

Cabinet 16 November 2023

Subject: Financial Report 2023/24 – Quarter 2, September 2023

Lead officer: Asad Mushtaq

Lead member: Councillor Billy Christie

Recommendations:

- A. That Cabinet note the financial reporting data for period 6, September 2023, relating to revenue budgetary control, showing a forecast net adverse variance at 30th September on service expenditure of £8.011m when corporate and funding items are included.
- B. That Cabinet note the contents of Section 5 and approve the adjustments to the Capital Programme in the 4 Tables below:

Cost Centre Narrative	Budget 2023-24 £	Budget 2024-25 £	Budget 2025-26 £	Budget 2026-27 £	Explanation for the Budgetary Change
Finance & Digital					
Customer Contact - Replace TKDialogue	161,000	174,000	0	0	Virement to cover expected outturn on scheme
Customer Contact - Digital Strategy	0	500,000	0	0	Funding for Digital Strategy
Business Systems - Revenue and Benefits	0	(335,000)	0	0	Virement from scheme to fund TKDialogue
Business Systems - Parking System	0	(35,000)	0	0	For E,CP&C revenue staff to progress the scheme
Financial System	125,000	0	0	(125,000)	To Pay for Licences for the whole extension period
Finance & Digital	286,000	304,000	0	(125,000)	

Cost Centre Narrative	Budget 2023-24 £	Budget 2024-25 £	Budget 2025-26 £	Budget 2026-27 £	Explanation for the Budgetary Change
Children, Lifelong Learning & Families					
Mainstream SEN (ARP) - Secondary sch ARP expansion 2	(30,000)	30,000	0	0	Budget re-profiled in line with projected spend
Mainstream SEN (ARP) - Raynes Pk Sch ARP expansion 1	(20,000)	20,000	0	0	Budget re-profiled in line with projected spend
Mainstream SEN (ARP) - Second school ARP expansion 4	(10,000)	10,000	0	0	Budget re-profiled in line with projected spend
Mainstream SEN (ARP) - Second school ARP expansion 3	(10,000)	10,000	0	0	Budget re-profiled in line with projected spend
Mainstream SEN (ARP) - Primary school ARP expansion	(10,000)	10,000	0	0	Budget re-profiled in line with projected spend
Total Children, Lifelong Learning & Families	(80,000)	80,000	0	0	

Cost Centre Narrative	Budget 2023-24 £	Budget 2024-25 £	Budget 2025-26 £	Budget 2026-27 £	Explanation for the Budgetary Change
Environment, Civic Pride & Climate					
Parks - New water play feature Wimb Pk	87,430	(183,000)	0	0	Existing water feature has been repaired with parts that can be used in the new water feature allowing budget to be relinquished - new water feature will be installed as part of a larger scheme incorporating the play area
On Street Parking - P&D - Pay and Display Machines	(100,000)	0	0	0	Project nearing completion, officers are confident £100k of budgetary provision can be relinquished
Off Street Parking - P&D - Car Park Upgrades	(265,440)	0	0	0	Work on St Georges Car Park held until freeholder commits to undertaking large scale structural repairs budget relinquished
Parks - Park Security Meas & Trav Prev	20,000	(20,000)	0	0	Budget re-profiled in line with projected spend
Alley Gating Scheme	(24,000)	0	0	0	Budget being relinquished as not required to complete identified schemes
Highways & Footways - Casualty Reduction & Schools	8,000	0	0	0	Additional TFL Funding
Highways & Footways - ANPR Cameras School Streets	(211,620)	0	0	0	Reduced TFL Funding and £200k relinquished
Highways & Footways - Haydons Rd Access for All	(100,000)	100,000	0	0	Budget re-profiled in line with projected spend
Highways & Footways - Milner Rd Improvements	(52,330)	0	0	0	Forecast outturn on the scheme has been reduced budget has been relinquished
Cycle Route Improvements - Active Travel Road Safety	48,000	0	0	0	Additional TFL Funding to complete agreed programme
Cycle Route Improvements - Haydons Rd Bridge Cycle Lane	(115,000)	0	0	0	SCIL Funding reducing TFL funding within Active Travel Road Safety is increasing
Sports Facilities - Sporting Big Screens	(60,000)	60,000	0	0	Concerns regarding the purchase, ownership, security and revenue implications of the Council owning such equipment have delayed progression
Parks - Parks Investment	45,600	0	0	0	£15k Contribution from Hercules Athletics & £16.8k contribution from a Friends Group and application of GLA Grant moved
Parks - New Green Flag Improvements	8,000	(20,000)	0	0	Virement to General Parks code of GLA Grant and Re-profiled In Line with projected spend
Parks - Merton Saints BMX Club	37,400	0	0	0	Additional Civic Pride (NCIL) Funding
Parks - Bridges and Structures	7,000	(7,000)	0	0	Budget re-profiled in line with projected spend
Parks - Cannizaro Park Safety	82,500	0	0	0	Virement to correct Cost Centre
Major Library Projects - Library Self Service	0	350,000	(350,000)	0	Budget re-profiled in line with projected spend
Total Environment, Civic Pride & Climate	(584,460)	280,000	(350,000)	0	

Cost Centre Narrative	Budget 2023-24 £	Budget 2024-25 £	Budget 2025-26 £	Budget 2026-27 £	Explanation for the Budgetary Change
Housing & Sustainable Development					
Projects - Affordable Housing - Afgan Resettlement/Homelessness Pressures	2,480,000	0	0	0	DLUHC Grant to fully fund this scheme which is expected to be delivered by a Housing Association
Wimbledon Area Regeneration - Cannizaro Park Safety	(82,500)	0	0	0	Virement to correct Cost Centre
Morden Area Regeneration - Crown Creative Knowledge Exch	40,000	0	0	0	Virement to fund projected outturn
Borough Regeneration - Shop Front Improvement	0	(40,000)	0	0	Virement to fund projected outturn
Borough Regeneration - Civic Pride Public Realm	20,000	(20,000)	0	0	External Architectural Lighting for Vestry Hall Lighting
Disabled Facilities Grant	0	0	0	517,140	Funded by ringfenced Grant
Total Housing & Sustainable Development	2,457,500	(60,000)	0	517,140	
Overall Total	2,079,040	604,000	(350,000)	392,140	

C. That Cabinet note the adjustments to the Capital Programme in the Table below:

Cost Centre Narrative	Budget 2023-24 £	Budget 2024-25 £	Budget 2025-26 £	Budget 2026-27 £	Explanation for the Budgetary Change
Children, Lifelong Learning & Families					
Hollymount - Capital Maintenance	(24,000)	0	0	0	Required adjustments to the approved programme for the capital maintenance of schools - these schemes are all funded by government grant and are treated as one budget within the capital programme.
Hatfeild - Capital Maintenance	1,000	0	0	0	
Joseph Hood - Capital Maintenance	23,820	0	0	0	
Dundonald - Capital Maintenance	15,000	0	0	0	
Wimbledon Chase - Capital Maintenance	7,000	0	0	0	
Wimbledon Park - Capital Maintenance	5,000	0	0	0	
Malmesbury - Capital Maintenance	0	156,150	0	0	
Bond - Capital Maintenance	(26,000)	106,000	0	0	
Gorringer Park - Capital Maintenance	(30,000)	0	0	0	
Haslemere - Capital Maintenance	30,000	0	0	0	
Unallocated - Capital Maintenance	(344,970)	0	0	0	
Rutlish - Capital Maintenance	40,000	0	0	0	
Perseid Upper - Capital Maintenance	(24,000)	0	0	0	
Melrose - Capital Maintenance	(50,000)	0	0	0	
Melbury College - SMART - Capital Maintenance	(10,000)	125,000	0	0	
Total	(387,150)	387,150	0	0	

D. That Cabinet approve the draw down of £200k funding from the Voluntary Sector Support Reserve to be split across Adult Social Care (£27,774) and Innovation and Change (£172,226) to fund the 2023/24 'Civic Pride: Supporting the Voluntary and Community Sector' additional allocation as agreed by Cabinet in September 2022.

E. That Cabinet approve the replacement saving of £180k reference CH112 which becomes CH112R for Adult Social Care, Integrated Care and Public Health. Detailed in appendix 6a and 6b to this report.

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

1.1 This is the Period 6 (Quarter 2), September 2023 monitoring report presented in line with the financial reporting timetable.

This financial monitoring report provides -

- 1.1.1 A full year forecast projection as at period 6.
- 1.1.2 An update on the capital programme and detailed monitoring information;
- 1.1.3 An update on Corporate Items in the budget 2023/24;

2. THE FINANCIAL REPORTING PROCESS

2.1 The Council's services are still under pressure due to the need to support businesses and residents, particularly vulnerable groups in need of social care and there has been a major reduction in the Council's income which is expected to continue for some time.

2.2 The Council is also facing significant inflationary pressures in the supply of goods and services to the Council, energy costs, cost of borrowing and potential wage increases against budget add to the Council's financial challenges in 2023/24 and future years. Whereas higher interest rates will have a positive impact on our investment returns these will be overshadowed by the inflationary pressures the Council faces together with the potential for increased demands for some of the Council's services due to the cost of living crisis.

2.3 There are also significant pressures on the Dedicated Schools Grant (DSG) which are being

monitored. The cumulative deficit at the end of 2022/23 was £34.466m and the deficit is forecast to continue to increase to £42.285m by the end of 2023/24 after the third tranche of Safety Valve funding. The Safety Valve programme is starting to have a positive impact, but progress is currently behind the agreed target.

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

3. 2023/24 FORECAST OUTTURN BASED UPON LATEST AVAILABLE DATA

Executive Summary – At period 6 (to 30th September 2023), the year-end forecast is a net adverse variance of £10.376m on Net Service Expenditure and a favourable variance of £2.365m on Corporate Provisions. Net Forecast Variance at Period 6 is an adverse variance of £8.011m. A summary is provided below and a more detailed analysis by Directorate is set out in Section 4 of this report.

Summary Position as at 30th September 2023

	Current Budget 2023/24 £000s	Year to Date Budget (Sept) £000s	Year to Date Actual (Sept) £000s	Full Year Forecast (Sept) £000s	Forecast Variance at year end (Sept) £000s	Forecast Variance at year end (June) £000s	Outturn Variance 2022/23 £000s
Department							
Finance and Digital	17,163	9,003	10,399	17,500	337	538	372
Innovation and Change	12,154	5,717	7,183	12,276	122	-110	495
Children, Lifelong Learning & Families	65,650	26,524	31,999	67,647	1,997	424	1,649
Adult Social Care, Integrated Care and Public Health	67,387	36,269	29,531	69,949	2,562	1,866	(770)
Environment , Civic Pride and Climate	20,014	7,115	(3,286)	22,831	2,817	3,232	5,244
Housing and Sustainable Development	9,185	1,955	3,442	11,726	2,541	3,241	1,282
Overheads	16	0	0	16	0	0	
NET SERVICE EXPENDITURE	191,569	86,583	79,268	201,945	10,376	9,191	8,272
Corporate Items							
Impact of Capital on revenue budget	10,882	5,441	4,320	10,882	0	0	(180)
Other Central budgets	(21,884)	2,556	1,543	(24,250)	(2,365)	(1,005)	(7,673)
Levies	1,504	752	927	1,504	0	0	0
TOTAL CORPORATE PROVISIONS	(9,498)	8,749	6,790	(11,864)	(2,365)	(1,005)	(7,853)
Covid-19	0	0	9	0	0	0	46
TOTAL GENERAL FUND	182,071	95,332	86,067	190,081	8,011	8,186	465
FUNDING							
Revenue Support Grant	(6,108)	(3,054)	(3,176)	(6,108)	0	0	0
Business Rates	(35,364)	0	(3,473)	(35,364)	0	0	0
Other Grants	(28,219)	(14,109)	(18,151)	(28,219)	0	0	(430)
Council Tax and Collection Fund	(112,382)	0	0	(112,382)	0	0	0
FUNDING	(182,072)	(17,163)	(24,800)	(182,072)	0	0	(430)
NET	(1)	78,169	61,267	8,009	8,011	8,186	35

Savings unachieved

Directorate budgets are adjusted for the agreed savings targets for 2023/4 as part of the budget setting process. The savings which are now under pressure due to inflation and other factors are included in the forecast of the directorate.

Cashflow

Through prudent treasury cash flow management, the Council continues to meet any additional expenditure from its cash in balances in the bank and primarily from liquid cash balances held in Money Market Funds (MMFs).

