedicated Schools Grant (DSG)

DSG funded services are forecast to overspend by £8.068m. The DSG had a cumulative overspend of £2.909m at the end of 2018/19. The overspend in the current financial year will be adding to this balance, currently estimated at £10.98m in total.

The main reason for the variance relates to a £5.154m overspend on Independent Day School provision. This is a £1.472m increase from May 2019. The reason for the increase is that we are forecasting for the first time the full year effect of new placements that started last year. At the end of June there were 216 placements which is expected to further increase with additional placements in the current year. We are seeking to increase the number of local maintained special school places in the borough, in order to reduce these costs, but it will take time to bring these places on stream. Based on the number of new EHCPs still being awarded, we would expect this cost to still increase towards year-end and the £10.98m cumulative deficit to increase further.

Other overspends include £953k on EHCP allocations to Merton primary and secondary schools, £1.187m on EHCP allocations to out of borough maintained primary, secondary and special schools, and £1.109m 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 4 years as the entitlement changed. At the end of June 2019 there were 1,836 EHCPs.

Type of provision	Jan 2016 Total Statements and EHCPs		Jan 2017 Total Statements and EHCPs		Jan 2018 Total Statements and EHCPs		Jan 2019 Total Statements and EHCPs	
	No	%	No	%	No	%	No	%
Early Years (inc. Private & Voluntary Settings)	0	0%	1	0%	7	0%	7	0%
Mainstream School (inc. Academies)	422	39%	461	37%	526	35%	584	34%
Additional Resourced Provision	110	10%	111	9%	116	8%	125	7%
State Funded Special School	358	33%	388	31%	416	27%	440	26%
Independent Schools	132	12%	153	12%	176	12%	228	13%
Post 16 College and traineeships	25	2%	93	7%	183	12%	212	12%
Post 16 Specialist	10	1%	25	2%	44	3%	37	2%
Alternative Educative	15	1%	10	1%	22	1%	28	2%
No placement (including NEET)	3	0%	0	0%	28	2%	51	3%
<b>Total</b>	<b>1075</b>	<b>100%</b>	<b>1242</b>	<b>100%</b>	<b>1518</b>	<b>100%</b>	<b>1712</b>	<b>100%</b>

There are various other smaller over and underspends forecast across the DSG netting to a £335k underspend which, combined with the items above, equates to the net overspend of £8.068m. This will be added to Merton's negative reserve and conversations continue with government over the funding of this.

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 and have responded to the national consultation relating to the treatment of DSG deficits.

The Early Years block of the DSG is normally adjusted in the June following the end of the financial year as it is based on January census information. We are not in a position to estimate this adjustment until year-end.

Although the pressures on the high needs block are clear from the budget monitoring figures highlighted above and continue into 2019/20, some schools are also having trouble in setting balanced budgets with the funding provided to them through the funding formula. The number of schools setting deficit budgets has reduced from 14 in 2018/19 to 13 in 2019/20. There are various reasons for schools requiring to set deficit budgets including unfunded non-teacher pay increases, increased costs relating to children that require additional support but do not meet statutory thresholds for additional funding, reduction in pupil numbers and reduced levels of reserves that schools would previously have used to balance their budgets.

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

## **Management action**

### Staffing report

We have further reduced the use of agency by continuing to impose a three month recruitment drag, where appropriate, for non-social work posts. We continue to prioritise meeting our statutory duties when determining whether recruitment drag may be applied to any vacant post.

### Placements

We continue to use the Panel processes to provide an overview of the use of IFAs as well as continuing our scrutiny on residential children's home placements.

Our ART Fostering Recruitment and Assessment team is continuing to recruit new foster carers who will offer locally based placements with a campaign targeted at attracting foster carers for teenagers and UASC young people. After a successful year of fostering recruitment last year, we have had a less buoyant start to this year. We have recruited 3 new foster carers this year so far. However, the target for this financial year is to recruit 20 new foster carers, so we will need to pick up pace if we are to succeed in meeting the target.

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

Our ART Placement service is working with providers to establish more local provision and offer better value placements to the Council. We continue to convene the Semi-Independent

Accommodation (SIA) Panel that will record costs incurred. We are working to identify our Housing Benefit payments and what we should be getting and what are the actuals received. This work is continuing with the aim to further reduce under-achievement of housing benefits during this year.

We have contracted with a provider to block purchase five independent units for care leavers aged 18+ to act as a step down into permanent independent living. Building on these cost reductions, we expect to be able to procure further placements of this type in 2019/20 and 2020/21.

We have updated our Staying Put policy for young people aged 18+ to enable them to remain with their foster carers in line with statutory requirements and as recommended by Ofsted in our 2017 inspection. However, the increased use of Staying-Put for young people aged 18+ impacts on available placements for younger teenagers, therefore highlighting again the need for targeted recruitment for foster carers for teenagers and unaccompanied asylum-seeking young people. We continue to focus our foster carer recruitment on carers for teenagers to mitigate these potential additional costs.

#### Children with additional needs

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

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

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

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

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

#### **New burdens**

There are a number of duties placed on the Local Authority that have not been fully funded or not funded at all through additional burdens funding from Central Government. Excluding the cost of these duties would leave a net departmental overspend of £627k; however that figure masks substantial one off windfalls and non-recurrent and recurrent management action. The table below highlights the continued estimated overspends relating to these unfunded duties:

<b>Description</b>	<b>Budget £000</b>	<b>Jun overspend forecast £000</b>	<b>May overspend forecast £000</b>	<b>2018/19 over £000</b>
Supported lodgings/housing- care leavers	1,819	92	(63)	52
Supported lodgings/housing- UASC	170	742	572	774
UASC	380	633	623	211
No Recourse to Public Funds (NRPF)	21	141	141	301
<b>Total</b>	<b>2,390</b>	<b>1,608</b>	<b>1,273</b>	<b>1,338</b>

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

Other unfunded burdens include:

- the increase in the age range of EHCPs, particularly for those young people aged 18-25, due to legislation changes, which is causing cost pressures in both the general fund (in education psychology and SEN transport) and the DSG (High Needs Block costs relating to most EHCP services);
- new statutory duties in relation to children missing from education have increased the cases dealt with by the Education Welfare Service by 79% (from 290 in the 6 months from September to March 2016 to 519 in the same 6 months the following year and the level of referrals has remained at this level).
- SEND tribunals will cover all elements of children care packages, not just education.
- New requirement of social work visits to children in residential schools and other provision.
- Further new burdens are expected for 2019/20 including the DfE requirement for new assessment process for all social workers (National Assessment and Accreditation System).

## Community and Housing

### Overview

Community & Housing is currently forecasting an over spend of £268k as at June 2019. There are forecast overspends in Adult Social Care £163k, Libraries £33k and Housing £72k. Public Health and Merton Adult Learning are currently forecasting a breakeven position.

### Community & Housing Summary Outturn Position

<b>Community and Housing</b>	<b>2019/20 Current Budget £000</b>	<b>2019/20 Forecast £'000</b>	<b>2019/20 Forecast Variance (June'19) £000</b>	<b>2019/20 Forecast Variance (May'19) £000</b>	<b>2018/19 Outturn Variance £000</b>
<b>Access and Assessment</b>	45,199	45,255	56	(34)	(258)
<b>Commissioning</b>	4,449	4,376	(73)	(159)	(5)
<b>Direct Provision</b>	4,700	4,731	31	56	6
<b>Directorate</b>	1,142	1,291	149	137	90
<b>Adult Social Care</b>	<b>55,490</b>	<b>55,653</b>	<b>163</b>	<b>0</b>	<b>(167)</b>
<b>Libraries and Heritage</b>	2,186	2,219	33	51	45
<b>Merton Adult Learning</b>	(8)	(8)	0	0	0
<b>Housing General Fund</b>	1,905	1,977	72	223	(73)
<b>Sub-total</b>	<b>4,083</b>	<b>4,188</b>	<b>105</b>	<b>274</b>	<b>(195)</b>
<b>Public Health</b>	(148)	(148)	0	0	0
<b>Grand Total</b>	<b>59,425</b>	<b>59,693</b>	<b>268</b>	<b>274</b>	<b>(195)</b>

### Adult Social Care

#### Access & Assessment - £56k overspend

The department is a demand led service governed by national eligibility criteria. There was a steady decrease in spend on care placements during 2018/19 due to careful management of the budget. However, the expected pressure on placements has started to show as demonstrated by the small increase in demand to June 2019.

This pressure is currently offset by increased income, including from the Integration Better Care Fund (iBCF), and managed underspends on non-care budgets. The department will continue to track the detailed trends on a monthly basis, which will inform actions to ensure the budget remains balanced.

It is however important to note that included in Adult Social Care income is £300k Independent Living Fund (ILF) grant which ceases next year; thus from 2020-21 this will be an additional pressure as it currently support the cost of previous ILF customers costing the service £800k per annum.

The table below shows areas of significant expenditure in Access & Assessment



<b>Access &amp; Assessment</b>	<b>Forecast Variance June 19 £000</b>	<b>Forecast Variance May19 £000</b>	<b>Outturn Variances March 19 £000</b>
Underspend on Concessionary Fares-(taxi-cards scheme)	(88)	(88)	(42)
Equipment	121	88	95
Other- Incl. (Employee Related & Premises)	(183)	(93)	(104)
Placements & Placements Other	2,195	2,046	1,111
Income (IBCF & ILF)	(1,989)	(1,987)	(1,318)
<b>Total</b>	<b>56</b>	<b>(34)</b>	<b>(258)</b>

This service is currently undergoing a restructure as part of its transformation programme.

### **Direct Provision-£31k overspend**

The Direct Provision service has forecast an overspend of £31k to June 2019. The service continues to have issues with overspend on salaries especially on internal residential homes and day centres. The service plans to review forecasts and budget allocation to ensure that each area has sufficient budget to provide a service.

There was a one-off additional expenditure due to increased need at Riverside residential home which was unavoidable, but has now ended.

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

#### **Libraries-£33k overspend**

The library service is currently forecasting an overspend of £33k which is a reduction of £18k since May's report. The service continues to seek ways to increase its income. However, there are on-going budget pressures due to the cost of security staff and electricity usage.

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

Merton Adult Learning is currently forecasting a breakeven position.

#### **Housing - £72k overspend**

Housing, like social care, is a demand led service and continues to deliver statutory functions in line with Housing Act provisions. As at June 2019 the service is forecasting an overspend of £72k which is a reduction since the May 2019 forecast.

This figure reflects an additional payment of housing benefit which was welcomed income but is likely to be a one-off event. It remains the case that the budget will be subject to fluctuations to reflect numbers of households being admitted into temporary accommodation, numbers of households leaving temporary accommodation and the income received from households living in temporary accommodation via Housing Benefit and the corresponding budget implications flowing from temporary accommodation subsidy.

