

Thank you, Madam Mayor, for allocating me 3 minutes to cover a subject as complex as Merton's budget for 2020/21. I'm going to do this from the perspective of the budget scrutiny process, which this year was more about the big picture than the detailed savings – all of which were accepted.

In some respects, we got a better settlement than we might have expected from central government, including over £5m from the Revenue Support Grant, which we haven't seen for several years. The Improved Better Care Fund increased to nearly £5m.

But these grants are for one year only, and we have no certainty they will continue. So as far as our Medium-Term Financial Strategy through to 2022/23 is concerned there are several "known unknowns", but the biggest of these by far is the deficit on the Direct Schools Grant, and how it may eventually be resolved by the DfE. Adding last year's overspend of £2.9m to this year's forecast overspend of £10.5m gives a cumulative deficit of £13.4m and it is set to go on rising. So, it is prudent to make provision for this and £16m has been set aside, even if the DfE expressly forbids us from funding the deficit directly.

If the deficit can be resolved (and there are grounds for cautious optimism), the effects on our finances could be transformative – no exaggeration. I know you shouldn't count your chickens before they're hatched, but if this happens, I would urge Cabinet to revisit some of the most difficult savings we have scrutinised, those classed as "High Risk" and with the most impact on vulnerable users.

As an example, a reduction of £100K in the £700K budget for children's social care comes with the "risk of less effective or reduced resource available to respond to Serious Youth Violence and exploitation of Merton children". Look a bit further into the Equalities Impact Assessment and the language is even more stark: **"This may result in increased numbers of young people being seriously injured or killed**, and an increase in the number of young people who need to become looked after to increase their safety"

So, it's reassuring to read that this saving is to be reviewed before it is taken; I for one, hope that it is never taken. We all know that youth violence is on the increase in Merton as elsewhere in London, and this is not the time to be cutting back on activities designed to counter it.

**Cllr Peter Southgate – Leader, MPWIR**

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