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

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

4. DIRECTORATE SUMMARY OF CURRENT POSITION

Finance & Digital

Division	Current Budget	Full year Forecast (September)	Full Year Forecast Variance (September)	Full Year Forecast Variance (June)	Outturn Variance 2022/23
	£000	£000	£000	£000	£000
Infrastructure & Technology	9,670	9,835	165	178	118
Resources	6,621	6,573	(48)	300	85
Corporate Other	873	1,093	220	60	170
Total	17,163	17,500	337	538	372

Overview

The department is currently forecasting an adverse variance of £337k, a reduction of £201k since June (quarter 1). The department is continuing to keep all forecasts under review and mitigate adverse variances wherever possible. A review of all agency spend within the department is being carried out in addition to in depth review of all key budget areas where pressures have been identified.

Infrastructure & Technology - £165k adverse variance

The main adverse variances within the I&T division include £146k on the Corporate Print Strategy due to levels of printing still being far lower than pre-covid, causing the internal income budget to be unachievable. There is also a £201k adverse variance on the IT Service Delivery budget, of which £44k

relates to the cost of providing the 24/7 IT Helpdesk support until the end of August 2023 (when the support came to an end) and the remainder due to the cost of using agency staff to cover vacancies in the permanent staffing establishment. A further £89k adverse variance is forecast in the Business Systems Team, primarily due to ongoing shortfalls against income budgets and pressures on the support and maintenance budget relating to RPI increases. The Client Financial Affairs team are also forecasting a £64k adverse variance due to overspends on staffing, banking and IT costs, as well as an underachievement against the income target.

Mitigating some the above pressures are favourable variances of £157k against the budget for Microsoft Enterprise Agreement (EA) costs (pending confirmation of a possible supplier cross-over fee) and a further £83k favourable variance in the Commercial Services team due to part-year vacancies. The Transactional Services team are forecasting a £30k favourable variance due to the recovery of costs from prior years which are more than offsetting an unachievable £100k saving (reference 2020-21 CS10) against the team's salary budget and a further £50k favourable variance within the division has been identified on cyber security.

There will be a focus in the remaining months of the year to review and reduce agency spend, to bring down the overspend. This will include advertising for permanent posts where agency is in place and there is an on-going need for that job. However, this has previously proved challenging as there is significant competition in the recruitment market from both the public and private sector. There will also be a review of projects and programmes which could be stopped or delayed to support this.

The forecast adverse variance for I&T has reduced by £13k since June.

Resources - £48k favourable variance

The favourable variance in Resources is primarily from underspend forecasts due to part year vacancies in the Financial Information System (FIS) team (27k) and the Capital and Financial Strategy team (£31k). Also due to vacancies is a £118k favourable variance in the Revenue and Benefits Support Team.

Adverse forecast variances in the division include an overspend of £83k on Benefits Administration due to the use of Civica on Demand and grants for Citizens Advice towards funding for disability and debt advisers. The Chief Executive's budget is also forecasting an adverse variance of £65k largely due to recruitment costs incurred in relation to recent recruitment such as for the new SLLp MD as well as various legal and professional fees and the Budget Management Team have a £36k adverse forecast variance due to the use of agency staff.

There has been an overall improvement in the forecast variance of £347k since June. This is due to various changes including the forecasting of income from the GLA as part of a scheme to maximise the collection of council tax and business rates. The forecast now includes the allocation from the GLA for the scheme in 2023/24 as well as for 2022/23 which was found to have been missed during the last financial year in error. The movement in variance has also come from the reflection of part-year vacancies throughout the division.

Corporate Other - £220k adverse variance

The adverse variance is mainly caused by the Housing Benefits (HB) rent allowances budget which has a shortfall against the unrealistic target income set for overpayment recovery resulting in an overspend forecast of £368k. Options for reducing the budgetary pressure on HB are being investigated and will be kept under review and implemented where possible to reduce the forecast adverse variance.

The other significant adverse variance in this area is £81k against the Coroners Court service which includes the cost of additional assistant coroners to assist with a backlog in outstanding court cases many of which are complex cases and jury cases. There are other favourable variances mitigating the above, including £56k from an underspend on added years pensions, £33k for recharges to CHAS for various finance and HR support which has now ended and £84k against the corporately funded items budget which is largely used for the department's legal hard charges incurred from SLLP.

The adverse variance on Corporate Other has increased by £160k since June due to a reduced forecast for subsidy on HB overpayments and removing the favourable variance previously forecast against the corporate redundancy budget pending the completion of structure proposals.

Innovation & Change

Division	Current Budget	Full year Forecast (September)	Full Year Forecast Variance (September)	Full Year Forecast Variance (June)	Outturn Variance 2022/23
	£000	£000	£000	£000	£000
Senior Management	175	231	56	0	0
Customers, Policy and Improvement	7,013	6,877	(137)	(273)	33
Corporate Governance	2,431	2,494	62	(14)	108
Human Resources	2,535	2,675	140	177	354
Total	12,154	12,276	122	(110)	495

Overview

The department is currently forecasting an adverse variance of £122k, an increase of £231k since June.

Senior Management - £56k adverse variance

The adverse £56k variance is on the Executive Director's budget mainly due to the budget not allowing for the costs of an Executive Assistant when the new directorate was created. This will be addressed in the council wide review of admin, business, and executive support, which has just been launched.

Customers, Policy and Improvement - £137k favourable variance

The main favourable variance within the division is from the customer contact budget which is forecasting a £273k underspend in year, this is to be kept under close review as projects get underway which will impact the azure compute costs as the system is moved from the US to the UK. There is a further £91k favourable variance forecast on the Registrars service due to an expected over-achievement on income for service bookings. Cash collections are also forecasting a favourable variance of £29k due to a significantly reduced number of collections taking place.

Reducing the favourable position is the Marketing and Communications budgets where there is a forecast adverse variance of £259k, this is largely due to the use of agency staff whilst a new structure is being considered, including an agency Head of Communications, as well as non-salary expenditure for the council magazine, staff conference and staff awards. An urgent review of expenditure is

underway, and three temporary workers have already been removed from the in-year spend to reduce cost pressures. Further mitigation has been sought through reduction in the Council magazine, pending review of the publication costs. This has further reduced the overspend forecast by £60k. A review of contracts and of print and design spend will create further efficiencies.

There is a further adverse variance of £39k on the Complaints Team following an additional resource being agreed for the team. A further pressure in the division is from an interim position supporting the changes in the corporate management team structure, the funding for this position is to be reviewed and the budgetary pressure may therefore reduce if reserves funding is confirmed.

The adverse movement in variance since June is £136k. This is predominately due to a correction to the AD budget forecast, an increased forecast for customer contact spend as the timing of work which impacts various IT costs have become clearer, and a £50k reduction to the Policy and Strategy team budget following the identification of an error in the original budget set for the year.

Corporate Governance - £62k adverse variance

Within the division there is an adverse forecast of £38k for the Information Team due to the use of agency staff and £52k adverse for the South London Legal Partnership (SLLp). SLLp are forecasting an overall deficit of £243k which is to be shared between the partner boroughs. Merton's share of the deficit is forecast at £52k. The deficit on SLLp is caused by the chargeable hours target being under-achieved.

There are some other smaller variances (favourable) partly offsetting the above, such as £16k on the local election expenses budget as that's not expected to be required this financial year.

The forecast variance in Corporate Governance has increased by £76k since June. This is largely due to the SLLp forecast reflecting the lower than anticipated chargeable hours income for the first half of the year. Management action is being carried out in order to address the level of hours being recorded and this resulted in a marked improvement in income over the past couple of months but will be kept under close review for the remainder of the year.

Human Resources - £140k adverse variance

The forecast adverse variance in Human Resources is predominately due to the use of agency staff covering the posts of Head of Organisational Development as well as a short-term consultant conducting a review of HR. Partly offsetting this is a favourable variance on the transactions budget owing to a £32k VAT correction relating to a 2022/23 invoice paid to Kingston for the itrent/payroll service.

The forecast variance for HR has reduced by £37k since June. This is due to various staffing changes largely offsetting one another, with new starters increasing the forecast in some teams whilst the agency assignment for the Head of HR will now be coming to be end at the end of October to help mitigate the budget pressure, this agency assignment was previously forecast until the financial year end.

Further action will be taken to reduce in-year agency costs.

Environment, Civic Pride and Climate (ECPC)

Service	Current Budget £'000	Full Year Forecast (Sept) £'000	Q2 Forecast Variance (Sept) £'000	Q1 Variance (June) £'000	Last Year Outturn Variance 2022/23 £'000
Parking Services	-17,732	-14,830	2,903	3,403	3,469
Regulatory Services	763	999	236	41	186
Safer Merton & CCTV	1,620	1,558	-62	-230	-153
Public Protection Total	-15,350	-12,273	3,077	3,214	3,502
Greenspaces	2,416	2,641	225	-23	357
Leisure & Culture	1,071	975	-96	-6	-68
Transport Commissioning	-239	-396	-157	-9	-192
Transport Operations	-360	-154	205	88	403
Waste Services	16,256	16,159	-97	70	925
Public Space Total	19,144	19,225	81	121	1,425
Senior Management & Support	1,177	1,029	-148	-5	39
Senior Management Total	1,177	1,029	-148	-5	39
Future Merton	12,360	12,167	-193	-215	173
Sustainable Communities Total	12,360	12,167	-193	-215	173
Libraries	2,682	2,683	1	118	104
Libraries Total	2,682	2,683	1	118	104
Total ECPC Controllable	20,014	22,831	2,818	3,232	5,243

Overview: Environment, Civic Pride & Climate is forecasting an adverse variance of £2.818m. This is reflected across divisions with Public Protection bearing £3.077m, Public Space £81k, Sustainable Communities (£193k) and Senior Management (£148k). The variance has changed favourably since last quarter by (£414k). The department is continuing work to reduce overspends.

Parking – adverse variance £2.903m

The predicted shortfall on Parking Services income is £2.59 million. This shows an improvement of £140k compared to the end of July forecast, and £500k since quarter 1, due to increased PCN income from new bus lane enforcement cameras. Compliance with these bus lanes is improving markedly, and the associated increase in income will therefore not be sustained into 2024/25.

The legislative framework recommends that the cost of Parking services should be fully recovered from permit, car park and on-street bay income. Permit prices were last revised in January 2020, and subsequently inflation has increased prices by almost 17%. The Council now proposes to apply an inflation-led increase to permit prices.

Income from car parks has fallen significantly since the first lockdown in March 2020. Work patterns have changed, with less commuting and more hybrid working. In particular, the demand for 5-day commuter parking has markedly reduced and this has impacted on season ticket sales. Cost of living and fuel price increases may embed the reductions in car ownership and usage experienced during the Covid pandemic.

The forecast assumes that new permit prices will be implemented on 1st January 2024. If this is not achieved, the income deficit this year would increase by an additional £125k. The

forecast 2023/24 income deficit is made up as follows:

	Forecast Income Deficit 2023/24
Traffic PCNs	+£1.040m
Parking PCNs	+£190k
Car parks and season tickets	+£660k
Permits and visitors	+£910k
On-street and other income	-£210k
Total	+£2.590 m

In respect of expenditure, an overspend of £312k is forecast. Of this, £154k has been authorised to fund the parking enforcement pilot. In respect of the balance (£158k), the budgets under pressure include car park maintenance, which is forecast to overspend by £33k with limited opportunities to capitalise essential repairs. IT costs, for example on the RingGo system, have been impacted by recent price increases. The salaries budget for the back-office is forecast to overspend by £89k, including the cost of overtime approved to meet statutory deadlines for PCN appeals; this is associated with the additional PCN issuance noted above.

Regulatory Services – adverse variance £236k

The change in variance from last quarter is £195k mainly because of historical unachievable income targets of £376k for non-shared services that was forecasted as full budget in quarter 1.

The saving targets were predicated on assumptions made before the pandemic around commercial opportunities dating back to 2016. In successive years before the pandemic, these targets were not achieved but no corrective action was taken. Since the pandemic the focus has been recovering on significant backlogs in statutory inspections (see below) and over 100% increase in demand for noise and nuisance services. Having reviewed the revenue generating opportunities, without investment within the service to complete feasibility studies there is no capacity to explore commercial opportunities that may generate revenue. Further work is being done to explore self-financing business cases for future years.

The service is managing a substantial food inspections backlog, consisting of medium and high-risk premises, which is adding budget pressure. An opportunities tracker has been developed to track new project and grant wins as well as preparing for a pipeline of new opportunities for 24-25.

This adverse variance is being offset by reduced staff costs within the shared services due to vacancies.

Safer Merton – favourable variance (£62k)

Safer Merton's favourable variance includes a £62k underspend for Crime & Strategy, with a large change from last month primarily due to IDVA costs being mostly grant funded and being now moved onto the correct grant funded budget codes. A £36k underspend is forecast for ASB due to an underspend in salaries whilst the Business Support post was vacant during recruitment in Q1 and the cost of IT licenses for the ASB case management system which is currently covered by IT.