Since the introduction of the Homelessness Reduction Act 2017 (HRA), the service is required to deliver homelessness prevention activities, and the prevention of homelessness remains a central plank to the work of the team and contributes to the wider prevention agenda of the council and seeking to ensure that residents are able to continue to live in their homes and avoid the trauma that a homelessness episode brings

The service has also secured grant funding from central government to undertake a rough sleeping initiative in Merton. This grant is to be utilised to commission outreach, accommodation for rough sleepers and the creation of a rough sleepers' hub.

### Prevention Activities Under taken as Part of the New Burdens for Housing

The table below shows the number of homelessness prevented to June 2019

Period	Homelessness Prevention Targets 2019-20
Full Year Target	450
Target YTD	113
Achieved – Apr'19	57
Achieved - May'19	86
Achieved – June'19	118

Activities undertaken to prevent homelessness:-

- Rent rescue
- Rent Deposits
- Landlord liaison and negotiation with excluder
- Referrals to landlords, hostels and supported housing providers

### Analysis of Housing and Temporary Accommodation Expenditure

The table below shows the analysis of the housing expenditure to June 2019

Housing	Budget 2019/20 £000	Forecast (June'19) £'000	Forecast Variances (June'19) £'000	Forecast Variances (May'19) £000	Outturn Variances (March'19) £000
Temporary Accommodation-Expenditure	2,368	2955	587	588	562
Temporary Accommodation-Client Contribution	(140)	(600)	(460)	(460)	(518)
Temporary Accommodation-Housing Benefit Income	(2,005)	(2,436)	(431)	(147)	(26)
Temporary Accommodation-Subsidy Shortfall	322	1,104	782	618	455
Temporary Accommodation-Grant	0	(450)	(450)	(450)	(531)
Subtotal Temporary Accommodation	544	571	27	149	(58)
Housing Other Budgets-Over/(under)spend	1,361	1,406	45	74	(15)
<b>Total</b>	<b>1,905</b>	<b>1,977</b>	<b>72</b>	<b>223</b>	<b>(73)</b>

The change in variance between May and June is due to a forecasted increase in housing benefit income, subsidy and new grant.

Temporary Accommodation (TA) movement to June 2019

The data below shows the total number of households (i.e. families and single occupants) in temporary accommodation as at June 2019.

<b>Temporary Accommodation</b>	<b>Numbers IN</b>	<b>Numbers OUT</b>	<b>Total for the Month</b>
<b>March 2017</b>	-	-	<b>186</b>
<b>March 2018</b>	<b>16</b>	<b>16</b>	<b>165</b>
<b>March 2019</b>	<b>15</b>	<b>11</b>	<b>174</b>
<b>April 2019</b>	<b>15</b>	<b>11</b>	<b>178</b>
<b>May 2019</b>	<b>15</b>	<b>16</b>	<b>177</b>
<b>June 2019</b>	<b>11</b>	<b>18</b>	<b>170</b>

There was a net decrease of 4 since March 2019.

### **Public Health -Breakeven**

Public Health is forecasting a breakeven position as at June 2019. A further £276k (2.6%) grant reduction has been mitigated by budget cuts and efficiencies across Public Health. The service is however anticipating potential budget pressure in the Sexual Health and Substance Misuse services during 2019-20. Further details will be made available once the amount is quantifiable. A progress report from the City of London has been received but indicative costs are not yet finalised.

The service also has salary budget pressures due to maternity cover in order to maintain team capacity to undertake work on the transformation agenda.

### **Corporate Items**

The details comparing actual expenditure up to 30 June 2019 against budget are contained in Appendix 2. Based on expenditure and income as at 30 June 2019 there is an underspend of £0.667m forecast on corporate items as summarised in the following table:-

Corporate Items	Current Budget 2019/20 £000s	Full Year Forecast (June) £000s	Forecast Variance at year end (June) £000s	Forecast Variance at year end (May) £000s	Outturn Variance 2018/19 £000s
<b>Impact of Capital on revenue budget</b>	<b>10,481</b>	<b>10,481</b>	<b>0</b>	<b>0</b>	<b>403</b>
Investment Income	(664)	(977)	(313)	0	(364)
Pension Fund	3,429	3,429	0	0	(254)
Pay and Price Inflation	1,327	1,327	0	0	(1,122)
Contingencies and provisions	4,810	4,710	(100)	0	(3,366)
Income Items	(1,503)	(1,758)	(254)	0	(956)
Appropriations/Transfers	(4,300)	(4,300)	0	0	(6)
<b>Central Items</b>	<b>3,100</b>	<b>2,432</b>	<b>(667)</b>	<b>0</b>	<b>(6,068)</b>
Levies	949	949	0	0	0
Depreciation and Impairment	(22,903)	(22,903)	0	0	4
<b>TOTAL CORPORATE PROVISIONS</b>	<b>(8,374)</b>	<b>(9,041)</b>	<b>(667)</b>	<b>0</b>	<b>(5,661)</b>

There are three reasons for the forecast underspend:-

- a) The first quarter review of the investment income forecast indicates that there will be increased income of £0.313m above the budget. This is due to an increase in investment rates and the balance under investment.
- b) It is estimated that half of the budget of £0.200m provided to cover for loss of income arising from the closure of car parking on the P3/P4 sites will not be required.
- c) Following closure of the 2018/19 accounts some credit balances totalling £0.254m have been credited to the miscellaneous income budget.

## 4 Capital Programme 2019-23

4.1 The Table below shows the movement in the 2019/23 corporate capital programme since the last meeting of Cabinet:

Depts	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	Revised Budget 22/23	Variance	Revised Budget 22/23
CS	32,162		32,162	4,210		4,210	3,870	0	3,870	15,967	0	15,967
C&H	1,196		1,196	1,118		1,118	913	0	913	882	0	882
CSF	9,661		9,661	5,418		5,418	3,150	0	3,150	1,900	0	1,900
E&R	14,620		14,620	7,782		7,782	7,504	0	7,504	4,401	0	4,401
<b>TOTAL</b>	<b>57,639</b>	<b>0</b>	<b>57,639</b>	<b>18,528</b>	<b>0</b>	<b>18,528</b>	<b>15,437</b>	<b>0</b>	<b>15,437</b>	<b>23,149</b>	<b>0</b>	<b>23,149</b>

4.2 The table below summarises the position in respect of the 2018/19 Capital Programme as at June 2019. The detail is shown in Appendix 5

### Capital Budget Monitoring June 2019

Department	Actuals	Budgeted Spend to Date	Variance to Date	Final Budget	Final Forecast 2019/20	Full Year Variance
Corporate Services	275,022	383,000	(107,978)	32,162,170	31,742,170	(385,000)
Community and Housing	145,757	150,000	(4,243)	1,196,240	996,240	(200,000)
Children Schools & Families	1,549,597	1,641,000	(91,403)	9,660,470	9,660,030	(440)
Environment and Regeneration	299,757	607,129	(307,372)	14,620,470	14,620,469	(1)
<b>Total</b>	<b>2,270,133</b>	<b>2,781,129</b>	<b>(510,996)</b>	<b>57,639,350</b>	<b>57,018,910</b>	<b>(585,440)</b>

- Corporate Services – Only one budget manager is projecting an underspend on their budgets this is on business systems. The projected £385k underspend is due to a housing scheme that is likely to be delayed to next financial year (£400k) this is offset slightly by a projected £15k overspend on the Planning and Public Protection System.
- Community and Housing – All budget managers are projecting a full year spend apart from West Barnes Library Re-Fit which is showing a £200k underspend, officers are currently considering how best to progress this scheme and will profile the budget spend once this is decided as part of September/October monitoring. There are no proposed amendments to departmental budgets this month.
- Children, Schools and Families – All budget managers are projecting full spend on their budgets, considerable spend is undertaken over the summer holidays and a detailed review of budgets is undertaken once this spend is completed as part of Autumn monitoring.
- Environment and Regeneration – All budget areas are projecting full spend and no adjustments are being progressed as part of this monitoring report.  
It is envisaged that additional funding will be required for the Bishopsford Road Bridge; regular updates will be provided as part of the monitoring report. Financial liability from this scheme will be funded from the Corporate Capital Contingency of £4.8 million held in 2022-23.

4.3 The table below compares capital expenditure (£000s) to June 2019 to that in previous years’:

Depts.	Spend To June 2016	Spend To June 2017	Spend to June 2018	Spend to June 2019	Variance 2016 to 2019	Variance 2017 to 2019	Variance 2018 to 2019
CS	79	195	652	275	196	80	(377)
C&H	(26)	98	176	146	172	48	(30)
CSF	699	367	548	1,550	850	1,183	1,001
E&R	1,051	1,625	2,300	300	(751)	(1,325)	(2,001)
<b>Total Capital</b>	<b>1,803</b>	<b>2,285</b>	<b>3,677</b>	<b>2,270</b>	<b>467</b>	<b>(15)</b>	<b>(1,407)</b>

Outturn £000s	30,626	32,230	31,424	
Budget £000s				57,639
Projected Spend June 2019 £000s				57,019
Percentage Spend to Budget				3.94%
% Spend to Outturn/Projection	5.89%	7.09%	11.70%	3.98%
Monthly Spend to Achieve Projected Outturn £000s				6,083

4.4 June is one quarter of the way through the financial year and departments have spent just under 4% of the budget. Spend to date is lower than two of the three previous financial years shown.

Department	Spend To May 2019 £000s	Spend To June 2019 £000s	Increase £000s
CS	95	275	180
C&H	65	146	81
CSF	693	1,550	857
E&R	110	300	190
<b>Total Capital</b>	<b>963</b>	<b>2,270</b>	<b>1,307</b>

4.5 During June 2019 officers spent £1.307 million, which highlights that it is highly unlikely that a projected Authority wide spend of just over £57 million will be achieved. Time will be spent with budget managers to re-profile budgets into subsequent financial years.

## 5. DELIVERY OF SAVINGS FOR 2019/20

Department	Target Savings 2019/20	Projected Savings 2019/20	Period 3 Forecast Shortfall	Period Forecast Shortfall (P3)	Period 2 Forecast Shortfall	2020/21 Expected Shortfall
	£000	£000	£000	%	£000	£000
Corporate Services	1,484	1,439	45	3.0%	45	30
Children Schools and Families	572	572	0	0.0%	0	0
Community and Housing	1,534	1,383	151	9.8%	151	0
Environment and Regeneration	3,370	2,131	1,239	36.8%	1,234	100
<b>Total</b>	<b>6,960</b>	<b>5,525</b>	<b>1,435</b>	<b>20.6%</b>	<b>1,430</b>	<b>130</b>

Appendix 6 details the progress on savings for 2019/20 by department.