Offsetting this is a £38k overspend for Emergency Planning. The overspend is primarily attributed to

staffing and equipment costs. Funding has been approved until end of 23/24 financial year for an interim Emergency Planning & Business Continuity Manager and continued funding for a temporary resource to support the development of an organisational resilience programme. The emergency planning budget does not currently reflect these costs.

Equipment costs relate to the purchase of new Airwave radios following the expiration of the warranty. Airwave radios support the multi-agency emergency response work and is part of the national communications network. Other increased costs include the Council's statutory contribution to the London Resilience Group which supports pan-London coordination and response. The costs for the current year were higher than planned whilst a pan-London review is being undertaken. The outcome of this review is anticipated in early 2024 where costs will be determined for future years.

The CCTV biggest variances are £84k on salaries as the CCTV operators shift allowances have increased following an inquiry into single status pay. This allowance increase has been backdated to November 2022 contributing towards the overall overspend. The other main factor is overtime to cover gaps in service arising from long term absences and delays in onboarding when we recruit. Additional agency staff has caused an additional £42k overspend from a 3-month contract with a 3rd party providing additional CCTV staff. The contract has now been terminated. These are being mitigated in year by a favourable variance on the budget for equipment and repairs which is £153k underspent.

To limit the adverse variance in the service, non-emergency overtime has been stopped from 17th of October 2023.

Greenspaces – adverse variance £225k

Greenspaces net adverse variance is made of £35k overspend on Canons HLF, linked to the extension of the Canons House and Grounds Project where LBM are picking up the costs of the Canons Project Officer post until end of the project expected in December 2023. There's a £45k underachievement of income for parking P&D. There is also a £25k net income under-achievement on the SLWP contract. Further income under-achievement has been forecast at £79k for rental income whilst the current parks assets are being reviewed with Estates and Valuations to review the current Leases and Licenses. £61k overspend is forecast on staff mostly for highways grounds maintenance. This is for two temporary tree inspectors, who are coming to the end of a yearlong placement of visual inspections of 40,000+ Highway and Park trees, as a result of the findings of the 2019 LBM Arboriculture Team Review which highlighted inspection failings in the service and indefensible insurance standing on cases leading to essential costs to improve the current service standing. £33k overspend is forecast on premises costs, primarily from increased utilities costs for water bills.

Offsetting the above is (£79k) income overachievement, including Biodiversity net grant received (£26k), MSJC increased service charge for allotment management (26k), increased allotment income and license agreement for Sainsburys PLC at Haydons Road Rec (£10k).

The change in variance from last quarter is an adverse £248k. This is largely from £121k increase on premises costs (£90k for water), £95k increased costs for tree works and £61k net increase in events costs.

Leisure and Culture favourable variance of (£95k)

The variance includes £150k Leisure Centre income overachievement with monthly income increasing from December 2023. This is partly offset by £18k overspend on staff costs, utilities for Morden Assembly Hall £15k overspend on London Youth Games and a £10k income underachievement for Morden Assembly Hall which is being addressed by a possible short-term lease.

Transport – net adverse variance £48k

The adverse variance includes a £230k overspend forecast on transport costs which includes £89k in relation to ULEZ and £47k for vehicle hire, partly offset with an £82k over-achievement of income.

Waste – net favourable variance (£97k)

Waste services variance has changed favourably from last month quarter by (£167k) due a decrease on enforcement net costs, more accurate forecasting based on spend and commitments for the year and a decrease in disposal costs offsetting increased SLWP contract costs.

Future Merton – favourable variance (£193k)

The net underspend is due to income over-achievements from Temporary Traffic Orders (£261k) and Street Works charges (£199k). Both reflect the large volume of third-party works taking place on the highway. In addition, we expect to underspend the CPZ budget by (£110k) resulting from a lower number of CPZs being implemented than in previous years.

The above underspends are more than mitigating the effect of some overspends, which include:

- Highways Maintenance £126k due to contract inflation. Since the start of the contract in 2018 costs have increased by almost 22%.
- Street Lighting electricity costs £124k which are 20% lower than last year but still expected to exceed the budget.
- Supplies and Services £151k, the majority of which relates to statutory advertising costs for Temporary Traffic Orders and is more than covered by the over-achievement in income.
- Bishopstord Bridge litigation costs £28k
- Crossovers – currently showing overspend of £64k which we will look to bring down by ensuring costs are fully recovered for this service.
- Traffic Signals maintenance £28k, for which the cost is fixed each year by TfL and has increased by 8-10% per year for the last 2 years.

Libraries – forecasting on budget

The variance has changed favourably from last quarter by (£117k) due to budget uplifts being applied to security services, cleaning and utilities costs (£101k). A one-off vacancy drag has also led to the variance change.

Senior Management – favourable variance (£147k)

The change in variance from last quarter is a favourable (£142k) due to a decrease in departmental printing, reduced anticipated spend on support costs and staff costs.

Housing and Sustainable Development

Service	Current Budget £'000	Full Year Forecast (Sept) £'000	Quarter 2 Forecast Variance (Sept) £'000	Quarter 1 Forecast Variance (June) £'000	Last Year Outturn Variance 2022/23 £'000
Building & Development Control	118	863	746	876	914
Facilities	4,786	5,247	461	309	373
Property Management	-1,947	-1,995	-47	-39	-594
Future Merton Regeneration	1,801	1,763	-38	-36	-63
Housing	4,009	5,430	1,420	2,131	653
Selective Licensing	138	138	0	0	0
Senior Management & Support	280	280	0	0	0
Total for Housing & Sust Dev Controllable	9,185	11,726	2,541	3,241	1,283

Overview:

Housing & Sustainable Development is forecasting an adverse variance of £2.541m with Housing forecasting an adverse variance of £1.42m, Building and Development control £746k and Facilities £461k. Favourable variances are within Property Management (£47k) and Future Merton Regeneration (£38k). The department will be continuing work to reduce overspends.

Building & Development Control - adverse variance £746k with a favourable change in variance from last quarter of (£131k). This change is mostly due to a decrease in Building Control (BC) staff costs and an increase in income.

Building Control (BC) (£54k) net underspend:

The net favourable variance for BC is made up of (£152k) underspend on employee costs- Building Control Manager and admin officer budgeted for as from December 2023 and Principal Surveyor costs included from January 2024, £14k overspend on supplies & services and £86k income underachievement.

Building Control has not achieved its income target for several years due to a number of reasons including increased market share by Approved Inspectors who compete with local authority BC services for work, as well as numerous vacancies within the team, which have been held to offset the drop in income.

A review of the service has been underway, with new team structure produced, supported by a small successful growth bid last year. This has started to reap benefits. Both market share and income has now increased as a result and there is no reason this shouldn't continue. Recruitment has been proving difficult, with a shortage of skilled building surveyors nationally, so there is still some way to go to get the team fully operational.

Income is also likely to be hit by the national decrease in building works resulting in fewer applications which is due to an increase in material costs as well as the cost-of-living crisis. It should be noted that it is important to get the BC team fully staffed up, not simply to enable it to improve market share and increase income, but also to ensure that the team is able to comply with the impact of the new legislation introduced following Grenfell and also to enable it to fulfil the Council's duty to respond to the ever increasing number of Dangerous Structure incidents as well as to meet its contractual obligations to

provide this service to Sutton Council.

Development Management (DC) net overspend £798k:

DC is forecasting £578k overspend on staff costs, mostly due to the use of agency staff, (£90k) underspend on supplies & services and £312k income underachievement.

A number of agency roles within development management are filling vacancies which have been historically hard to fill – for instance within Planning Enforcement and Planning Admin. These are due to be advertised again as permanent roles and a new structure is planned for Planning Enforcement which should reduce the number of expensive agency workers.

There is a plan in place to reduce overspends and income under achievements. This includes the following actions:

- A bid for £100,000 from the £24 million national Planning Skills Delivery Fund has been submitted to Central Government and a decision on this is expected in early to mid- late October 2023
- A report proposing an “invest to save” restructure of the Planning Enforcement service has been prepared and this would reduce overspend costs by approximately £35,000 per year
- Further efficiencies are being considered to reduce the staffing overspend
- A report preparing a new schedule of increased pre-application charges (essentially doubling, in line with local benchmarks) will be prepared for agreement in December
- An improved system for collecting Planning Performance Agreement fees is being implemented which will bring in c£200,000 of PPA fees
- A number of temporary agency workers will either be transferred to the IT budget due to their work on the M3 software replacement project, or contracts will be stopped where demand has decreased, and other officers can take on the work. This will result in an annual saving of approximately £150,000 per year
- Once the planning application submitted by the AELTC has been presented to the Planning Applications Committee this will free up the capacity of the current Principal Case Officer to take on a full caseload of 40 planning applications, meaning another temporary agency worker can be released thereby saving approximately £60,000 per year
- There will be a further recruitment drive to reinforce the stability of the team and increase the number of permanent workers.

Facilities – adverse variance of £461k:

Facilities variance has changed adversely by £152k from last quarter. This is mainly due to an error on the reporting against the Energy budget in quarter 1.

The total adverse variance is made up of unachieved savings for the closure of Gifford House and the Chaucer Centre (Professional Development Centre) as those buildings remain in operation. There is a target to close and mothball both facilities by the end of the financial year. There are also significant under-achievements against income targets for room bookings and facilities fees, and a £16k overspend on Health and Safety staffing due to the use of agency staff, A further £83k adverse variance on security services for 24/7 cover is forecast as well as a £42k adverse variance on the corporate cleaning budget. Mitigations to reduce this overspend are being put in place. For security, there was overspend due to increased requirements from the business, which have recently been stopped due to a change in approach, and a new contract has recently been put in place which is more efficient and has 24/7 cover built in. Reducing the cleaning operations to less days a week is also being looked at to offset the inflationary overspend. Partly offsetting the overspend is a favourable variance of £78k on the

post and print room due to part year vacancies.

Property Management – favourable variance (£47k):

The net favourable variance is made up of a £43k overspend on costs for Stouthall and £186k overspend on premises costs which are more than offset by a (£99k) underspend on employee costs and (£278k) income overachievement.

Future Merton Regeneration – favourable variance (£38k):

The net favourable variance includes (£52k) overachievement of CIL/S106 income, (£32k) underspend on employee costs, and (£18k) income overachievement from the PPA work for Clarion. This favourable variances are mitigating the effect of adverse variances of £47k due to the consultancy costs relating to the Local Plan work and £35k on Vestry Hall due to increased utilities and security services costs.

Housing – adverse variance £1.42m:

Housing variance has changed favourably by (£711k) since quarter 1.

The main changes being (£729k) increased income expected on Homelessness.

The adverse variance is made up of: £1.5m overspend on Homelessness, (£67k) net underspend on Housing Strategy and (£13k) net income for Supporting People.

The main issues are increasing demand and dropping supply across London and the south east. There has been new research published [1089592_supply-of-prs-accommodation---summary-report-july-2023.pdf \(emlfiles4.com\)](https://emlfiles4.com/1089592_supply-of-prs-accommodation---summary-report-july-2023.pdf) which shows a 41 per cent reduction in the number of London properties available for private rent since the Covid-19 pandemic, amid warnings that turbulence and supply constraints in the private rental market is worsening near-record levels of homelessness across the capital.

In February Shelter published a report [Section 21 no-fault evictions by bailiffs up 143% in a year - Shelter England](#) showing that evictions by s21 notice (which is the biggest cause of homelessness in Merton and London) are up 143% in one year.

This has been seen in the increasing number of households in temporary accommodation (TA), and Merton had 350 households in TA at the end of March, and at the end of September had 409.

There are also demands from people fleeing Ukraine and asylum seekers granted status in the UK and an increase in domestic abuse cases. In August the Government ended provision of accommodation in bridging hotels for refugees from Afghanistan which may see increased homelessness applications from this group. The home office has also reduced notice periods from 28 days to 7 days for refugees leaving home office accommodation which means an increased probability of temporary accommodation placement. Merton has a large contingency hotel in Colliers wood and we have seen an increase in the number of approaches.

The Housing service has taken action to increase income, firstly by way of housing benefit, by meeting weekly with colleagues in housing benefit to tackle the top 10 cases. This had led to increased HB income for the year to date. We have also arranged a further weekly meeting to tackle client contributions, which is intended to increase income, or where appropriate, to take action to evict non-payers. Lastly the team has a daily LEAN process meeting which looks to ensure that the Council takes to step to minimise the use of temporary accommodation whilst meeting our statutory obligations. We

are also recruiting for additional staff to look at taking preventative action wherever possible to reduce the use of temporary accommodation.

Selective Licensing project is forecasting nil variance.

Senior Management is forecasting nil variance.

Children, Lifelong Learning and Education

Children, Lifelong Learning & Families (£000's)	2023/24 Current Budget	Full Year Forecast	Forecast Variance Q2	Forecast Variance Q1	2022-23 Year Variance
Education					
Education Budgets	£ 21,846	£ 21,677	-£ (168)	-£ (679)	£ 557
Depreciation	£ 10,198	£ 10,198	£ -	£ -	£ -
Other Education Budgets	£ 120	£ 120	£ -	£ -	-£ (135)
Education Services Grant	-£(1,062)	-£(1,062)	£ -	£ -	£ -
Education Sub-total	£ 31,102	£ 30,934	-£ (168)	-£ (679)	£ 422
CSC & Other CLLF					
Child Social Care & Youth Inclusion	£ 23,630	£ 25,894	£ 2,263	£ 1,103	£ 1,803
Cross Department	£ 988	£ 988	£ -	£ -	-£ (120)
PFI Unitary Costs	£ 8,808	£ 8,808	£ -	£ -	£ -
Pension and Redundancy Costs	£ 1,122	£ 1,024	-£ (98)	£ -	-£ (456)
Other CLLF Sub-total	£ 34,548	£ 36,713	£ 2,165	£ 1,103	£ 1,227
Grand Total	£ 65,650	£ 67,647	£ 1,997	£ 424	£ 1,649

Overall CLLF is forecasting an overspend of £1.997m for the year, made up of pressures of £2.263 in Children's Social Care, an underspend of £168k in Education and an underspend of £98k in other CLLF. Some of the variances are related to where grants have been applied and some work will be undertaken to regularise this, which will slightly reduce the overspend in Children's Social Care and change the underspends in Education and Other CLLF.

Education is forecasting a lower underspend than in Q1 due to pressures in its demand-based budgets including home to school transport, school attendance responsibilities, and SEND staffing.

The Children's Social Care budget overspend has increased from Q1 due to the higher demand costs of placements and support packages. While this is reflective of the national crisis in placement sufficiency (Children's & Foster Homes) additional control measures are now being implemented before support packages are agreed.

Local Authority

Local Authority Funded Services (£000's)	Budget	Q2 Variance	Q1 Variance	2022-23 Outturn Variance
Child Social Care and Youth Inclusion				
Senior Management	£ 833	-£ (597)	£ 44	£ 72
Head of Help & Family Assessment	£ 3,175	£ 753	-£ (25)	-£ (41)
Head of Family Support & Safeguarding	£ 4,559	£ 2,151	£ 680	£ 1,112
Head of Corporate Parenting	£ 13,014	£ 16	-£ (241)	-£ (394)
Head of Adolescent and Safeguarding	£ 2,050	-£ (60)	£ 645	£ 1,054
CSC & Youth Incl Total	23,630	2,263	1,103	1,803
Education				
Contracts, Proc & School Org	£ 9,537	£ 307	£ 80	£ 1,316
Early Years & Children Centres	£ 4,843	-£ (429)	-£ (237)	-£ (237)
Education - School Improvement	£ 114	£ 41	£ 3	£ 3
Education Inclusion	£ 1,836	-£ (25)	-£ (185)	-£ (185)
Schools Delegated Budget	£ -	£ -	£ -	£ -
SEN & Disability Integrat Serv	£ 2,721	£ 465	£ 112	£ 112
Additional Safety Valve Support and Senior Mangement	£ 1,916	-£ (521)	-£ (383)	-£ (383)
Policy, Planning & Performance	£ 652	£ 22	£ 1	£ 1
Departmental Business Support	£ 227	-£ (27)	-£ (70)	-£ (70)
Adult Education Commissioning	£ -	£ -	£ -	£ -
Education Total	£ 21,846	-£ (168)	-£ (679)	£ 557
Other CLLF Total				
Joint Commissioning & Partnersh	£ 988	£ 0	£ -	-£ (120)
PFI Unitary Charges	£ 8,808	£ -	£ -	£ -
Depreciation	£ 10,198	£ -	£ -	£ -
Other Education Budgets	£ 120	£ -	£ -	-£ (135)
Education Services Grant	-£ (1,062)	£ -	£ -	£ -
Pension & Redundancy Costs	£ 1,122	-£ (98)	£ -	-£ (456)
Other CLLF Total	£ 20,174	-£ (98)	£ -	-£ (711)
LA Total	£ 65,650	£ 1,997	£ 424	£ 1,649

Education

In Education, forecast underspends in early years, education inclusion and senior management budgets offset pressures elsewhere to provide an overall forecast underspend of £168k.

Pressures include home to school transport whereby although management action has ensured that numbers of children transported has reduced moderately, high inflation in the taxi market is providing cost pressure. In SEND the pressure is from a number of Education Psychologists leaving and so a requirement to focus on statutory rather than fee related work.

The improvement in the Early Years service forecast is by the department being able to offset more costs against government grant.

Merton Adult Learning is funded from a ring-fenced grant and is expected to break even in 2023/24.

Children's Social Care and Youth Inclusion

The Children's Social Care budget overspend of £2.263m has increased compared to Q1.

The division has made substantial progress in reducing the cost of agency social workers, but this has been offset by higher costs due to bespoke high-cost placements (due to the national shortage of registered children's homes) and support packages to prevent children from entering the care system. This is reflective of some of the pressures across London and nationwide.

This is a more robust forecast, reflective of a comparable overspend of £2m in 2022/23. Because of the national increase of children entering care and other contextual factors, there is a well-documented national shortage of foster carers. This has made it increasingly harder to match children with foster carers who can meet their needs. In turn, this has meant that children whose needs could be met in foster care, are now being placed in residential homes which has caused a shortage of residential children's homes and weekly costs of those homes to exponentially rise. This has meant that it has become exceptionally difficult to find residential children's homes for children whose needs are beyond foster care and present difficult behaviours.

Whilst the practice in Merton has gone some way to protecting us against the national pressures in comparison to some other LA's, we are being affected which is reflected in this forecast. We have a small number of children whose complex emotional, behavioural and mental health needs required them to become hospital inpatients under the Mental Health Act. Upon being ready for discharge, provisions can cost in excess of circa £500K per child per annum.

Therefore, the markets for residential & agency foster care are supplier led, with local authorities competing for placements and provider increasing prices on grounds of risk, complexity and demand, not just inflation. The bid for a feasibility study to develop an in-house children's home in the growth and savings for 2023/24 is designed to reduce costs in the medium term by reducing dependency on private children's homes.

Contrary to the national and pan-London picture, Merton's number of children in care has decreased over the last 3-years and our rate of children in care per 10,000 children is significantly lower. This forecast is reflective of the increased need of resources needed, including some specific high-cost examples, to support families with complex needs to stay together and children to not enter the care system.

	2020		2021		2022	
	Number	Rate/10K	Number	Rate/10K	Number	Rate/10K
Merton	154	32	142	30	122	26
London	10020	49	9640	47	9960	52
National	80000	67	80780	67	82170	70

Taking into account the increased need of support packages to prevent children from entering care, we are now introducing additional management control measures for support packages. This will ensure they are only agreed when appropriate thresholds and value for money tests have been met and robust review mechanisms.

Given the pressures on the budget including consistent overspending of the budget over a number of years, a deep dive into the Children’s Social care budget has been commissioned to be being undertaken by Grant Thornton.

Dedicated Schools Grant

The Dedicated Schools grant has four distinct blocks: The Schools block, the central School Services Block, the Early Years block the High needs block.

While the first 3 are not under cost pressure as the expenditure meets the government grant received (save for some timing lag issues) it is the High Needs block that is the issue and has been subject to previous specific reports.

The ‘High Needs’ block relates to children with Special Educational Needs (SEND) or receiving alternative provision. Due to a rising deficit in the budget in autumn 2021 the DfE invited Merton to participate in the second round of their ‘safety valve’ intervention programme with the aim of agreeing a package of reform to the high needs system that will bring the High Needs DSG in-year deficit under control, with additional financial contributions from the DfE dependent on the council undertaking these actions. The cumulative deficit at the end of the 2022/23 financial year was £34.465 million.

The latest Safety valve return was submitted to the DfE last month – the DfE confirmed their satisfaction with progress and that payments will continue to be provided in 2023/24. This recent safety valve return forecasts that the deficit would increase as per the table below:

<u>Outturn in 2022/23 and forecast to end of Safety Valve agreement in 2026/27</u>	Outturn 22-23	Forecast 23-24	Forecast 24-25	Forecast 25-26	Forecast 26-27
	£m	£m	£m	£m	£m
Cumulative DSG deficit - brought forward (deficit at beginning of financial year)	-26.933	-34.465	-37.269	-39.426	-38.756
In year DSG deficit (before Safety Valve and local contributions)	-15.232	-6.429	-5.782	-2.955	0
Safety Valve programme contribution	6.7	2.625	2.625	2.625	2.625
Local contribution	1.0	1.000	1.000	1.000	1.000
Cumulative DSG deficit - carry forward (deficit at end of financial year)	-34.465	-37.269	-39.426	-38.756	-35.131

The much smaller forecast in-year DSG deficit (before Safety Valve and local contributions) in the 2023/24 financial year compared to 2022/23 shows the progress made in reducing the in-year gap between the High Needs DSG budget and spend. It also shows that Merton remains on track to deliver an in-year balanced budget by the end of its the Safety Valve Agreement in 2026-27. This has been possible to date through the various actions that have reduced the growth in EHCPs and provided more state school special school places rather than more expensive independent school placements. The assumptions to deliver the balanced plan for 2026/27 includes opening further new provision with the new school planned for September 2026.

However, for 2023/24 we are slightly behind the plan due to a number of challenges in the short term. The persistent high rate of general and underlying inflation is making it challenging to prevent fee increases in the independent school sector and has the potential to undermine the projected commissioning gains.

Officers will be undertaking an in-depth review of progress on our Safety valve plan, especially when more information is confirmed on DfE Dedicated Schools Grant funding for 2024/25.

Adult Social Care, Integrated Care and Public Health Position- Quarter 2 Position

Overview

Adult Social Care, Integrated Care and Public Health is currently forecasting an unfavourable position for quarter two of £2.562m which is an increase £696k compared to quarter one. Public Health expects to achieve a breakeven position.

Adult Social Care, Integrated Care and Public Health	2023/24 Current Budget £ '000	2023/24 Forecast Sept'23 Quarter 2 £'000	2023/24 Variance Sept'23 Quarter 2 £'000	2023/24 Variance June'23 Quarter 1 £'000	2022/23 Outturn Variance £ (Mar'23)
Adult Social Care	67,552	70,114	2,562	1,866	(770)
Public Health	(165)	(165)	0	0	0
Total Favourable/ Unfavourable	67,387	69,949	2,562	1,866	(770)

Directors Summary

The overall position of Adult Social Care, Integrated Care and Public Health is an adverse position of £2.562m.

Adult social care's adverse position has increased from Quarter 1 from £1.866m to £2.562m which is due to increase in demand for care packages particularly from older people and people needing mental health support. This increase is being seen across London and nationally with rising demand seen in every borough. Between April 2023 and August 2023, we had 259 new customers presenting to Adult Social Care. This was an increase on previous years of 50 customers which added £1m extra to the budget which was not expected; similar numbers are being seen in all London boroughs and across England. We are also having cost of living pressures which have added to the budget pressures. An example being in 18/19 the average cost of a Nursing Home was £867 and the average cost in 23/24 is £1235 which is a 43% increase in cost. A recent survey of London wide boroughs by ADASS showed that the average overspends by borough on Adult Social is £4.2m and these issues are seen across England also. The gross placement budget is overspending by £3.8m net but underspending in commissioning services and in house provision, staffing and concessionary fares is bringing the overspend down to £2.562m.

The department is currently undertaking several mitigating actions to reduce its reported overspend over the coming months and future proof the budget. This includes:

- An external review of current pathways into and out of Adult Social Care, including a review of the management structures and processes within adult social care and public health.
- A review to look at assistive technology to facilitate speedy discharges and establish if there are

any further IT options to keep people at home and independent.

- Looking at integration with health and partners to ensure a well-co-ordinated and streamlined pathway for our customers.
- We are commissioning an independent expert to train our staff on Continuing health care to ensure that residents entitled to continuing health care receive the health contributions they are entitled to.
- We are also looking at all our agency spend to reduce costs including looking at senior manager temporary posts with a view of converting these to short term temporary contracts.
- We have also commissioned Grant Thornton to undertake a review of adult social care expenditure to ascertain if we are value for money and whether improvements can be made.

Public Health is expected to achieve a breakeven position. However, the service does have a few on-going challenges due to the expected inflationary increases on health contracts together with agenda for change increases (3% salary increase to NHS Staff which will impact on the PH contracts).

Adult Social Care adverse position has reduced since August by £639k but in comparison to quarter 1 it is an increase by £696k which is due to increase activity in placements. The service is currently transferring clients to the new domiciliary providers after the successful re-procurement of this contract.