### Progress on savings 2018/19

Department	Target Savings 2018/19	2018/19 Shortfall	2019/20 Projected shortfall	2020/21 Projected shortfall
	£000	£000	£000	£000
Corporate Services	2,024	505	375	10
Children Schools and Families	489	0	0	0
Community and Housing	2,198	442	0	0
Environment and Regeneration	926	523	135	0
<b>Total</b>	<b>5,637</b>	<b>1,470</b>	<b>510</b>	<b>10</b>

Appendix 7 details the progress on unachieved savings from 2018/19 by department and the impact on the current year and next year.

### Progress on savings 2017/18

Department	Target Savings 2017/18	2017/18 Shortfall	2018/19 shortfall	2019/20 Projected shortfall
	£000	£000	£000	£000
Corporate Services	2,316	196	0	0
Children Schools and Families	2,191	7	0	0
Community and Housing	2,673	0	0	0
Environment and Regeneration	3,134	2,188	694	305
<b>Total</b>	<b>10,314</b>	<b>2,391</b>	<b>694</b>	<b>305</b>

Appendix 8 details the progress on unachieved savings from 2017/18 by department and the impact on the current year and next 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 5 -	Current Capital Programme 2019/20
Appendix 6 –	Progress on savings 2019/20
Appendix 7 –	Progress on savings 2018/19
Appendix 8 -	Progress on savings 2017/18
Appendix 9 -	Debt report

## **14. BACKGROUND PAPERS**

14.1 Budgetary Control files held in the Corporate Services department.

## **15. REPORT AUTHOR**

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## Summary Position as at 30<sup>th</sup> June 2019

	Original Budget 2019/20 £000s	Current Budget 2019/20 £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 2018/19 £000
<b>Department</b>								
3A. Corporate Services	10,930	11,122	6,503	8,095	10,424	(698)	(766)	(2,511)
3B. Children, Schools and Families	60,819	60,933	8,990	5,903	63,168	2,235	2,845	2,271
<b>3C. Community and Housing</b>								
Adult Social Care	58,657	58,656	13,958	16,515	58,818	163	(1)	(169)
Libraries & Adult Education	2,878	2,878	921	1,178	2,911	33	51	45
Housing General Fund	2,219	2,219	333	229	2,291	72	224	(73)
3D. Public Health	0	0	111	(1,752)	0	0	0	0
3E. Environment & Regeneration	15,832	15,831	1,294	(8,538)	15,401	(430)	(373)	(1,526)
Overheads	0	0	0	0	0	0	0	(33)
<b>NET SERVICE EXPENDITURE</b>	<b>151,335</b>	<b>151,638</b>	<b>32,110</b>	<b>21,630</b>	<b>153,013</b>	<b>1,375</b>	<b>1,980</b>	<b>-1,996</b>
<b>3E. Corporate Items</b>								
Impact of Capital on revenue budget	10,481	10,481	1,579	1,214	10,481	0	0	403
Other Central items	(19,500)	(19,805)	(4,353)	(401)	(20,471)	(667)	0	(6,064)
Levies	949	949	206	206	949	0	0	0
<b>TOTAL CORPORATE PROVISIONS</b>	<b>(8,070)</b>	<b>(8,375)</b>	<b>(2,568)</b>	<b>1,019</b>	<b>(9,041)</b>	<b>(667)</b>	<b>-</b>	<b>(5,661)</b>
<b>TOTAL GENERAL FUND</b>	<b>143,264</b>	<b>143,264</b>	<b>29,542</b>	<b>22,649</b>	<b>143,972</b>	<b>708</b>	<b>1,980</b>	<b>(7,657)</b>
<b>Funding</b>								
- Business Rates	(44,026)	(44,026)	0	0	(44,026)	0	0	0
- RSG	0	0	0	0	0	0	0	0
- Section 31 Grant	0	0	(1,024)	(1,024)	0	0	0	0
- New Homes Bonus	(2,108)	(2,108)	(527)	(527)	(2,108)	0	0	0
- PFI Grant	(4,797)	(4,797)	(1,199)	(1,199)	(4,797)	0	0	0
- Brexit Grant	(210)	(210)	(105)	(105)	(210)	0	0	0
- Adult Social Care Grant	(1,054)	(1,054)	(1,535)	(1,535)	(1,054)	0	0	0
<b>Grants</b>	<b>(52,195)</b>	<b>(52,195)</b>	<b>(4,390)</b>	<b>(4,390)</b>	<b>(52,195)</b>	<b>0</b>	<b>0</b>	<b>-</b>
Collection Fund - Council Tax Surplus(-)/Deficit	(1,949)	(1,949)	0	0	(1,949)	0	0	0
Collection Fund - Business Rates Surplus(-)/Deficit	3,250	3,250	0	0	3,250	0	0	0
<b>Council Tax</b>								
- General	(92,028)	(92,028)	0	0	(92,028)	0	0	0
- WPC	(343)	(343)	0	0	(343)	0	0	0
<b>Council Tax and Collection Fund</b>	<b>(91,070)</b>	<b>(91,070)</b>	<b>0</b>	<b>0</b>	<b>(91,070)</b>	<b>0</b>	<b>0</b>	<b>-</b>
<b>FUNDING</b>	<b>(143,265)</b>	<b>(143,265)</b>	<b>(4,390)</b>	<b>(4,390)</b>	<b>(143,265)</b>	<b>0</b>	<b>0</b>	<b>-</b>
<b>NET</b>	<b>(0)</b>	<b>(1)</b>	<b>25,152</b>	<b>18,259</b>	<b>708</b>	<b>708</b>	<b>1,980</b>	<b>(7,657)</b>

3E.Corporate Items	Council 2019/20 £000s	Original Budget 2019/20 £000s	Current Budget 2019/20 £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 2018/19 £000s
Cost of Borrowing	10,481	10,481	10,481	1,579	1,214	10,481	0	0	403
Use for Capital Programme							0	0	0
<b>Impact of Capital on revenue</b>	<b>10,481</b>	<b>10,481</b>	<b>10,481</b>	<b>1,579</b>	<b>1,214</b>	<b>10,481</b>	<b>0</b>	<b>0</b>	<b>403</b>
<b>Investment Income</b>	<b>(664)</b>	<b>(664)</b>	<b>(664)</b>	<b>(166)</b>	<b>(184)</b>	<b>(977)</b>	<b>(313)</b>	<b>0</b>	<b>(364)</b>
<b>Pension Fund</b>	<b>3,429</b>	<b>3,429</b>	<b>3,429</b>	<b>0</b>	<b>0</b>	<b>3,429</b>	<b>0</b>	<b>0</b>	<b>(254)</b>
Corporate Provision for Pay Award	877	877	877		0	877	0	0	(744)
Provision for excess inflation	450	450	450		0	450	0	0	(378)
<b>Pay and Price Inflation</b>	<b>1,327</b>	<b>1,327</b>	<b>1,327</b>	<b>0</b>	<b>0</b>	<b>1,327</b>	<b>0</b>	<b>0</b>	<b>(1,122)</b>
Contingency	1,500	1,500	1,500		0	1,500	0	0	(1,398)
Single Status/Equal Pay	100	100	100		0	100	0	0	(84)
Bad Debt Provision	500	500	500		0	500	0	0	(33)
Loss of income arising from P3/P4	200	200	200		0	100	(100)	0	(200)
Loss of HB Admin grant	83	83	34		0	34	0	0	(83)
Apprenticeship Levy	450	450	450	113	91	450	0	0	(217)
Revenuisation and miscellaneous	2,070	2,070	2,026		51	2,026	0	0	(1,351)
<b>Contingencies and provisions</b>	<b>4,904</b>	<b>4,904</b>	<b>4,810</b>	<b>113</b>	<b>142</b>	<b>4,710</b>	<b>(100)</b>	<b>0</b>	<b>(3,366)</b>
Other income	0	0	0	0	(254)	(254)	(254)	0	(953)
CHAS IP/Dividend	(1,407)	(1,407)	(1,503)		0	(1,503)	0	0	(3)
<b>Income items</b>	<b>(1,407)</b>	<b>(1,407)</b>	<b>(1,503)</b>	<b>0</b>	<b>(254)</b>	<b>(1,758)</b>	<b>(254)</b>	<b>0</b>	<b>(956)</b>
Appropriations: CS Reserves	(711)	(711)	(711)	(711)	0	(711)	0	0	0
Appropriations: E&R Reserves	(146)	(146)	(146)	(146)	0	(146)	0	0	0
Appropriations: CSF Reserves	9	9	(105)	(105)	(105)	(105)	0	0	0
Appropriations: C&H Reserves	(104)	(104)	(104)	(104)	0	(104)	0	0	0
Appropriations:Public Health Reserves	(1,200)	(1,200)	(1,200)	(1,200)	0	(1,200)	0	0	0
Appropriations:Corporate Reserves	(2,034)	(2,034)	(2,034)	(2,034)	0	(2,034)	0	0	(6)
<b>Appropriations/Transfers</b>	<b>(4,186)</b>	<b>(4,186)</b>	<b>(4,300)</b>	<b>(4,300)</b>	<b>(105)</b>	<b>(4,300)</b>	<b>0</b>	<b>0</b>	<b>(6)</b>
<b>Depreciation and Impairment</b>	<b>(22,903)</b>	<b>(22,903)</b>	<b>(22,903)</b>	<b>0</b>	<b>0</b>	<b>(22,903)</b>	<b>0</b>	<b>0</b>	<b>4</b>
<b>Other Central Items</b>	<b>(19,500)</b>	<b>(19,500)</b>	<b>(19,804)</b>	<b>(4,353)</b>	<b>(401)</b>	<b>(20,471)</b>	<b>(667)</b>	<b>0</b>	<b>(6,064)</b>
<b>Levies</b>	<b>949</b>	<b>949</b>	<b>949</b>	<b>206</b>	<b>206</b>	<b>949</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL CORPORATE PROVISIONS</b>	<b>(8,070)</b>	<b>(8,070)</b>	<b>(8,374)</b>	<b>(2,568)</b>	<b>1,019</b>	<b>(9,041)</b>	<b>(667)</b>	<b>0</b>	<b>(5,661)</b>

### Pay and Price Inflation as at June 2019

In 2019/20, the budget includes 2.8% for increases in pay and 1.5% for increases in general prices, with an additional amount, currently £0.450m, 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 2.1% and RPI at 3.1% this budget will only be released when it is certain that it will not be required.

### Pay:

The local government pay award for 2019/20 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%.