Summary of Current Position: -

Adult Social Care

Nationally there is an increase in hospital discharges which has also been felt by Merton with a 13% increase in discharge activity. There was a 22% increase in total referrals received in July 2023. So far in September 2023 we have made 120 more discharges compared to last year.

The service is also seeing a higher number of people presenting with higher levels of need requiring larger packages of care. As mentioned in June's report there is also an increase in the number of older people requiring packages of care and as reported in financial year 2022/23 the service continues to see a move from domiciliary care to long term nursing which is more expensive. There is also an expected £1.4m in transitions cost included in the current forecast.

The service expects that part of the current pressures could be offset by additional client contributions once all new customers are financially assessed. The department also intends to use all grants where conditions allow to fund placements.

This Reablement team has increased the amount of service provided and 76% of its customers do not need an ongoing domiciliary care service. The remaining 24% of customers require a reduced level of domiciliary care on completion of their reablement episode.

Description of Pathways from hospital to community: -

<p>Pathway 0- 50 % of Clients</p> <ul style="list-style-type: none"> • People discharged requiring minimal support, or interventions from health and social care services.
<p>Pathway 1- 45% of clients</p> <ul style="list-style-type: none"> • People who are discharged and able to return home with a new, additional or a restarted package of care.
<p>Pathway 2- 4% of clients</p> <ul style="list-style-type: none"> • People who discharged with a short term intensive support package at a 24 hour bed based setting before returning home.
<p>Pathway 3-1% of clients</p> <ul style="list-style-type: none"> • People who require 24 hours bed based care

Comparison of Discharge Activities

Discharge Activities April to Sept 2021/22

Week Commencing	Pathway 1	Pathway 2	Pathway 3	Grand Total
Grand Total	875	207	84	1166
Average	34	8	4	45

Discharge Activities April to Sept 2022/23

Week Commencing	Pathway 1	Pathway 2	Pathway 3	Grand Total
Grand Total	837	250	71	1158
Average	32	10	3	45

Discharge Activities April to Sept 2023/24

Week Commencing	Pathway 1	Pathway 2	Pathway 3	Grand Total
Grand Total	994	217	67	1278
Average	38	8	3	49

NB: No data on pathway zero for both years

The above comparison of discharge activities shows that to September 2023/24 the overall activity levels has increased in pathway 1 which means patients discharged are returned home with new or increased packages of care from Adult Social Care.

Adult Social Care- Internal Provision- £357k Favourable Variance

This service's favourable variance as of quarter 2 is £357k which is an increase of £229k since quarter

1. The current underspend is due to the number of vacancies in the service due to the re-provision and redesign of this service.

All staff at Riverside residential home (closed in August 2023) apart from two, have now been transferred to Supported Living with effect from the 1st of October 2023 resulting in a saving of £209k. The saving of salary costs will increase towards the end of the financial year when Meadowsweet care home closes.

Public Health

This service is funded by a ringfenced grant and continues to forecast a breakeven position.

The Public Health team work to improve and protect the health of people living and working in Merton with a focus on reducing health inequalities through strategic leadership and collaborative working with local partners and the community.

The team also prioritises and works strategically to bring additional investment into Merton from a range of sources, using the Public Health grant as a magnet fund, using the grant to leverage in essential partnership funding.

Examples of these include: -

Body	Amount Secured
Sports England for Beat the Streets	£71.6k
Southwest London ICB- Beat the streets	£60k
Southwest London ICB- Suicide Prevention	£15k
Greater London Authority- Superzones in Schools	£90k
Civic Pride Fund-Ready Steady Cook	£42k
Greater London Authority -Social Prescribing	£57k
Sports England for Actively Merton	£65k
Greater London Authority - Food Poverty	£45k
Greater London Authority - Asthma in Schools	£30K
Merton Community Champions-pandemic response	£485K
Total	£960.6k

CORPORATE ITEMS

The details comparing actual expenditure up to 30 September 2023 against budget are contained in Appendix 1.

Corporate Items	Current Budget 2023/24 £000s	Full Year Forecast (Sep.) £000s	Forecast Variance at year end (Sep.) £000s	Forecast Variance at year end (June) £000s	Outturn Variance 2022/23 £000s
Impact of Capital on revenue budget	10,882	10,882	0	0	(180)
Investment Income	(6,321)	(10,321)	(4,000)	(1,000)	(2,897)
Pension Fund	237	237	0	0	(503)
Pay and Price Inflation	7,019	9,032	2,013	1,000	(388)
Contingencies and provisions	10,261	9,882	(379)	(1,005)	(5,387)
Income Items	0	0	0	0	(31)
Appropriations/Transfers	(6,083)	(6,083)	0	0	1,559
Central Items	5,113	2,747	(2,366)	(1,005)	(7,647)
Levies	1,504	1,504	0	0	0
Depreciation and Impairment	(26,997)	(26,997)	0	0	20
TOTAL CORPORATE EXPENDITURE	(9,497)	(11,863)	(2,366)	(1,005)	(7,807)

In the period from the first quarter (to 30 June 2023) to quarter 2 (to 30 September) there has been a net favourable variance of £1.361m. The main changes over the last three months are:

- Pay Inflation: Although the pay award for 2023/24 has not yet been settled, based on the current offer on the table, there will be a provisional adverse variance of £3.413m which is an increase of £2.413m on the June provisional forecast of £1m. The pay award will have an ongoing effect.
- Provision for Excess Inflation: There is a balance in this budget which has not yet been allocated to services and £1.4m is expected to be available to offset the forecast overspend in services
- Contingencies and Provisions
There has been a net adverse variance of £0.626m which is (a) due to the need to set aside additional funding of £2.080m in order to match the potential increase of the DSG deficit in excess of the budgeted provision and (b) the application of unallocated and un-ringfenced Services Grant of £1.454m.
- Investment income
It is forecast that the investment income will achieve a favourable variance of £4m which is an improvement of £3m on the first quarter projection. This is mainly due to the higher level of interest rates currently being achieved.

5 Capital Programme 2023-27

5.1 The Table below shows the movement in the 2023-27 corporate capital programme since the last monthly monitoring report:

Depts	Current Budget 23/24	Variance	Revised Budget 23/24	Current Budget 2024-25	Variance	Revised Budget 24/25	Current Budget 2025-26	Variance	Revised Budget 25/26	Current Budget 2026-27	Variance	Revised Budget 26/27
F&D	7,882	286	8,168	6,025	339	6,364	1,280	0	1,280	7,661	(125)	7,536
ASCIC&PH	0		0	0	0	0	0		0	0	0	0
CLL&F	6,794	(467)	6,326	15,647	467	16,114	3,479	0	3,479	3,400	0	3,400
ECP&C	14,859	(584)	14,274	11,189	280	11,469	16,005	(350)	15,655	12,970	0	12,970
I&C	45	0	45	0	0	0	0	0	0	0		0
H&SD	9,771	2,458	12,228	18,146	(60)	18,086	20,682	0	20,682	17,445	517	17,962
TOTAL	39,350	1,692	41,042	51,007	1,026	52,033	41,446	(350)	41,096	41,476	392	41,868

5.2 The table below summarises the position in respect of the 2023/24 Capital Programme as at September 2023. The detail is shown in Appendix 5a.

Capital Budget Monitoring - September 2023

Department	Actuals £	Year to Date Budget £	Variance £	Final Budget 2023-24 £	Forecast Outturn 2023-24 £	Forecast Variance 2023-24 £
Finance and Digital (a)	1,218,618	1,861,135	(642,517)	8,167,910	8,167,748	(162)
ASC, Integrated Care & Public Health	0	0	0	0	0	0
Children, Lifelong Learning & Families (b)	1,829,296	3,511,510	(1,682,744)	6,326,440	6,326,570	130
Environment, Civic Pride & Climate (c)	4,086,006	6,511,125	(2,425,120)	14,274,150	14,279,532	5,382
Innovation & Change (d)	0	45,000	(45,000)	45,000	45,000	0
Housing & Sustainable Development (e)	1,605,463	3,687,387	(2,081,924)	12,228,120	12,228,120	0
Total	8,739,383	15,616,157	(6,877,304)	41,041,620	41,046,970	5,350

a) Finance & Digital – After the adjustments in the table below (detailed in Appendix 5b) officers are forecasting full spend on all budgets.

Cost Centre Narrative		Budget 2023-24 £	Budget 2024-25 £	Budget 2025-26 £	Budget 2026-27 £	Explanation for the Budgetary Change
Finance & Digital						
Customer Contact - Replace TKDialogue	(1)	161,000	174,000	0	0	Virement to cover expected outturn on scheme
Customer Contact - Digital Strategy	(1)	0	500,000	0	0	Funding for Digital Strategy
Business Systems - Revenue and Benefits	(1)	0	(335,000)	0	0	Virement from scheme to fund TKDialogue
Business Systems - Parking System	(1)		(35,000)	0	0	For E,CP&C revenue staff to progress the scheme
Financial System	(1)	125,000	0	0	(125,000)	To Pay for Licences for the whole extension period
Finance & Digital		286,000	339,000	0	(125,000)	

(1) Requires Cabinet Approval

b) Children, Lifelong Learning & Families – The table below summarises (detailed in Appendix 5b) the proposed budget adjustments for this month:

Cost Centre Narrative		Budget 2023-24 £	Budget 2024-25 £	Budget 2025-26 £	Budget 2026-27 £	Explanation for the Budgetary Change
Children, Lifelong Learning & Families						
Hollymount - Capital Maintenance	n/a	(24,000)	0	0	0	Required adjustments to the approved programme for the capital maintenance of schools - these schemes are all funded by government grant and are treated as one budget within the capital programme.
Hatfield - Capital Maintenance	n/a	1,000	0	0	0	
Joseph Hood - Capital Maintenance	n/a	23,820	0	0	0	
Dundonald - Capital Maintenance	n/a	15,000	0	0	0	
Wimbledon Chase - Capital Maintenance	n/a	7,000	0	0	0	
Wimbledon Park - Capital Maintenance	n/a	5,000	0	0	0	
Malmesbury - Capital Maintenance	n/a	0	156,150	0	0	
Bond - Capital Maintenance	n/a	(26,000)	106,000	0	0	
Gorrington Park - Capital Maintenance	n/a	(30,000)	0	0	0	
Haslemere - Capital Maintenance	n/a	30,000	0	0	0	
Unallocated - Capital Maintenance	n/a	(344,970)	0	0	0	
Rutlish - Capital Maintenance	n/a	40,000	0	0	0	
Perseid Upper - Capital Maintenance	n/a	(24,000)	0	0	0	
Melrose - Capital Maintenance	n/a	(50,000)	0	0	0	
Melbury College - SMART - Capital Maintenance	n/a	(10,000)	125,000	0	0	
Mainstream SEN (ARP) - Secondary sch ARP expansion 2	(1)	(30,000)	30,000	0	0	
Mainstream SEN (ARP) - Raynes Pk Sch ARP expansion 1	(1)	(20,000)	20,000	0	0	Budget re-profiled in line with projected spend
Mainstream SEN (ARP) - Second school ARP expansion 4	(1)	(10,000)	10,000	0	0	Budget re-profiled in line with projected spend
Mainstream SEN (ARP) - Second school ARP expansion 3	(1)	(10,000)	10,000	0	0	Budget re-profiled in line with projected spend
Mainstream SEN (ARP) - Primary school ARP expansion	(1)	(10,000)	10,000	0	0	Budget re-profiled in line with projected spend
Total Children, Lifelong Learning & Families		(467,150)	467,150	0	0	

(1) Requires Cabinet Approval

Please note (n/a) = As agreed in June 2023 monitoring report that schools' capital maintenance budgets are funded by one government grant and although on different cost centres are treated as one budget for monitoring and budget management.

Many of the virements are because most of our capital maintenance schemes in schools are almost complete so we have the confidence now that underspends can be vired to other projects from the grant.