### Prices:

The Consumer Prices Index (CPI) 12-month rate was 2.0% in June 2019, unchanged from May 2019. The Consumer Prices Index including owner occupiers' housing costs (CPIH) 12-month inflation rate was 1.9% in June 2019, also unchanged from May 2019. There were downward contributions from motor fuels, accommodation services and electricity, gas and other fuels, with prices in each category falling between May and June 2019 compared with price rises between the same two months a year ago. The largest upward contributions to offset the falls came from clothing and food. The RPI rate for June 2019 was 2.9%, which is down from the figure of 3% in May April 2019.

### 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 19 June 2019, the MPC voted unanimously to maintain Bank Rate at 0.75%. 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.

In the minutes to its June meeting, the MPC note that "CPI inflation was 2.0% in May. It is likely to fall below the 2% target later this year, reflecting recent falls in energy prices. Core CPI inflation was 1.7% in May, and core services CPI inflation has remained slightly below levels consistent with meeting the inflation target in the medium term. The labour market remains tight, with recent data on employment, unemployment and regular pay in line with expectations at the time of the May Report. Growth in unit wage costs has remained at target-consistent levels. The Committee continues to judge that, were the economy to develop broadly in line with its May Inflation Report projections that included an assumption of a smooth Brexit, an ongoing tightening of monetary policy over the forecast period, at a gradual pace and to a limited extent, would be appropriate to return inflation sustainably to the 2% target at a conventional horizon. The MPC judges at this meeting that the existing stance of monetary policy is appropriate."

The next meeting of the MPC will be on 1<sup>st</sup> August 2019.

The latest Inflation Report was published on the 2 May 2019.

In the May 2019 Inflation Report, the MPC noted that "CPI inflation was 1.9% in March and is expected to be slightly further below the MPC's 2% target during the first half of the forecast period, largely reflecting lower expected retail energy prices. The labour market remains tight, with the unemployment rate projected to decline to 3½% by the end of the forecast period. Annual pay growth has remained around 3½% and unit labour cost growth has strengthened to rates that are

above historical averages. As excess demand emerges, domestic inflationary pressures are expected to firm, such that CPI inflation picks up to above the 2% target in two years' time and is still rising at the end of the three-year forecast period.”

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 2019)			
	Lowest %	Highest %	Average %
2019 (Quarter 4)			
CPI	1.3	2.8	1.8
RPI	2.0	3.4	2.5
LFS Unemployment Rate	3.6	4.5	3.9
2020 (Quarter 4)	Lowest %	Highest %	Average %
CPI	1.6	3.5	2.1
RPI	2.1	4.2	2.9
LFS Unemployment Rate	3.3	4.9	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 2019 to 2023 are summarised in the following table:-

Source: HM Treasury - Forecasts for the UK Economy (May 2019)					
	2019	2020	2021	2022	2023
	%	%	%	%	%
CPI	1.9	2.0	1.9	1.9	2.0
RPI	2.6	2.7	3.0	3.1	3.0
LFS Unemployment Rate	4.0	4.0	4.2	4.2	4.2

## Treasury Management: Outlook

At its meeting ending on 19 June 2019, the MPC voted unanimously to maintain Bank Rate at 0.75%. 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.

In the minutes to its June meeting the MPC state that “Since the Committee’s previous meeting, the near-term data have been broadly in line with the May Report, but downside risks to growth have increased. Globally, trade tensions have intensified. Domestically, the perceived likelihood of a no-deal Brexit has risen. Trade concerns have contributed to volatility in global equity prices and corporate bond spreads, as well as falls in industrial metals prices. Forward interest rates in major economies have fallen materially further. Increased Brexit uncertainties have put additional downward pressure on UK forward interest rates and led to a decline in the sterling exchange rate.”

In the May 2019 Inflation Report, the MPC states that it “continues to judge that, were the economy to develop broadly in line with its Inflation Report projections, an ongoing tightening of monetary policy over the forecast period, at a gradual pace and to a limited extent, would be appropriate to return inflation sustainably to the 2% target at a conventional horizon.... The economic outlook will continue to depend significantly on the nature and timing of EU withdrawal, in particular: the new trading arrangements between the European Union and the United Kingdom; whether the transition to them is abrupt or smooth; and how households, businesses and financial markets respond. The appropriate path of monetary policy will depend on the balance of these effects on demand, supply and the exchange rate. The monetary policy response to Brexit, whatever form it takes, will not be automatic and could be in either direction. The Committee will always act to achieve the 2% inflation target.”

Global growth slowed over 2018, but appears to have stabilised in recent months. In the UK, the market path for interest rates is lower as in other advanced economies, while sterling has appreciated a little. The MPC note that “As in other countries, UK short and longer-term interest rates have fallen and equity prices have risen since February.... The market-implied path of Bank Rate over the next three years is, on average, around 15 basis points lower than in February, and is now expected to reach around 1.0% in three years’ time. Longer-term UK interest rates are also lower: the yield on 10-year UK government bonds has declined to 1.2% from 1.3%. Combined with the moves in the run-up to the February Report, both short and long-term interest rates have fallen by around 40 basis points since November.”

The MPC’s forecasts of Bank Base Rate in recent Quarterly Inflation Reports are summarised in the following table:-

	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	End Q.3 2021	End Q.4 2021	End Q.1 2022	End Q.2 2022
May '19	0.7	0.7	0.7	0.8	0.8	0.8	0.9	0.9	0.9	0.9	1.0	1.0	1.0
Feb.'19	0.7	0.8	0.9	0.9	0.9	1.0	1.0	1.0	1.1	1.1	1.1	1.1	
Nov.'18	0.9	0.9	1.0	1.1	1.1	1.2	1.2	1.3	1.3	1.4	1.4		
Aug.'18	0.8	0.9	0.9	1.0	1.0	1.0	1.1	1.1	1.1	1.1			
May '18	0.9	1.0	1.0	1.1	1.1	1.2	1.2	1.2	1.2				
Feb.'18	0.9	0.9	1.0	1.0	1.1	1.1	1.1	1.1	1.2				
Nov.'17	0.8	0.8	0.9	0.9	0.9	1.0	1.0						
Aug.'17	0.6	0.6	0.7	0.7	0.7	0.8							
May '17	0.4	0.4	0.5	0.5	0.5								
Feb'17	0.5	0.6	0.6	0.7									
Nov.'16	0.3	0.4	0.4										
Aug.'16	0.2	0.2											
May '16	0.8												

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 GDP growth settles at around its potential rate
2. UK domestic demand growth is soft in the near term, partly reflecting the impact of elevated Brexit uncertainties, before recovering
3. as GDP growth recovers to above the subdued rate of potential supply growth, excess demand builds
4. CPI inflation dips further below 2% during the first half of the forecast period, largely reflecting lower energy prices, but domestic inflationary pressures push inflation above the target further out.

## Capital Budget Monitoring - June 2019

	Actuals	Budgeted Spend to Date	Variance to Date	Final Budget	Final Forecast 2019/20	Full Year Variance
<b>Capital</b>	<b>2,270,133</b>	<b>2,781,129</b>	<b>(510,996)</b>	<b>57,639,350</b>	<b>57,018,910</b>	<b>(585,440)</b>
<b>Corporate Services</b>	<b>275,022</b>	<b>383,000</b>	<b>(107,978)</b>	<b>32,162,170</b>	<b>31,742,170</b>	<b>(385,000)</b>
Customer, Policy and Improvmen	0	0	0	1,822,660	1,822,660	0
Customer Contact Programme	0	0	0	1,822,660	1,822,660	0
Facilities Management Total	250,723	268,000	(17,277)	1,981,900	1,981,900	0
Works to other buildings	123,308	138,000	(14,692)	941,320	700,490	(240,830)
Civic Centre	127,414	130,000	(2,586)	774,140	1,014,970	240,830
Invest to Save schemes	0	0	0	266,440	266,440	0
Infrastructure & Transactions	19,802	110,000	(90,198)	4,408,180	3,988,180	(385,000)
Business Systems	(13,172)	0	(13,172)	1,428,860	1,043,860	(385,000)
Social Care IT System	0	0	0	425,240	390,240	0
Planned Replacement Programme	32,974	110,000	(77,026)	2,554,080	2,554,080	0
Resources	4,498	5,000	(502)	24,970	24,970	0
Financial System	4,498	5,000	(502)	24,970	24,970	0
Corporate Items	0	0	0	23,924,460	23,924,460	0
Westminster Ccl Coroners Court	0	0	0	460,000	460,000	0
Housing Company	0	0	0	23,464,460	23,464,460	0
<b>Community and Housing</b>	<b>145,757</b>	<b>150,000</b>	<b>(4,243)</b>	<b>1,196,240</b>	<b>996,240</b>	<b>(200,000)</b>
Adult Social Care	0	0	0	43,750	43,750	0
Telehealth	0	0	0	43,750	43,750	0
Housing	141,491	150,000	(8,509)	827,160	827,160	0
Disabled Facilities Grant	141,491	150,000	(8,509)	827,160	827,160	0
Libraries	4,266	0	4,266	325,330	125,330	(200,000)
Library Enhancement Works	593	0	593	248,700	48,700	(200,000)
Libraries IT	3,673	0	3,673	76,630	76,630	0

## Capital Budget Monitoring - June 2019

	Actuals	Budgeted Spend to Date	Variance to Date	Final Budget	Final Forecast 2019/20	Full Year Variance
<b>Children Schools &amp; Families</b>	<b>1,549,597</b>	<b>1,641,000</b>	<b>(91,403)</b>	<b>9,660,470</b>	<b>9,660,030</b>	<b>(440)</b>
<b>Primary Schools</b>	<b>5,190</b>	<b>25,000</b>	<b>(19,810)</b>	<b>1,644,040</b>	<b>1,644,040</b>	<b>0</b>
Hollymount	0	0	0	16,240	16,240	0
West Wimbledon	0	0	0	70,370	70,370	0
Hatfeild	0	0	0	87,150	87,150	0
Hillcross	0	0	0	232,740	232,740	0
Joseph Hood	0	0	0	41,800	41,800	0
Dundonald	(3,963)	5,000	(8,963)	31,150	31,150	0
Garfield	0	0	0	75,780	75,780	0
Merton Abbey	0	0	0	23,790	23,790	0
Pelham	0	0	0	37,890	37,890	0
Poplar	(4,824)	0	(4,824)	27,070	27,070	0
Wimbledon Chase	0	0	0	75,780	75,780	0
Wimbledon Park	0	0	0	1,800	1,800	0
Abbotsbury	(628)	0	(628)	71,540	71,540	0
Morden	(2,219)	0	(2,219)	3,970	3,970	0
Bond	0	0	0	116,600	116,600	0
Cranmer	0	0	0	97,430	97,430	0
Gorringe Park	0	0	0	10,000	10,000	0
Haslemere	0	0	0	85,840	85,840	0
Liberty	19,003	20,000	(997)	77,300	77,300	0
Links	(690)	0	(690)	74,480	74,480	0
Singlegate	0	0	0	11,000	11,000	0
St Marks	278	0	278	54,130	54,130	0
Lonesome	0	0	0	21,300	21,300	0
Sherwood	0	0	0	54,130	54,130	0
Stanford	(1,768)	0	(1,768)	0	0	0
William Morris	0	0	0	101,600	101,600	0
Unlocated Primary School Proj	0	0	0	143,160	143,160	0
St Mary's (RC)	0	0	0	0	0	0
Secondary School	591,238	590,000	1,238	1,730,430	1,730,430	0
Harris Academy Morden	0	0	0	38,560	38,560	0
Harris Academy Merton	1,550	0	1,550	4,570	4,570	0
Raynes Park	0	0	0	67,680	67,680	0
Ricards Lodge	0	0	0	21,690	21,690	0
Rutlish	1,050	0	1,050	147,220	147,220	0
Harris Academy Wimbledon	588,638	590,000	(1,362)	1,450,710	1,450,710	0