There are two primary reasons for the much increased slippage:

- Capital maintenance: In considering uncommitted money following the summer works, our highest priorities are roof works. Having previously planned to do them during the winter it has now been advised that this is too risky in the winter period so 3 are planned to be undertaken from Easter onwards, so into the early part of the 2024/25 financial year.
- SEND expansion projects: There is good progress in most of the expansion projects as part of the High needs Safety Valve, with Cranmer and West Wimbledon Additional Resourced Provision projects completed and the Perseid project making good progress in the design phase. However, some projects still require agreement with schools and to review their purpose before design can progress

The Melrose primary expansion completed more than 2 years ago has now reached settlement with the contractor so is no longer a cost risk which we previously identified and will be met from the existing budget.

c) Environment, Civic Pride & Environment – After progressing the adjustments in the table below (detailed in Appendix 5b) officers are projecting full spend on all budgets and are currently forecasting an overspend on one budgets:

Cost Centre Narrative		Budget 2023-24 £	Budget 2024-25 £	Budget 2025-26 £	Budget 2026- 27 £	Explanation for the Budgetary Change
Environment, Civic Pride & Climate						
Parks - New water play feature Wimb Pk	(1)	87,430	(183,000)	0	0	Existing water feature has been repaired with parts that can be used in the new water feature allowing budget to be relinquished - new water feature will be installed as part of a larger scheme incorporating the play area
On Street Parking - P&D - Pay and Display Machines	(1)	(100,000)	0	0	0	Project nearing completion, officers are confident £100k of budgetary provision can be relinquished
Off Street Parking - P&D - Car Park Upgrades	(1)	(265,440)	0	0	0	Work on St Georges Car Park held until freeholder commits to undertaking large scale structural repairs budget relinquished
Parks - Park Security Meas & Trav Prev	(1)	20,000	(20,000)	0	0	Budget re-profiled in line with projected spend
Alley Gating Scheme	(1)	(24,000)	0	0	0	Budget being relinquished as not required to complete identified schemes
Highways & Footways - Casualty Reduction & Schools	(1)	8,000	0	0	0	Additional TfL Funding
Highways & Footways - ANPR Cameras School Streets	(1)	(211,620)	0	0	0	Reduced TfL Funding and £200k relinquished
Highways & Footways - Haydons Rd Access for All	(1)	(100,000)	100,000	0	0	Budget re-profiled in line with projected spend
Highways & Footways - Milner Rd Improvements	(1)	(52,330)	0	0	0	Forecast outturn on the scheme has been reduced budget has been relinquished
Cycle Route Improvements - Active Travel Road Safety	(1)	48,000	0	0	0	Additional TfL Funding to complete agreed programme
Cycle Route Improvements - Haydons Rd Bridge Cycle Lane	(1)	(115,000)	0	0	0	SCIL Funding reducing TfL funding within Active Travel Road Safety is increasing
Sports Facilities - Sporting Big Screens	(1)	(60,000)	60,000	0	0	Concerns regarding the purchase, ownership, security and revenue implications of the Council owning such equipment have delayed progression
Parks - Parks Investment	(1)	45,600	0	0	0	£15k Contribution from Hercules Athletics & £16.8k contribution from a Friends Group and application of GLA Grant moved
Parks - New Green Flag Improvements	(1)	8,000	(20,000)	0	0	Virement to General Parks code of GLA Grant and Re-profiled In Line with projected spend
Parks - Merton Saints BMX Club	(1)	37,400	0	0	0	Additional Civic Pride (NCIL) Funding
Parks - Bridges and Structures	(1)	7,000	(7,000)	0	0	Budget re-profiled in line with projected spend
Parks - Cannizaro Park Safety	(1)	82,500	0	0	0	Virement to correct Cost Centre
Major Library Projects - Library Self Service	(1)	0	350,000	(350,000)	0	Budget re-profiled in line with projected spend
Total Environment, Civic Pride & Climate		(584,460)	280,000	(350,000)	0	

The Creation of a Digital Maker Space is currently forecasting and overspend of £6k, officers are currently identifying funding for this forecast overspend

The Authority has just been successful in a Stage One bid for financial resources for the Local Electric Vehicle Infrastructure from the Department of Transport – this was a joint bid from Hounslow, Richmond and Wandsworth (Stage Two submission by 30th November 2023) – as additional information becomes available it is envisaged that the tranche applicable to Merton will be added to the Capital Programme for 2023-24.

d) Innovation & Change – The election booths were delivered w/c 19 October 2023 the budget is expected to fully spent.

e) Housing & Sustainable Development – After the proposed budget adjustments below

(detailed in Appendix 5b) officers are forecasting full spend at financial year end

Cost Centre Narrative		Budget 2023-24 £	Budget 2024-25 £	Budget 2025- 26 £	Budget 2026-27 £	Explanation for the Budgetary Change
Housing & Sustainable Development						
Projects - Affordable Housing - Afgan Resettlement/Homelessness Pressures	(1)	2,480,000	0	0	0	DLUHC Grant to fully fund this scheme which is expected to be delivered by a Housing Association
Wimbledon Area Regeneration - Cannizaro Park Safety	(1)	(82,500)	0	0	0	Virement to correct Cost Centre
Morden Area Regeneration - Crown Creative Knowledge Exch	(1)	40,000	0	0	0	Virement to fund projected outturn
Borough Regeneration - Shop Front Improvement	(1)	0	(40,000)	0	0	Virement to fund projected outturn
Borough Regeneration - Civic Pride Public Realm	(1)	20,000	(20,000)	0	0	External Architectural Lighting for Vestry Hall Lighting
Disabled Facilities Grant	(1)	0	0	0	517,140	Funded by ringfenced Grant
Total Housing & Sustainable Development		2,457,500	(60,000)	0	517,140	

5.5 Appendix 5c shows the revised funding of the proposed budget for 2023-27

5.6 Appendix 5d includes possible further reductions to the capital programme – green RAG rated items have already been fed into September Monitoring – CMT is asked to consider which amber and red items they wish to progress.

5.7 The table below summarises the movement in the Capital Programme for 2023/24 since its approval in March 2023 (£000s):

Depts.	Original Budget 23/24	Net Slippage 2022/23	Adjustments	New External Funding	New Internal Funding	Re-profiling	Revised Budget 23/24
Finance and Digital	18,386	1,279	(170)	0	0	(11,327)	8,168
ASC, Integrated Care & Public Health	0	0	0	0	0	0	0
Children, Lifelong Learning & Families	8,033	1,034	(17)	1,115	(12)	(3,827)	6,326
Environment, Civic Pride & Climate	13,270	2,159	(1,175)	2,078	103	(2,160)	14,274
Innovation & Change	45	0	0	0	0	0	45
Housing & Sustainable Development	12,951	1,699	(243)	3,027	1,094	(6,300)	12,228
Total	52,685	6,171.430	(1,605)	6,219	1,185	(23,614)	41,042

5.8 The table below compares capital expenditure (£000s) to September 2023 to that in previous years

Depts.	Spend To September 2020	Spend to September 2021	Spend to September 2022	Spend to September 2023	Variance 2020 to 2022	Variance 2021 to 2022	Variance 2022 to 2023
Total Capital	8,144	4,633	9,693	8,739	596	4,106	(954)

Outturn £000s	16,930	21,776	23,365	
Budget £000s				41,042
Projected Spend August 2023 £000s				41,047
Percentage Spend to Budget				21.29%
% Spend to Outturn/Projection	48.10%	21.28%	41.49%	21.29%
Monthly Spend to Achieve Projected Outturn £000s				5,185

5.9 September is halfway through the financial year and departments have spent just over 21% of the budget. Spend to date is higher than two of the last three previous financial years. Finance officers are currently expecting an outturn of around £25-26m, this is £15-16m below the current forecast of just over £39m.

5.10 During September 2023 officers spent just under £2.2 million, to achieve year end spend officers would need to spend approximately £5.2 million each month to year end. Officers are continuing to review the capital programme to further reduce budgetary provision.

6. DELIVERY OF 2023/34 SAVINGS

A summary of progress against 2023/24 savings is shown below, with more details contained in Appendix 4 to this report.

Department	2023/24 Savings Required £000	2023/24 Savings Forecast £000	2023/24 Shortfall £000	2024/25 Savings Forecast £000	2024/25 Shortfall £000
Finance & Digital	905	784	121	784	121
Innovation & Change	150	120	30	145	5
Adult Social Care, Integrated Care & Public Health	1,853	1,056	797	1,168	685
Children, Lifelong Learning and Families	1,425	1,085	340	1,085	340
Environment, Civic Pride & Climate	1,744	529	1,216	580	1,164
Housing & Sustainable Development	431	285	146	285	146
Total	6,508	3,859	2,650	4,047	2,461

7 CONSULTATION UNDERTAKEN OR PROPOSED

- All relevant bodies have been consulted.

8 TIMETABLE

Following current financial reporting timetables.

9 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

- a. All relevant implications have been addressed in the report.

10 LEGAL AND STATUTORY IMPLICATIONS

- a. All relevant implications have been addressed in the report.

11 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

- a. Not applicable

12 CRIME AND DISORDER IMPLICATIONS

- a. Not applicable

13 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

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

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

Appendix 1-	Detailed Corporate Items table
Appendix 2 –	Pay and Price Inflation
Appendix 3 –	Treasury Management: Outlook
Appendix 4 -	Progress on Savings 2023/24
Appendix 5a –	Current Capital Programme
Appendix 5b -	Detail of Capital Virements
Appendix 5c -	Summary of Capital Programme Funding
Appendix 5d -	Further Review of 2023-24 Capital Programme for Contractual Commitments
Appendix 6a –	Adult social care replacement saving
Appendix 6b -	Adult social care replacement saving Equalities Impact Assessment

14 BACKGROUND PAPERS

- a. Budgetary Control files held in the Finance and Digital department.

15 REPORT AUTHOR

Name: Roger Kershaw

– Tel: 020 8545 3458

Email: roger.kershaw@merton.gov.uk

APPENDIX 1

3E. Corporate Items	Council 2023/24	Current Budget 2023/24	Year to Date Actual (Sep.)	Full Year Forecast (Sep.)	Forecast Variance at year end (Sep.)	Forecast Variance at year end (June)	Outturn Variance 2022/23
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Cost of Borrowing	10,882	10,882	4,320	10,882	0	0	(180)
Impact of Capital on revenue budget	10,882	10,882	4,320	10,882	0	0	(180)
Investment Income	(6,321)	(6,321)	8,047	(10,321)	(4,000)	(1,000)	(2,897)
Pension Fund	237	237	0	237	0	0	(503)
Corporate Provision for Pay Award	4,440	3,971	0	7,384	3,413	1,000	2,450
Corporate Provision for National Minimum Wage	1,500	1,500	0	1,500	0	0	(1,500)
Provision for excess inflation	5,283	1,548	0	148	(1,400)	0	(1,338)
Pay and Price Inflation	11,224	7,019	0	9,032	2,013	1,000	(388)
Contingency	2,500	2,425	0	1,925	(500)	(500)	(558)
Bad Debt Provision	1,000	1,000	17	1,000	0	0	(1,069)
Loss of income arising from P3/P4	0	0	0	0	0	0	(400)
Loss of HB Admin grant	0	0	0	0	0	0	(23)
Apprenticeship Levy	450	450	163	450	0	0	(220)
Revenuisation and miscellaneous	7,708	3,846	101	1,887	(1,959)	(505)	(146)
Growth - Provision against DSG	2,540	2,540	0	4,620	2,080	0	(3,017)
Contingencies and provisions	14,198	10,261	280	9,882	(379)	(1,005)	(5,433)
Other income	0	0	(0)	0	0	0	(31)
Income items	0	0	(0)	0	0	0	(31)
Appropriations: CS Reserves	(360)	(3,769)	(3,769)	(3,769)	0	0	0
Appropriations: E&R Reserves	(286)	(1,937)	(1,937)	(1,937)	0	0	0
Appropriations: CSF Reserves	0	(627)	(633)	(627)	0	0	0
Appropriations: C&H Reserves	(104)	(104)	0	(104)	0	0	0
Appropriations: Public Health Reserves	(93)	(93)	0	(93)	0	0	0
Appropriations: Corporate Reserves	892	447	(446)	447	0	0	1,559
Appropriations/Transfers	50	(6,083)	(6,785)	(6,083)	0	0	1,559
Depreciation and Impairment	(26,997)	(26,997)	0	(26,997)	0	0	20
Central Items	3,273	(11,001)	5,862	(13,367)	(2,366)	(1,005)	(7,853)
						0	
Levies	1,058	1,504	927	1,504	0	0	0
TOTAL CORPORATE PROVISIONS	4,332	(9,497)	6,789	(11,863)	(2,366)	(1,005)	(7,853)
COVID-19 Emergency expenditure	0	0	9	0	0	0	46
TOTAL CORPORATE EXPENDITURE inc. COVID-19	4,332	(9,497)	6,798	(11,863)	(2,366)	(1,005)	(7,807)

Pay and Price Inflation as at September 2023

In 2023/24, the budget includes 3% for increases in pay and 3% for increases in general prices, with an additional amount of £5.208m which will be held to assist services that may experience price increases greatly in excess of the inflation allowance provided when setting the budget. With CPI inflation currently at 6.7% and RPI at 8.9% and the Council's overall revenue budget under extreme pressure, the majority of this budget has been released to mitigate service pressures.

Pay:

For 2023/24 the final pay award has not been agreed but provision of 3% was included in the MTFS. As previously reported unions have balloted their members over strike action.