## Capital Budget Monitoring - June 2019

	Actuals	Budgeted Spend to Date	Variance to Date	Final Budget	Final Forecast 2019/20	Full Year Variance
SEN	867,537	910,000	(42,463)	5,824,140	5,824,140	0
Perseid	(32,608)	0	(32,608)	268,210	268,210	0
Cricket Green	863,354	873,000	(9,646)	4,138,910	4,138,910	0
Melrose	0	0	0	107,000	107,000	0
Secondary School Autism Unit	0	0	0	72,000	72,000	0
Unlocated SEN	36,791	37,000	(209)	1,108,020	1,108,020	0
Melbury College - Smart Centre	0	0	0	130,000	130,000	0
CSF Schemes	85,632	116,000	(30,368)	461,860	461,420	(440)
CSF IT Schemes	(1,353)	0	(1,353)	440	0	(440)
School Equipment Loans	0	0	0	108,900	108,900	0
Devolved Formula Capital	86,985	116,000	(29,015)	352,520	352,520	0

## Capital Budget Monitoring - June 2019

	Actuals	Budgeted Spend to Date	Variance to Date	Final Budget	Final Forecast 2019/20	Full Year Variance
<b>Environment and Regeneration</b>	<b>299,757</b>	<b>607,129</b>	<b>(307,372)</b>	<b>14,620,470</b>	<b>14,620,469</b>	<b>(1)</b>
Public Protection and Developm	5,001	12,500	(7,499)	66,800	66,800	0
CCTV Investment	0	2,500	(2,500)	10,340	10,340	0
Public Protection and Developm	5,001	10,000	(4,999)	56,460	56,460	0
Street Scene & Waste	3,246	3,000	246	1,146,340	1,146,340	0
Fleet Vehicles	0	0	0	337,660	337,660	0
Alley Gating Scheme	3,246	3,000	246	30,000	30,000	0
Waste SLWP	0	0	0	778,680	778,680	0
Sustainable Communities	291,511	591,629	(300,118)	13,407,330	13,407,329	(1)
Street Trees	0	0	0	60,000	60,000	0
Raynes Park Area Roads	0	0	0	26,110	26,110	0
Highways & Footways	147,758	231,800	(84,042)	4,880,030	4,880,030	0
Cycle Route Improvements	47,020	21,700	25,320	970,380	970,380	0
Mitcham Transport Improvements	6,776	7,100	(324)	1,364,210	1,364,210	0
Mitcham Area Regeneration	0	0	0	1,369,290	1,369,290	0
Wimbledon Area Regeneration	37,348	40,000	(2,652)	417,500	417,500	0
Morden Area Regeneration	0	0	0	500,000	500,000	0
Borough Regeneration	60,643	65,000	(4,357)	354,780	354,780	0
Morden Leisure Centre	(203,144)	0	(203,144)	596,820	596,820	0
Sports Facilities	150,000	150,000	(0)	1,793,160	1,793,160	0
Parks	45,111	76,029	(30,918)	1,075,050	1,075,049	(1)

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

Ref	Description of Saving	2019/20 Savings Required £000	2019/20 Savings Expected £000	Shortfall	19/20 RAG	2020/21 Savings Expected £000	2020/21 Expected Shortfall £000	20/21 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/underspend? Y/N
<b>Customers, Policy &amp; Improvement</b>											
CS2016 -05	Increase income through translations	15	15	0	G	15	0	G	Sean Cunniffe		
CS2016 -07	Cash Collection Reduction	30	30	0	G	30	0	G	Sean Cunniffe		
2018-19 CS09	Reduction/rationalisation in running costs budgets across multiple budgets	35	35	0	G	35	0	G	Sean Cunniffe		
CS2016 -06	Merton Link - efficiency savings								Sean Cunniffe	Saving has been re-profiled to 20/21 as the efficiencies expected from the customer contact programme have not yet been realised. To offset this, a £30k saving on the Registrars service (2019-20 CS05) planned for 20/21 will be brought forward to 2019/20 (see below).	
2019-20 CS05	Registrars Reduction in staff	30	15	15	A	30	0	G	Sean Cunniffe	Saving brought forward from 20/21 to 19/20 to offset CS2016-06 reprofiled from 19/20 to 20/21. Staff reduction expected mid-year, with the shortfall being met from elsewhere in the division.	Y
<b>Infrastructure &amp; Technology</b>											
CS2016-08	Potential income derived from letting two floors of vacant office space within the Civic Centre to external/partner organisations.	190	190	0	G	190	0	G	Edwin O'Donnell		
2018-19 CS01	Revenue saving associated with current MFD contract	150	150	0	G	150	0	G	Richard Warren		
2018-19 CS02	Reduction in the level of building repairs and maintenance undertaken on the corporate buildings	100	100	0	G	100	0	G	Edwin O'Donnell		
2018-19 CS04	Delete or full cost recovery of one post within FM	36	36	0	G	36	0	G	Edwin O'Donnell		
2018-19 CS14	M3 support to Richmond/Wandsworth	20	20	0	A	20	0	A	Clive Cooke	This is dependent on agreement with RSSP, may be at risk if they don't migrate to M3 system.	N
<b>Corporate Governance</b>											
CSREP 2019-20 (1)	Increase in income from Legal Services relating to S106, property and court fees	50	50	0	G	50	0	G	Fiona Thomsen		
CSREP 2019-20 (6)	Legal services - reduce employment and HR support by 50%	30	30	0	G	30	0	G	Fiona Thomsen		
<b>Resources</b>											
CS2016-02	Restructure of HB section to roll out universal credit	66	66	0	G	66	0	G	David Keppler		
2018-19 CS05	Reduction in permanent staffing	30	0	30	A	0	30	A	Roger Kershaw	Saving to be reviewed in year, may require replacement. For 19/20 the saving will be met by underspends elsewhere within the division.	Y
2018-19 CS10	Reduction in staffing	60	60	0	G	60	0	G	David Keppler		
2018-19 CS08	Increase in income from Enforcement Service	100	100	0	G	100	0	G	David Keppler		
2019-20 CS01	Amend discretionary rate relief policy	75	75	0	G	75	0	G	David Keppler		
CSREP 2019-20 (2)	Reduction in internal insurance fund contribution	250	250	0	G	250	0	G	Nemashe Sivayogan		
CSREP 2019-20 (3)	Increase in income from Enforcement service	50	50	0	G	50	0	G	David Keppler		
<b>Corporate</b>											
2019-20 CS12	Increase in Empty Homes Premium for long term empty properties	97	97	0	G	97	0	G	David Keppler		
CSREP 2019-20 (4)	Increase in investment income	30	30	0	G	30	0	G	Nemashe Sivayogan		
CSREP 2019-20 (5)	CHAS dividend	40	40	0	G	40	0	G	Ian McKinnon		

DEPARTMENT: CORPORATE SERVICES - PROGRESS ON SAVINGS 19-20

Ref	Description of Saving	2019/20 Savings Required £000	2019/20 Savings Expected £000	Shortfall	19/20 RAG	2020/21 Savings Expected £000	2020/21 Expected Shortfall £000	20/21 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/underspend? Y/N
	Total Corporate Services Department Savings for 2019/20	1,484	1,439	45		1,454	30				

## DEPARTMENT: ENVIRONMENT &amp; REGENERATION SAVINGS PROGRESS: 2018-19

Ref	Description of Saving	2019/20 Savings Required £000	2019/20 Savings Expected £000	Shortfall	2019/20 RAG	2020/21 Savings Expected £000	2020/21 Expected Shortfall £000	2020/21 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Unders pend? Y/N
<b>SUSTAINABLE COMMUNITIES</b>											
E4	Income from Merantun Development Limited for services provided to the company by LBM	100	95	5	A	100	0	A	James McGinlay		Y
ENV1819-05	Highways advertising income through re-procurement of the advertising contract for the public highway. New contract due to be in place by last quarter of 2019/20.	55	32	23	R	55	0	A	James McGinlay	New contract expected to commence in the final quarter of 2019/20, and we should have a better idea of outcomes when the tenders are reviewed (Aug/Sept).	Y
<b>PUBLIC PROTECTION</b>											
ENR1	Further expansion of the shared service.	100	100	0	A	100	0	A	Cathryn James		N
E1	Investigate potential commercial opportunities to generate income from provision of business advice. This follows on from the expansion of the RSP to include Wandsworth from November 2017, and increased resilience.	60	0	60	R	60	0	A	Cathryn James	This saving is conditional on income being generated from chargeable business advice/consultancy. A new income generating Business Development team has been established as part of the Regulatory Services Partnership restructure, which will now look to deliver these savings. However, it is unlikely to be delivered this financial year.	Y
ENR4	Charge local business' for monitoring of their CCTV	100	0	100	R	0	100	R	Cathryn James	Alternative Saving Required.	Y
ENV1819-03	The objective of the proposal is to support the delivery of key strategic council priorities including public health, air quality and sustainable transportation, in addition to managing parking, kerbside demand and congestion. Whilst implementation of the proposals will have the incidental effect of generating additional revenue, it is difficult to assess the level of change in customer behaviour and any subsequent financial impact arising from the changes. This will be monitored after implementation and any resulting impacts will be considered during the future years' budget planning cycles. The above will be subject to the outcome of the consultation process in 2019.	1,900	950	950	R	1900	0	A	Cathryn James	The implementation date for the revised charges is still subject to committee approval. The original savings target was based on an October go live date. It is felt that a more prudent approach to the likely implementation date should be reflected in the savings targets.	Y
ALT2	Reduction of 2fte from the Parking establishment in administrative/processing roles as a result of the impending new permit system	57	57	0	G	57	0	G	Cathryn James		Y
ALT3	Reduction in the number of pay & display machines required.	14	3	11	R	14	0	G	Cathryn James		Y
<b>PUBLIC SPACE</b>											
ENR9	Increase level of Enforcement activities of internal team ensuring the operational service is cost neutral	200	200	0	A	200	0	G	John Bosley		Y
E2	Thermal Treatment of wood waste from HRRC	30	30	0	A	30	0	A	John Bosley		Y
EV08	Increased recycling rate by 3% following education and communications activity funded by WCSS. This will be driven by the incentivisation and education programmed due to commence in March 2014.	250	250	0	G	250	0	G	John Bosley		N
ALT4	Environmental Enforcement - Maintain a payment rate of 70% for all FPN issued.	54	54	0	G	54	0	G	John Bosley		Y
E5	Letting of remaining vacant facilities in Greenspaces	50	0	50	R	50	0	A	John Bosley		N
E6	Increased tenancy income in Greenspaces	40	0	40	R	40	0	A	John Bosley		N
ENR10	Two year extension of the GLL contract	300	300	0	G	300	0	G	John Bosley		N
ENV1819-01	Five year extension of the GLL contract	60	60	0	G	60	0	G	John Bosley		N
<b>Total Environment and Regeneration Savings 2018/19</b>		<b>3,370</b>	<b>2,131</b>	<b>1,239</b>		<b>3,270</b>	<b>100</b>				

DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2019/20										Updated 25/7/19	APPENDIX 6
Ref	Description of Saving	2019/20 Savings Required £000	2019/20 Expected Savings £000	Shortfall £000	RAG	2020/21 Savings Expected £000	2020/21 Expected Shortfall £000	20/21 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Unders pend? Y/N
<b>Adult Social Care</b>											
CH35/36/52	<b>Housing Related Support:</b> -The purpose of the project is to review existing service provision linked to original SP funding, identify gaps and utilise the data to inform a new set of contract specifications to support the re-procurement of services aligned with the Council's Community and Housing strategic priorities. The objective of the project is to deliver successful procurement of contracted services that demonstrate effective outcomes for service users, effective performance management framework and value for money services.	309	276	33	A	309	0	G	Steve Langley	Late implementation has reduced the forecast savings in year, but work is underway to mitigate this shortfall. In any event the full savings will be achieved FYE in 2020/21.	Y
CH39	<b>Extra Care Contracts:</b> -This reduced savings of £57k is targeted on contract efficiencies and non-statutory support hours; eligible social care needs will not be affected. Providers will seek alternative resources to provide this support. Service will ensure that new specification requires providers to seek other support for residents. Impact will be reviewed as part of each service users annual review.	57	57	0	G	57	0	G	John Morgan	Achieved	Y
CH55	<b>Promoting Independence:</b> -The aim of this proposal has been to support people to remain independent and well. To support them to achieve their desired outcomes by enabling them to remain in their own homes, close to their friends, families, support networks and local communities.	553	553	0	G	553	0	G	John Morgan	Achieved	Y
CH70	<b>Home Care:</b> -The aim of this proposal is to maximise the benefit of the new home care contract arrangements. The new arrangements were implemented from February 2018. With a year to get established, it is planned to start to transfer cases with legacy providers who are not on the new contract as either prime or back-up providers. Some of these contracts are at higher hourly rates, so the transfer will generate a saving with no reduction in care. New care providers will be required to use a care visit monitoring system, which should increase the reliability of care.	301	301	0	G	301	0	G	John Morgan	Achieved	Y
CH88	<b>Home Care Monitoring System:</b> -The aim of this proposal is to roll out a home care monitoring system for all home care providers to ensure that we can monitor the delivery of home care visits.	40	40	0	G	40	0	G	John Morgan	Achieved through Forum	Y
CH89	<b>Older People Day Care Activities:</b> -As less people are choosing to attend these formal day centre we currently having increasingly vacancies within these provisions which are not been utilised. The proposal seeks to assess and analyse the demand and supply of activity aimed at supporting older people to access community activity. This will objectively look at the supply of building based and non-building based activity, its utilisation and the limitations on providing what people expect and need within the current model. It is envisaged that this will include a rationalisation and reduction of the current level of building based 'day centre' activity. This is based on current demand statistics and will include consideration of the effect of 2018/19 reductions in contracted day centre services; which is covered in a separate EIA for that specific proposal.	236	118	118	A	236	0	G	Richard Ellis	Discussions are underway with the new owners of one of the two day centres. The sale of the home that hosts one service has delayed implementation.	Y
<b>Subtotal Adult Social Care</b>		1,496	1,345	151		1,496	0				
<b>Library &amp; Heritage Service</b>											
CH67	<b>Merton Arts Space income</b>	38	38	0	G	38	0	G	Anthony Hopkins	On track	Y
<b>Total C &amp; H Savings for 2019/20</b>		1,534	1,383	151		1,534	0				

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

Ref	Description of Saving	2019/20 Savings Required £000	2019/20 Savings Expected £000	Shortfall	19/20 RAG	2020/21 Savings Expected £000	2020/21 Expected Shortfall £000	20/21 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Undersp end? Y/N
	<b>Education</b>										
CSF2018-03	Review Early Years : raise income or cease some services in preparation for 2020 where we'd consider withdrawing from direct provision of a childcare offer.	49	49	0	G	49	0	G	Jane McSherry		
CSF2018-04	Review schools trade offer, raise charges or consider ceasing services from 2020.	30	30	0	G	30	0	G	Jane McSherry		
CSF2018-07	Reorganisation of Admissions, My Futures and School Improvement Teams and reduction in contribution to the MSCB (Safeguarding Partnership)	100	100	0	G	100	0	G	Jane McSherry		
CSF2018-11	Reduction of SENDIS early intervention service and reduction in spend associated with the introduction of the web based EHCP Hub	72	72	0	G	72	0	G	Jane McSherry		
	<b>Children Social Care &amp; Youth Inclusion</b>										
CSF2018-01	Reduced costs/offer through the national centralised adoption initiative	30	30	0	G	30	0	G	El Mayhew		
CSF2018-02	Reorganisation of the Children with Disability (CWD), Fostering and Access to Resources (ART) teams and a review of the Common and Shared Assessment (CASA) service.	130	130	0	G	130	0	G	El Mayhew		
CSF2018-05	Delivery of preventative services through the Social Impact Bond	45	45	0	R	45	0	R	El Mayhew	We expect to achieve the savings target as numbers of LAC are stable. The overall service will still overspen however because UASC costs have increased over the past few years and the growth received was not sufficient to offset this pressure. Placements are reviewed on an on-going basis and detailed analysis to back up movement caseloads and placement costs reported to DMT.	Y
CSF2018-06	South London Family Drug and Alcohol Court commissioning	45	45	0	R	45	0	R	El Mayhew	We expect to achieve the savings target as numbers of LAC are stable. The overall service will still overspen however because UASC costs have increased over the past few years and the growth received was not sufficient to offset this pressure. Placements are reviewed on an on-going basis and detailed analysis to back up movement caseloads and placement costs reported to DMT.	Y
CSF2018-12	Further reduction in staffing at Bond Road. This will include a FGC post and a contact worker.	71	71	0	G	71	0	G	El Mayhew		
	<b>Total Children, Schools and Families Department Savings for 2019/20</b>	<b>572</b>	<b>572</b>	<b>0</b>		<b>572</b>	<b>0</b>				

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

Ref	Description of Saving	2018/19 Savings Required £000	2018/19 Shortfall	18/19 RAG	2019/20 Expected Shortfall £000	19/20 RAG	2020/21 Expected Shortfall £000	20/21 RAG	Responsible Officer	Comments
	<b>Infrastructure &amp; transactions</b>									
CS2015-10	FM - Energy invest to save	465	465	R	365	A	0	G	Richard Neal	The capital spend to achieve this was slipped and hence the saving was delayed with £100k expected in 19/20 and the balance in 20/21. In 19/20 the unachieved saving will be met from the Corporate Services reserve.
CSREP 2018-19 (13)	Business Improvement - Business Systems maintenance and support reduction	10	10	R	10	R	10	R	Clive Cooke	Saving to be reviewed during 19/20 to identify if this can be met or if a replacement saving is required.
CSREP 2018-19 (14)	M3 support to Richmond/Wandsworth	20	20	R	0	A	0	A	Clive Cooke	This is dependent on agreement with RSSP, may be at risk if they don't migrate to M3 system.
	<b>Corporate Governance</b>									
CSD43	Share FOI and information governance policy with another Council	10	10	R					Karin Lane	Replacement saving identified. From 19/20 this saving will be replaced by a reduction to the Corporate Governance AD's budget
	<b>Total Corporate Services Department Savings for 2018/19</b>	<b>505</b>	<b>505</b>		<b>375</b>		<b>10</b>			

DEPARTMENT: ENVIRONMENT & REGENERATION SAVINGS PROGRESS: 2018-19

APPENDIX 7

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	2020/21 Expected Shortfall £000	20/21 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
<b>SUSTAINABLE COMMUNITIES</b>													
ENV20	D&BC: Increased income from building control services.	35	0	35	R	0	35	R	0	A	James McGinlay	This has not been possible due to staff shortages and difficulty with filling posts	Y
<b>PUBLIC PROTECTION</b>													
ENV07	Parking: Reduction in supplies & services/third party payment budgets.	60	13	47	R	60	0	A	0	A	Cathryn James	Saving is being reviewed and an alternative saving may be required.	Y
ENV08	Regulatory Services: Funding of EH FTE by public health subsidy. As agreed between DPH and Head of PP .	40	0	40	R						Cathryn James	Alternative saving has been agreed for 2019/20.	Y
ENV09	Regulatory Services: Investigate potential commercial opportunities to generate income	50	0	50	R	50	0	A	0	A	Cathryn James	This saving is conditional on income being generated from chargeable business advice/consultancy. A new income generating Business Development team has been established as part of the Regulatory Services Partnership restructure, which will now look to deliver these savings.	Y
ENR2	Parking & CCTV: Pay & Display Bays (On and off street)	44	0	44	R	44	0	G	0	G	Cathryn James		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	0	G	Cathryn James	Saving now forms part of the wider discussion on parking charges.	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	390	50	R	440	0	G	0	G	Cathryn James		N
<b>PUBLIC SPACE</b>													
ENV32	Transport: Review of Business Support requirements	30	0	30	R						John Bosley	Alternative saving has been agreed for 2019/20.	Y
ENR6	Waste: Wider Department restructure in Waste Services	200	0	200	R	100	100	R	0	A	John Bosley	This was not delivered in 2018. Review and restructure still outstanding. Scheduled for quarter 3 2019	Y
ENR7	Transport Services: Shared Fleet services function with LB Sutton	10	0	10	R						John Bosley	Alternative saving has been agreed for 2019/20.	Y
<b>Total Environment and Regeneration Savings 2018/19</b>		<b>926</b>	<b>403</b>	<b>523</b>		<b>711</b>	<b>135</b>		<b>0</b>				