The Local Government Employers have made an offer of:-

- A one year (1 April 2023 – 31 March 2024) pay increase of £1,925 (pro rata for part-time employees) to be paid as a consolidated, permanent addition on all NJC points 2-43 inclusive.
- An increase of 3.88% on all allowances (as listed in the 2022 NJC Pay Agreement Circular dated 1st November 2022).

NB: Due to London weighting, workers in the inner London area would receive a flat rate increase of £2,352, with those in outer London receiving £2,226).

Whilst the union ballots voted to reject the offer, the votes did not achieve sufficient numbers for strike action. On 16 August 2023, the trade union side of the NJC wrote to the Employers' side requesting them to return to the negotiating table with an improved offer for 2023/24.

The Employers' side of the NJC replied on 17 August 2023 stating that "the employers' offer has been repeatedly and unanimously reaffirmed as full and final since it was made on 23 February."

Once the final pay award has been agreed, the cost for Merton will be calculated. Based on the current offer it is estimated that the additional cost above the provision included in the MTFS 2023-27 agreed by Cabinet in March 2023 is c. £4.4m. This has an ongoing impact on the MTFS 2024-28.

Prices:

The Consumer Prices Index (CPI) rose by 6.7% in the 12 months to September 2023, unchanged from August 2023. On a monthly basis, CPI rose by 0.5% in September 2023, the same rate as in September 2022.

The Consumer Prices Index including owner occupiers' housing costs (CPIH) rose by 6.3% in the 12 months to September 2023, the same rate as in August. On a monthly basis, CPIH rose by 0.5% in September 2023, compared with a rise of 0.4% in September 2022.

The largest downward contributions to the monthly change in both CPIH and CPI annual rates came from food and non-alcoholic beverages, where prices fell on the month for the first time since September 2021, and furniture and household goods, where prices rose by less than a year ago.

Rising prices for motor fuel made the largest upward contribution to the change in the annual rates. Core CPI (excluding energy, food, alcohol and tobacco) rose by 6.1% in the 12 months to September 2023, down from 6.2% in August; the CPI goods annual rate fell slightly from 6.3% to 6.2%, while the CPI services annual rate rose from 6.8% to 6.9%.

Core CPIH (excluding energy, food, alcohol and tobacco) rose by 5.9% in the 12 months to September 2023, the same rate as in August; the CPIH goods annual rate fell slightly from 6.3% to 6.2%, while the CPIH services annual rate rose from 6.1% to 6.3%.

The RPI rate for September 2023 was 8.9%, which is down from 9.1% in August 2023.

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 1 November 2023, the MPC voted by a majority of 6–3 to maintain Bank Rate at 5.25%. Three members preferred to increase Bank Rate by 0.25 percentage points, to 5.5%.

The Bank of England MPC also published the November Monetary Policy report.

In the minutes to the November meeting, the MPC stated that “Twelve-month CPI inflation fell to 6.7% both in September and 2023 Q3, below expectations in the August Report. This downside news largely reflects lower-than expected core goods price inflation. At close to 7%, services inflation has been only slightly weaker than expected in August. CPI inflation remains well above the 2% target, but is expected to continue to fall sharply, to 4¾% in 2023 Q4, 4½% in 2024 Q1 and 3¾% in 2024 Q2. This decline is expected to be accounted for by lower energy, core goods and food price inflation and, beyond January, by some fall in services inflation. In the MPC's latest most likely, or modal, projection conditioned on the market-implied path for Bank Rate, CPI inflation returns to the 2% target by the end of 2025. It then falls below the target thereafter, as an increasing degree of economic slack reduces domestic inflationary pressures. The Committee continues to judge that the risks to its modal inflation projection are skewed to the upside. Second-round effects in domestic prices and wages are expected to take longer to unwind than they did to emerge. There are also upside risks to inflation from energy prices given events in the Middle East. ”

Although the labour market remains tight by historical standards, the MPC say that “against a backdrop of subdued economic activity, employment growth is likely to have softened over the second half of 2023, and to a greater extent than projected in the August Report. Falling vacancies and surveys indicating an easing of recruitment difficulties also point to a loosening in the labour market. Contacts of the Bank's Agents have similarly reported an easing in hiring constraints, although persistent skills shortages remain in some sectors. Pay growth has remained high across a range of indicators, although the recent rise in the annual rate of growth of private sector regular average weekly earnings has not been apparent in other series. There remains uncertainty about the near-term path of pay, but wage growth is nonetheless projected to decline in coming quarters from these elevated levels.”

In conclusion the MPC indicate that it is likely that monetary policy is likely to remain restrictive for an extended period of time It reported that it “will continue to monitor closely indications of persistent inflationary pressures and resilience in the economy as a whole, including a range of measures of the underlying tightness of labour market conditions, wage growth and services price inflation. Monetary policy will need to be sufficiently restrictive for sufficiently long to return inflation to the 2% target sustainably in the medium term, in line with the Committee's remit. Further tightening in monetary policy would be required if there were evidence of more persistent inflationary pressures.”

In this report the MPC include forecast quarterly CPI inflation rates over the next three years as follows:-

2023	2024	2024	2024	2024	2025	2025	2025	2025	2026	2026	2026	2026
Qtr.4	Qtr.1	Qtr.2	Qtr.3	Qtr.4	Qtr.1	Qtr.2	Qtr.3	Qtr.4	Qtr. 1	Qtr.2	Qtr.3	Qtr.4
CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI
%	%	%	%	%	%	%	%	%	%	%	%	%
4.6	4.4	3.6	3.3	3.1	2.5	2.1	2.1	1.9	1.9	1.7	1.6	1.5

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

Table: Forecasts for the UK Economy

Source: HM Treasury - Forecasts for the UK Economy (October 2023)

	Lowest %	Highest %	Average %
2023 (Quarter 4)			
CPI	2.5	5.2	4.5
RPI	5.5	9.9	6.4
LFS Unemployment Rate	3.5	4.8	4.4
2024 (Quarter 4)			
CPI	0.7	4.0	2.5
RPI	0.9	5.9	3.6
LFS Unemployment Rate	2.8	5.2	4.6

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 2023 to 2027 are summarised in the following table:-

Source: HM Treasury - Forecasts for the UK Economy (August 2023)

	2023	2024	2025	2026	2027
	%	%	%	%	%
CPI	7.4	3.2	2.1	2.0	2.1
RPI	9.0	4.5	2.9	2.7	3.4
LFS Unemployment Rate	4.0	4.2	4.3	4.5	4.8

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

The MPC currently uses two main monetary policy tools.

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

At its meeting ending on 1 November 2023, the MPC voted by a majority of 6–3 to maintain Bank Rate at 5.25%. Three members preferred to increase Bank Rate by 0.25 percentage points, to 5.5%.

The MPC made it clear that its “The MPC’s remit is clear that the inflation target applies at all times, reflecting the primacy of price stability in the UK monetary policy framework. The framework recognises that there will be occasions when inflation will depart from the target as a result of shocks and disturbances. Monetary policy will ensure that CPI inflation returns to the 2% target sustainably in the medium term.”

In the November Monetary Policy Report the MPC say that market expectations suggest policy rates are at or near their peaks and note that “over the past two years, central banks in the UK, US and euro area have tightened policy . Since August, the ECB Governing Council raised its key policy rates by 25 basis points in September and held rates on 26 October, leaving the deposit facility rate at 4%. In the US, the FOMC has kept the target range for the federal funds rate unchanged at 5.25%–5.5%. In both the US and euro area, market-implied paths for policy rates are consistent with no further increases in this tightening cycle. Since the August Report, the market-implied path for policy rates in the euro area is little changed, while the path for US rates is, on average, around 50 basis points higher.”

Similarly UK policy rate expectations have fallen since the August report and the MPC note that “market expectations of UK policy rates have fallen by about 60 basis points over the next three years, on average. The market curve has also flattened. The UK curve remains broadly above the US and euro area, although the gap has narrowed. Partly reflecting stronger demand in the US leading the dollar to appreciate, and a smaller differential between expected policy rates in the UK and the US and euro area, the sterling effective exchange rate has depreciated by about 2.3% since the August Report. Sterling has fallen by 5.5% against the dollar, and by 1% against the euro.

In the November 2023 Monetary Policy report the MPC has used the following projections implied by current data trends:-

	Projections (Nov. 2023)			
	2023 Q.4	2024 Q.4	2025 Q.4	2026 Q.4
GDP	0.6	0.0	0.4	1.1
CPI Inflation(mean)	4.6	3.4	2.2	1.9
LFS Unemployment Rate	4.3	4.7	5.0	5.1
Excess Supply/Excess Demand	0.0	-0.75	-1.5	-1.5
Bank Rate	5.3	5.1	4.5	4.2

The conclusions that the MPC reach in the August 2023 Monetary Policy Report are supported by the following Key Judgements:-

Key judgement 1: GDP is expected to be broadly flat in the first half of the forecast period and growth is projected to remain well below historical averages in the medium term. That reflects the significant increase in Bank Rate since the start of this tightening cycle, subdued potential supply growth, and a waning boost from fiscal policy.

Key judgement 2: The margin of excess demand in the UK economy has diminished over recent quarters and an increasing degree of economic slack is expected to emerge from the start of next year. Unemployment is expected to rise further over the forecast period and exceed the Committee's upwardly revised estimate of the medium-term equilibrium rate from the end of next year.

Key judgement 3: Second-round effects in domestic prices and wages are expected to take longer to unwind than they did to emerge. In the modal forecast conditioned on the marketimplied path of market interest rates, an increasing degree of slack in the economy and declining external cost pressures lead CPI inflation to return to the 2% target by the end of 2025 and to fall below target thereafter. The Committee continues to judge that the risks are skewed to the upside. Taking account of this skew, mean CPI inflation is 2.2% and 1.9% at the two and three-year horizons respectively.

Summary Progress on Savings 2023/24

Appendix 4

Department	2023/24 Savings Required £000	2023/24 Savings Forecast £000	2023/24 Shortfall £000	2024/25 Savings Forecast £000	2024/25 Shortfall £000
Finance & Digital	905	784	121	784	121
Innovation & Change	150	120	30	145	5
Adult Social Care, Integrated Care & Public Health	1,853	1,056	797	1,168	685
Children, Lifelong Learning and Families	1,425	1,085	340	1,085	340
Environment, Civic Pride & Climate	1,744	529	1,216	580	1,164
Housing & Sustainable Development	431	285	146	285	146
Total	6,508	3,859	2,650	4,047	2,461

PROGRESS ON 2023/24 SAVINGS

DEPARTMENT: FINANCE AND DIGITAL SAVINGS PROGRESS 2023/24

Ref	Description of Saving	2023/24 Savings Required £000	2023/24 Savings Forecast £000	2023/24 Shortfall £000	RAG	2024/25 Savings Forecast £000	2024/25 Shortfall £000	Responsible Officer	Comments	R /A Included in Forecast Over/Under spend? Y/N
2020-21 CS10	Further restructuring of the Transactional Services team	100	0	100	R	0	100	Pamela Lamb	saving is to be reviewed as part of budget setting for 2024/25 as it is not achievable. For 2023/24 the shortfall against the saving is offset by one off income for recovery of costs	Y
2023-24 CS04	Benefits Admin and Local Taxation - Reduce travel and car allowances	15	11	4	A	11	4	Sara Murtagh/Rebecca Dodd	Allowances are being reviewed to assess if spend can be further reduced	Y
2023-24 CS07	Insurance contributions	15	15	0	G	15	0	Nemashe Sivayogan		
2023-24 CS08	Housing Benefits - Increase in income contributions	25	25	0	G	25	0	Rebecca Dodd		
2023-24 CS09	Supplies and Services - cross cutting savings to reflect changes in working patterns	50	33	17	A	33	17	Various Officers	This saving is being reported under Finance & Digital but was taken from across multiple services in what was previously known as Corporate Services. There's a shortfall against the elements of the saving placed against the corporate print strategy and safety services	Y
2023-24 CS06	Interest on balances - increase in income contributions	700	700	0	G	700	0	Nemashe Sivayogan		
Total		905	784	121		784	121			