## DEPARTMENT: COMMUNITY &amp; HOUSING SAVINGS PROGRESS 2018/19

Ref	Description of Saving	2018/19 Savings Required £000	Shortfall £000	RAG	2019/20 Savings Expected £000	2019/20 Expected Shortfall £000	19/20 RAG	2020/21 Expected Shortfall £000	19/20 RAG	Responsible Officer	Comments
<b>Adult Social Care</b>											
CH73	A review of management and staffing levels of the AMH team in line with the reductions carried out in the rest of ASC.	100	23	R	100	0	G	0	G	Richard Ellis	Balance deferred to 2019/20
CH36	Single homeless contracts (YMCA, Spear, Grenfell) - Reduce funding for contracts within the Supporting People area which support single homeless people -Reduced support available for single homeless people - both in terms of the numbers we could support and the range of support we could provide. In turn this would reduce their housing options. (CH36)	38	38	R	38	0	G	0	G	Steve Langley	£38k deferred to 2019/20
CH71	Transport: moving commissioned taxis to direct payments. Service users can purchase taxi journeys more cheaply than the council.	50	50	R	50	0	A	0	G	Phil Howell	
CH72	Reviewing transport arrangements for in-house units, linking transport more directly to the provision and removing from the transport pool.	100	100	R	100	0	A	0	G	Richard Ellis	£100k deferred to 2019/20. Part of the Transport review
74	The implementation of the MOSAIC social care system has identified the scope to improve the identification of service users who should contribute to the costs of their care and assess them sooner, thus increasing client income. Assessed as a 3% improvement less cost of additional staffing	231	231	R	231	0	G	0	G	Richard Ellis	Timeliness of FA improved through additional resource funded by MIB. Earlier FA means more weeks billed. Contribution from Health contribution target was exceeded.
<b>Total C &amp; H Savings for 2018/19</b>		<b>519</b>	<b>442</b>		<b>519</b>	<b>0</b>		<b>0</b>			

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

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

There were no red savings for CSF

## 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 Shortfall £000	18/19 RAG	2019/20 Expected Shortfall £000	19/20 RAG	Responsible Officer	Comments
	<b>Business improvement</b>									
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)
	<b>Infrastructure &amp; transactions</b>									
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)
	<b>Resources</b>									
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
	<b>Total Corporate Services Department Savings for 2017/18</b>		196		0		0			

## DEPARTMENT: ENVIRONMENT &amp; REGENERATION SAVINGS PROGRESS: 2017-18

Ref	Description of Saving	2017/18 Savings Required £000	2017/18 Savings Achieved £000	Shortfall	17/18 RAG	2018/19 Savings Expected £000	2018/19 Shortfall £000	18/19 RAG	2019/20 Savings Expected £000	2019/20 Expected Shortfall £000	19/20 RAG	Comments	R / A Included in Forecast Over/Underspend? Y/N
<b>SUSTAINABLE COMMUNITIES</b>													
ER23b	Restructure of team to provide more focus on property management and resilience within the team.	18	0	18	R	0	18	R	18	0	A	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
D&BC1	Fast track of householder planning applications	55	0	55	R							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	0	50	R							A replacement saving (ALT1) implemented in 2018/19, was agreed by Cabinet in November 2017.	N
D&BC3	Commercialisation of building control	50	0	50	R							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	0	45	R	45	0	G	45	0	G		N
D&BC5	Eliminate the Planning Duty service (both face to face and dedicated phone line) within D&BC	35	0	35	R							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 only	10	0	10	R							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	100	48	R	148	0	G	148	0	G		N
ENV20	Increased income from building control services.	35	0	35	R							A replacement saving (ALT1) implemented in 2018/19, was agreed by Cabinet in November 2017.	N
<b>PUBLIC PROTECTION</b>													
E&R14	Further expansion of the Regulatory shared service.	100	0	100	R	100	0	G	100	0	G		Y
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	0	190	R	0	190	R	0	190	R	Alternative saving required	Y
ENV03	Reduction number of CEO team leader posts from 4 to 3	45	0	45	R	0	45	R	0	45	R	Alternative saving required	Y
ENV06	Reduction in transport related budgets	46	0	46	R							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	7	43	R	0	50	R	50	0	A		Y
<b>PUBLIC SPACE</b>													
E&R16	joint procurement of waste, street cleansing, winter maintenance and fleet maintenance services (Phase C)	1,500	795	705	R	1,257	243	R	1500	0	A	Actual savings delivered are being monitored closely	N
E&R25	Joint procurement of greenspace services as part 2 of the Phase C SLWP procurement contract with LB Sutton	160	44	116	R	160	0	G	160	0	G		N
ENV12	Loss of head of section/amalgamated with head of Greenspaces	70	0	70	R	0	70	R	0	70	R	Saving has been delayed but in the process of being reviewed but not expected to be achieved until 2020/21.	N
ENV13	Staff savings through the reorganisation of the back office through channel shift from phone and face to face contact.	70	0	70	R	70	0	G	70	0	G		N
ENV18	Increased income from events in parks	100	0	100	R							A replacement saving (ALT1) implemented in 2018/19, was agreed by Cabinet in November 2017.	N
ENV21	Reduction in the grant to Wandle Valley Parks Trust	6	0	6	R	6	0	G	6	0	G		N
ENV23	Further savings from the phase C procurement of Lot 2.	160	0	160	R	82	78	R	160	0	G		N
ENV25	Department restructure of the waste section	191	0	191	R	191	0	G	191	0	G		Y
<b>Total Environment and Regeneration Savings</b>		<b>3,134</b>	<b>946</b>	<b>2,188</b>		<b>2,059</b>	<b>694</b>		<b>2,448</b>	<b>305</b>			

## 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 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
<b>CSF2012-07</b>	<b><u>Children Social Care</u></b> 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	7	R	0	G	0	G	Paul Angeli	The ETE saving was delivered from July 2017 and the short for the first quarter covered through reduced grant-funding for targeted intervention services.	N
	<b>Total Children, Schools and Families Department Savings for 2017/18</b>		7		0		0				

Updated 25/07/19

APPENDIX 8

**DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2017/18**

Ref	Description of Saving	2017/18 Savings Required £000	2017/18 Shortfall £000	17/18 RAG	2018/19 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
	<u>Adult Social Care</u>										
	<b>Total C &amp; H Savings for 2017/18</b>									<b>No Reds</b>	

## Appendix 9

### Subject: Miscellaneous Debt Update June 2019

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

- 1.1 A breakdown of departmental net miscellaneous debt arrears, as at 30 June 2019, 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 2019 – 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 19 arrears f	Mar 19 arrears f	Direction of travel
	£	£	£	£	£	£	
Env & Regeneration	956,147	400,353	570,364	327,841	2,254,705	1,734,438	↑
Corporate Services	324,956	-6,848	64,127	106,777	489,012	815,400	↓
Housing Benefits	291,859	789,750	1,040,567	2,384,907	4,507,083	4,683,791	↓
Children, Schools & Families	489,213	98,995	384,032	330,111	1,302,351	1,104,890	↑
Community & Housing	1,153,940	1,015,947	1,262,324	1,885,047	5,317,259	5,149,915	↑
Chief Executive's					-	-	↓
CHAS 2013	23,431	1,931	3,030	9,510	37,902	29,583	↑
<b>Total</b>	<b>3,239,546</b>	<b>2,300,129</b>	<b>3,324,444</b>	<b>5,044,193</b>	<b>13,908,312</b>	<b>13,518,017</b>	<b>↑</b>

- 1.3 Since the position was last reported on 31 March 2019, the net level of arrears, i.e. invoices over 30 days old, has increased by £390,295.
- 1.4 Since last reported at the end of March 2019 Environment and Regeneration department debt has increased by £520,000, mainly due to increases on Community Infrastructure Levy (£309,000), Trading Standards (£131,000) and Highways (£167,000). Community and Housing debt has increased by £168,000, there has been a reduction in debt for most services although an increase in MASCOT (£309,000) due to the recently issued yearly invoices now being over 30 days old.

The debt recovery team are working with service departments to pursue and collect these debts, or make recommendations to make payment easier.

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

## 2 THE PROCESS FOR COLLECTION OF MISCELLANEOUS DEBT

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

### The process for collecting debt

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

## 3. ACTION BEING TAKEN TO COLLECT OUTSTANDING DEBT

### 3.1 Adult Social Care Debt

- 3.2 One of the two largest debts owed to the council is for Adult Social Care debt and the current level of this debt is £4.447 million, a reduction of £16,000 since last reported in March 2019.
- 3.3 Over the past few year's council staff have been working closely and following new processes to manage this debt. This work involves regular joint meetings between the financial assessments, social services, client financial affairs and debt recovery teams to review the debts of individual clients and establish action plans for each one.



- 3.4 These actions include, but are not limited to: early intervention from social workers to prevent debts from getting out of control and to ensure that clients are supported earlier to get their finances in order; as part of their induction all new Social Workers spend time with the Financial Assessment Team, to understand how financial assessments are carried out; social workers also check to see if there 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.
- 3.5 A new working group chaired by the Director of Community and Housing has been set up to monitor Community Care debt and to work across departments to improve processes and ensure best practice is in place to maximise collection of debts at all stages.
- 3.6 The table below shows the breakdown of Community Care debt by recovery action

Total Community Care Debt by recovery action as at June 2019 compared to June 2018, September 2018, December 2019 and March 2019

Adult Social Care Debt	Jun-18	% at stage	Sep-18	% at stage	Dec 18	% at stage	Mar-19	% at stage	Jun-19	% at stage
Invoice stage	360,575	7%	385,921	8%	547,523	11%	257,451	5%	318,546	
Charge & Deferred Payment	255,870	5%	47,673	1%	32,061	1%	48,496	1%		
Payment arrangement	178,224	4%	180,288	4%	116,261	2%	88,263	2%	91,639	
Probate, DWP & Deputyship	476,696	10%	468,353	9%	321,603	7%	340,580	8%		
Court action	84,598	2%	84,598	2%	84,598	2%	84,598	2%		
Dept or service query	25,097	1%	22,615	1%	60,035	1%	26,114	1%		
No action secured	2,271,872	45%	2,296,871	46%	2,241,334	46%	2,359,519	53%		
J&P	1,323,327	0.26	1,426,309	29%	1,503,138	30%	1,258,778	28%	1,277,010	
Total Debt	4,976,259		4,912,628		4,906,553		4,463,799		4,447,102	

It has not been possible to extract the breakdown of this debt from E5 for June 19. It is hoped it will be provided when next reported

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.

- 3.7 Every four weeks the council raises approximately £490,000 in Adult Social Care invoices and of this collect £120,000 by direct debit, or 46% of clients.
- 3.8 This results in approximately £370,000 of debt (approximately 34%) needing to be collected each month (£1.1 million a quarter) for the level of outstanding debt to remain static.
- 3.9 For the financial year 2018/19 approximately £5.8 million in invoices for Adult Social Care charges were issued and of that amount £1.33 million (23%) remains outstanding at 31 March 2019.
- 3.10 An initiative was commenced in April 2019 to issue communication with all non direct debit payer invoices encourage the take up of direct debit payment method. In April we issued 471 non direct debit emails and managed to increase take up by 62 accounts signing up for direct debit. This exercise will be repeated in September.
- 3.11 In February 2018 agreement was reached with a specialist Adult Social Care debt collection company to collect some of our larger debts and debts for deceased debtors for a one year trial. As at the 13 June 2019 we had passed 35 cases totalling £1.86 million. Of these cases 7 totalling £478,000 were returned as uncollectable after investigations. Another 6 cases totalling £284,000 were paid in full.
- 3.12 Of the remaining 22 cases they have identified 10 (£610,000) as 70% to 100% prospect of payment, 10 (£646,000) as 50% to 69% prospect of collection and the remaining 2 (£90,000) less than 50% prospect of collection.
- 3.13 Agreement has recently been reached with the Shared Legal Service to undertake this legal work for an initial trial period of six months.
- 3.14 Housing Benefit Overpayments
- 3.15 The largest area of debt owed to the council is for housing benefit overpayments with the total level of debt being £7.893 million, which is a small reduction of £33,000 since last reported at the end of March 2019.
- 3.16 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.

- 3.17 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.
- 3.18 The Real Time information initiative continued throughout 2018/19 and will again run in 2019/20 under Verification of Earnings and Pension (VEP) initiative. The council receives notifications every week for cases where the DWP suggests we check earnings details using the real time information.
- 3.19 Since the start of the Real Time information initiative over £5.4 million of overpayments have been identified. Where possible these overpayments are being recovered from on-going benefit payments. We are entitled to deduct between £10.95 and £23.35 per week from on-going housing benefit dependant on circumstances. Where the change has resulted in housing benefit being cancelled or nil entitlement we can contact the claimants employer and are paid a percentage deduction of their salary each month.
- 3.20 Although the overall housing benefit debt has increased over the years there has also been an increase in the amount of debt either being recovered from on-going benefit or on arrangements, with £2.6 million being recovered from on going benefit by reducing current housing benefit payments. Just over £5.6 million is on a payment arrangement or recovery from on going benefit
- 3.21 The table below shows breakdown of all housing benefit overpayments by recovery action.

Total Housing Benefit Debt by recovery action from June 2017 to June 2019 by quarter

Recovery Stage	Jun-17	Sep-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19
Invoice and Reminder stage	284,713	379,477	340,008	312,186	347,861	407,687	151,889	152,121
On-going recovery	3,363,611	3,354,237	3,032,656	2,775,552	2,618,115	2,477,390	2,550,198	2,622,894
Payment Arrangements	2,353,352	2,511,028	2,647,525	2,826,435	3,012,437	3,249,997	3,256,461	3,044,975
No Arrangements secured	2,665,410	2,387,794	2,427,693	2,384,329	2,216,787	1,912,306	1,967,960	2,073,063
<b>Total HB Debt</b>	<b>8,667,086</b>	<b>8,632,536</b>	<b>8,447,882</b>	<b>8,298,502</b>	<b>8,195,200</b>	<b>8,047,380</b>	<b>7,926,508</b>	<b>7,893,053</b>

- 3.22 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.
- 3.23 We commenced another DWP initiative to assist with the collection of unpaid overpayments. On a monthly basis we provide a list of debts to the DWP who will compare it to HMRC data and highlight where customers are now working so that we can apply for an attachment to their earnings. This commenced in May 2018 and since then we have applied for in excess of 270 new attachment to earnings. We currently have £690,674 set to recover by this method. We have also been provided with up to date contact details of debtors which has enabled us to make contact and secure further payment arrangements and payments.
- 3.24 The table below shows the value of housing benefit overpayments created and collected by year in millions.

Year	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
<b>Overpayments raised</b>	<b>4.67</b>	<b>4.56</b>	<b>3.66</b>	<b>3.74</b>	<b>3.10</b>	<b>0.96</b>
<b>Overpayments collected</b>	<b>2.22</b>	<b>2.88</b>	<b>2.75</b>	<b>2.92</b>	<b>3.00</b>	<b>0.66</b>
<b>Recovered from ongoing benefit</b>	<b>1.33</b>	<b>1.69</b>	<b>1.64</b>	<b>1.74</b>	<b>1.40</b>	<b>0.33</b>

- 3.25 It should be noted that in 2018/19 collection was higher than in previous years. The amount recovered from ongoing benefit is included in the overpayments collected and does not necessarily tie back to the year the overpayment was raised.
- 3.26 It has previously been reported that a new initiative with an external company to review and try to collect housing benefit overpayments that have been written off by the council over the past five years had been explored. This commenced in May 2019 with the company reviewing approximately £1.9 million (1,469 cases) of previously written off debt.
- 3.27 By the end of June the company reported that they had issued letters to 416 accounts, had applied for 145 attachment to earnings, set up 58 payment arrangements and received just over £10,000 in payments.

- 3.28 They had assigned three full time officers to the initiative and have obtained information on accounts from the DWP as detailed in 3.23 above.
- 3.29 A further update of this initiative will be provided in the September 2019 report.
- 3.30 Debt Written Off
- 3.31 The table below shows the amount of debt written off in accordance with financial regulations and scheme of management for the period 2014/15 to 2018/19 plus for this year.

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

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
	Total	Total	Total	Total	Total	Quarter 1
<b>Debt type</b>						
<b>Sundry Debt</b>	£347,726	£581,419	£129,338	£443,317	£572,301	£0
<b>Housing benefit overpayments</b>	£1,050,105	£510,352	£517,467	£512,379	£364,549	£28,901
<b>Council Tax</b>	£526,881	£951,280	£623,486	£804,987	£424,936	£101,495
<b>Business Rates</b>	£790,373	£659,514	£567,908	£378,155	£367,299	£0
<b>Total</b>	<b>£2,715,085</b>	<b>£2,702,565</b>	<b>£1,838,199</b>	<b>£2,138,838</b>	<b>£1,729,085</b>	<b>£130,396</b>

- 3.32 Of the business rates debt written off a large proportion relates to debts owed by businesses that went into liquidation. From 2014/15 to 2018/19 £2.761 million of business rates debt was written off and £1.5 million (54%) related to businesses that went into liquidation.
- 3.33 Although the debt written off within any of the years does not relate to one specific year it should be noted that in 2018/19 the council was collecting a net debt of £111.5 million in council tax (this includes the GLA portion), a net debt of £94.3 million in business rates (this includes Business Rates Supplement) and approximately over £83 million raised through sundry debts.
- 3.34 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 Of the £83 million sundry debt raised in 2018/19 we have already collected over £76.6 million (92%)
- 4.3 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 2018/19 accounts for writing off bad and doubtful debts held within the ASH, E5 and Housing benefits systems. These provisions are £3.442m for Accounts Receivable (including former ASH) miscellaneous debt and £5,890m for debt held in the Housing Benefits system, making a total General Fund provision for bad and doubtful debts of £9,332m. 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 31/03/2018	At 31/03/2019
	£000's	£000's
Env & Regeneration	608	701
Corporate Services	171	119
Housing Benefits	6504	5890
Children, Schools & Families	413	426
Community & Housing	2249	2196
<b>Total</b>	<b>9945</b>	<b>9332</b>

## 6. TOTAL DEBT DUE TO MERTON

The total amount due to Merton as at 30 June 2019 is detailed in the table below.

Total debt outstanding as at 31 March 2019 and compared with previous periods over the past 18 months

	Mar 18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19
	£	£	£	£	£	£
Miscellaneous sundry debt Note 1	15,778,776	14,758,378	13,492,395	14,496,116	17,532,710	16,803,235
Housing Benefit debt	8,447,884	8,298,503	8,195,200	8,047,380	7,926,508	7,893,055
Parking Services	4,876,618	4,398,706	4,352,661	4,658,685	4,508,378	4,535,378
Council Tax Note 2	8,239,656	7,340,722	6,587,840	6,127,652	8,157,533	7,215,847
Business Rates Note 3	2,892,639	2,806,594	2,099,948	1,822,228	2,979,843	2,586,876
<b>Total</b>	<b>40,235,573</b>	<b>37,602,903</b>	<b>34,728,044</b>	<b>35,152,061</b>	<b>41,104,972</b>	<b>39,034,391</b>

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

Note 2 Council tax debt now includes unpaid council tax for 2018/19 in March 19 figures hence the increase.

Note 3 Business rates debt now includes unpaid business rates for 2018/19 in March 19 figure hence the increase.

- 6.1 The overall debt outstanding has reduced by £2,070,581 since last reported at the end of March 2019.
- 6.2 All debts have reduced since last reported at the end of March 2019 except Parking debt which has increased by £27,000.
- 6.3 A more relevant comparison is between June 2018 and June 2019. The changes in outstanding debt are as follows

Overall £1,432,000 increase  
 Sundry debt £2,045,000 increase (debt under 30 days increased by £2,800,000)  
 Housing Benefit £405,000 decrease  
 Council Tax £125,000 decrease  
 Parking £137,000 increase  
 Business Rates £220,000 decrease

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

**Car Parking Aged Debtors – 30 June 2019**

<b>Age of Debt</b>	<b>Outstanding £</b>	<b>Number of PCNs</b>	<b>Average Value £</b>
<b>0-3 months</b>	<b>£1,163,440</b>	<b>9,472</b>	<b>£123</b>
<b>3-6 months</b>	<b>£680,586</b>	<b>4,153</b>	<b>£164</b>
<b>6-9 months</b>	<b>£617,756</b>	<b>3,520</b>	<b>£175</b>
<b>9-12 months</b>	<b>£487,290</b>	<b>2,746</b>	<b>£177</b>
<b>12-15 months</b>	<b>£457,342</b>	<b>2,550</b>	<b>£179</b>
<b>Older than 15 months</b>	<b>£1,129,462</b>	<b>6,597</b>	<b>£171</b>
<b>Total</b>	<b>£4,535,876</b>	<b>29,038</b>	<b>£156</b>

**Total March 2019                    £4,508,378                    30,306**

**Increase/-decrease                    £27,498+                    1,268-**

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