PROGRESS ON 2023/24 SAVINGS

Appendix 4

DEPARTMENT: INNOVATION AND CHANGE SAVINGS PROGRESS 2023/24

Ref	Description of Saving	2023/24 Savings Required £000	2023/24 Savings Forecast £000	2023/24 Shortfall £000	RAG	2024/25 Savings Forecast £000	2024/25 Shortfall £000	Responsible Officer	Comments	R / A Included in Forecast Over/Under spend? Y/N
2018-19 CS15	Policy & Partnerships - reduce headcount	50	50	0	G	50	0	Keith Burns		
2022-23 CS7	Customer, Policy & Improvement – Merton link	20	15	5	A	15	5	Sean Cunniffe	Various small overspends across supplies and services	Y
2022-23 CS11	Corporate Governance - Legal income	5	5	0	G	5	0	Paul Phelan		
2023-24 CS01	Communications - Savings on production and distribution of My Merton	25	0	25	R	25	0	Matt Burrows	Efficiencies for the Council Magazine are to be reviewed	Y
2023-24 CS02	Reduce Member's allowances budget to reflect historical underspend	20	20	0	G	20	0	Andrew Robertson		
2023-24 CS03	Electoral Services - Reduce print budget as more of annual canvass done through data match	10	10	0	G	10	0	Andrew Robertson	This saving is currently achievable on canvass spend but there will be a cost associated with the printing and delivering of Household Notification Letters to all households ahead of the GLA elections in January 2024. We will most likely be required to print and send out these letters on the basis of improving the accuracy of the electoral register and encouraging participation, which have an approximate printing cost of 7K and a delivery cost of 20K.	
2023-24 CS05	Legal - Increase target for 3rd party income	20	20	0	G	20	0	Paul Phelan		
Total		150	120	30		145	5			

PROGRESS ON 2023/24 SAVINGS

DEPARTMENT: ADULT SOCIAL CARE, INTEGRATED CARE AND PUBLIC HEALTH SAVINGS PROGRESS 2023/24

Ref	Description of Saving	2023/24 Savings Required £000	2023/24 Savings Forecast £000	2023/24 Shortfall £000	RAG	2024/25 Savings Forecast £000	2024/25 Shortfall £000	Responsible Officer	Comments	R /A Included in Forecast Over/Under spend? Y/N
CH104	Adult Social Care - Discharge to Assess	500	352	148	A	500	0	Phil Howell	Savings proposed in financial year 2021/22	Y
CH105	Commissioning and Market Development – Increasing take up of Direct Payments	150	150	0	G	150	0	Phil Howell		Y
CH108	Commissioning and Market Development – Self-Funder Brokerage Offer	25	0	25	R	0	25	Phil Howell	Due to the delay of the government charging reform policy the service is unable to proceed with this project in 23/24	Y
CH111	Commissioning and Market Development – Commissioning staffing efficiencies	65	65	0	G	65	0	Phil Howell		Y
CH112	ASC - Merging of older people day opportunities services- Eastways (Savings to be replaced)	180	0	180			180	Graham Terry	Replacement saving has been identified the department awaits Cabinet approve of the replacement saving which is expected to be approved at the upcoming Cabinet. The service will be utilising more shared lives opportunities for respite and residential clients	Y
CH113	Make efficiencies with ASC &PH budget	330	330	0	G	330	0	Russell Styles		Y
CH114	Residential - offer supported living as an alternative	110	55	55	A	110	0	Graham Terry		Y
CH115	Efficiencies in day to day business operations	13	13	0	G	13	0	Graham Terry		Y
CH116	Reduce the need for "double handed care" to "single handed care"	200	25	175	A	0	200	Graham Terry	Reablement reductions of double handed care and reviews of existing packages are projected to meet the saving target.	Y
CH117	Provide 4 weeks of free mascot teleware to people leaving hospital	180	66	114	A		180	Graham Terry	Extended free trial to new home care customers to increase the income and meet the shortfall	Y
CH118	Direct payments offer more choice and control to customers.	100	0	100	A	0	100	Graham Terry	Service working to increase uptake of direct payments from other services once the Homecare contract is operational	Y
Total		1,853	1,056	797		1,168	685			

PROGRESS ON 2023/24 SAVINGS

DEPARTMENT: CHILDREN, LIFELONG LEARNING AND FAMILIES SAVINGS PROGRESS 2023/24

Ref	Description of Saving	2023/24 Savings Required £000	2023/24 Savings Forecast £000	2023/24 Shortfall £000	RAG	2024/25 Savings Forecast £000	2024/25 Shortfall £000	Responsible Officer	Comments	R /A Included in Forecast Over/Under spend? Y/N
CSF4-22/23	Children's Social Care Placements - demand management and commissioning	340	0	340	R	0	340	David Michael	This saving was proposed back in 2021 during 2022/23 budgets setting and the environment has changed significantly since then. It is no longer deliverable due to demand and market conditions. The cost of placements are increasing in a supplier led market. The high cost of living is driving up foster care payments. We are part of London wide initiatives to improve the market and are exploring developing our own childrens homes, but these will all take some time to deliver results. We are delivering care leaver accomodation in fortmer caretaker flats to reduce the cost of care leaver support. We are actively seeking to recruit more in-house foster carers to reduce agency fees, and have increased our foster care payments to ensure that it remains a viable offer.	Y
CSF 2324-01	Central CSF Budgets - Pension and redundancy costs	200	200	0	G	200	0	Elizabeth Fitzpatrick		
CSF 2324-02	CSF Controllable budgets - 1% efficiency target	323	323	0	G	323	0	Richard Ellis		
CSF 2324-01	Central CSF Budgets - Pension and redundancy costs	350	350	0	G	350	0	Elizabeth Fitzpatrick		
CSF 2324-03	Education & Early Help - Children's Centre Income	10	10	0	G	10	0	Elizabeth Fitzpatrick	In progress	
CSF 2324-04	Education & Early Help - Revenue costs of capital budgets	140	140	0	G	140	0	Elizabeth Fitzpatrick		
CSF 2324-05	Education and Early Help - Rates of London Road building	62	62	0	G	62	0	Elizabeth Fitzpatrick		
Total		1,425	1,085	340		1,085	340			

PROGRESS ON 2023/24 SAVINGS

DEPARTMENT: ENVIRONMENT, CIVIC PRIDE AND CLIMATE SAVINGS PROGRESS 2023/24

Ref	Description of Saving	2023/24 Savings Required £000	2023/24 Savings Forecast £000	2023/24 Shortfall £000	RAG	2024/25 Savings Forecast £000	2024/25 Shortfall £000	Responsible Officer	Comments	R / A Included in Forecast Over/Under spend? Y/N	Budget Manager
ENV2023-24 10	E&R - Business efficiencies and rationalisation of budgets	85	85	0	G	85	0	Dan Jones	This saving is being reported under Environment, Civic Pride and Climate but was taken as a reduction in budget from across multiple services in what was previously known as Environment & Regeneration	Y	All
CH107	Library & Heritage Service - Increase income collection by reviewing all Fees and Charges and extending use of space in libraries by third party providers	60	60	0	G	60	0	Anthony Hopkins	Saving is recurrent from 2023/24 onwards but future years are not additional to original saving target		Anthony Hopkins
E1	RSP - Investigate potential commercial opportunities to generate income from provision of business advice.	75	0	75	R	0	75	Calvin McLean	RSP currently delivers a number of schemes on a commercial basis including: £170k NRMM London; £128k 32 borough match funding recovered by Merton for NRMM project; £25k Consultancy for Lambeth & Southwark; £20k Business Friendly Licensing	Y	James Armitage
ENV2021-03	Parking - Review of back office processes and efficiencies	100		100	R		100	Calvin McLean	This has been carried over since 20/21. The RingGo system for permits introduced made things worse and actually resulted in additional staff to rectify errors. This cannot be explored until a new system is in place (P4, 2024-25)		Osagie Ezekiel
ENV2022-23 04	Parking: Continue to enforce School Street locations through ANPR camera enforcement.	489		489	R		489	Calvin McLean	Unachievable £489k on our PCN income target for School Streets. PCNs are going down all the time as motorists comply with the restrictions.		Osagie Ezekiel
ENV2023-24 11	Management of Parking and Traffic with income implications	500		500	R		500	Calvin McLean	Permit price changes have not yet been implemented. Not achievable this year. The proposals still have to go through a consultation process which is imminent		Osagie Ezekiel
ENV2023-24 01	Future Merton - Increase in income from street advertising contract	30	30	0	G	30	0	James McGinlay	Income receipts on track to achieve.		Paul McGarry
ENV2023-24 02	Future Merton - Increase in income from Temporary Traffic Orders	15	15	0	G	15	0	James McGinlay	Income receipts on track to achieve.		Paul McGarry
ENV2023-24 03	Future Merton - Dockless Bike Hire	35	35	0	G	35	0	James McGinlay	Contract to be progressed with bike hire company.		Paul McGarry
ENV2022-23 06	Highways: Advertising - Increased income	10	10	0	G	10	0	James McGinlay	Income receipts on track to achieve.		Paul McGarry
ENV2022-23 02	Public Space – Greenspaces: Raynes Park Sports Ground - new lease arrangement	35	12	23	A	35	0	John Bosley	JD has confirmed that TWC Solicitors would not sign the agreement based on tenancy commencing in September 2022 and confirm that the operation commenced in May 2023. Based on the rent free period of 6 months 2023-24 we will only achieve £12K 23/24		Andrew Kauffman
ENV2022-23 03	Public Space – Greenspaces: Deen City Farm- Reduction in grant by 50%	8	8	0	G	8	0	John Bosley	Grant has been reduced to 10% for 2023/24.	N	Andrew Kauffman
ENV2023-24 06	Greenspaces - Increase in fireworks income	60	60	0	G	60	0	John Bosley	Any increase in income might be offset by expenses. Department achieved £140k profit in Nov 2022 and based on spend to date will achieve the same in Nov 2023 with no increase in ticket prices (cost of living price to be maintained) The £60k target was met in 22/23		Andrew Kauffman

ENV2023-24 07	Greenspaces - Service charge for greenspaces area during Wimbledon fortnight	25	10	15	A	25	0	John Bosley	Invoices have been raised AELTC for the current year championship. AK Only £10K of the £35K target was met 23/24 due to the council tied into a 2 year contract 2024/25 renegotiations will include the £25K shortfall from 23/24 target		Andrew Kauffman
ENV2023-24 18	Waste disposal minimisation	100	100	0	G	100	0	John Bosley	Outturn of change in contract in Veolia contract for food waste - Suez to Veolia - estimated savings target is expected to be met and/or exceeded. The £100K target was met in 23/24	N	Claire Secord
ENV2023-24 19	Waste services SLWP - Wood disposal processed by Thermal Treatment	30	30	0	G	30	0	John Bosley	SLWP - no longer provide wood recycling - DW to chase this and get update *note: savings likely to be deliverable although not directly from this element of waste treatment, hence the Amber RAG status. Savings will be derived from a significant reduction in handling fees for food waste per tonne. The £30K target was met in 23/24	N	Claire Secord
ENV2023-24 04	Leisure & Culture - Rationalisation of Council asset (MAH)	27	13.5	14	A	27	0	John Bosley	Asset rationalised from 31/08/23 - £27K saved over two years - no shortfall and no RA required - involved personnel and had to go through correct HR procedures which took time. There is no shortfall for 24/25 - as the 27K savings was a one-off - there is no additional 27K target - just that the savings would be split over 2 years instead of within the one financial year	N	David Gentles
ENV2023-24 05	Leisure & Culture - Realigning of budgets - increase income target for leisure contractor	60	60	0	G	60	0	John Bosley	Income is as per agreed contract. Target for 22/23: £950k. This year (23/24): £1,016m for 24/25: £1,068m. The savings will be £66K in 23/24 and approximately £52K in 24/25 (based on latest RPIX - however the contract is calculated using October RPIX so this may vary) and are as agreed within the target. - No RA required. The £60K target was met in 23/24	N	David Gentles
Total		1,744	529	1,216		580	1,164				

PROGRESS ON 2023/24 SAVINGS

DEPARTMENT: HOUSING AND SUSTAINABLE DEVELOPMENT SAVINGS PROGRESS 2023/24

Ref	Description of Saving	2023/24 Savings Required £000	2023/24 Savings Forecast £000	2023/24 Shortfall £000	RAG	2024/25 Savings Forecast £000	2024/25 Shortfall £000	Responsible Officer	Comments	R / A Included in Forecast Over/Under spend? Y/N	Budget Manager
2019-20 CS18	Closure of Gifford House and relocation of SLLP	69		69	R		69	Mark Humphries	Closure of building has been delayed and therefore subsequent saving currently unachievable.	Y	Nick Layton
2019-20 CS17	Closure of Chaucer Centre and relocation of teams	77		77	R		77	Mark Humphries	Closure of building has been delayed and therefore subsequent saving currently unachievable.	Y	Nick Layton
ENV2022-23 08	Property Management & Review: Rent Review Income	40	40	0	G	40	0	James McGinlay	Forecast to achieve		Jacquie Denton
ENV2023-24 08	Property Management - Net increase in rental income from commercial properties	120	120	0	G	120	0	James McGinlay	Forecast to achieve		Jacquie Denton
ENV2023-24 09	Development & Control - Increase in income target - more commercial rates (pre-applications)	125	125	0	G	125	0	James McGinlay	A new schedule of pre-application charges will be prepared for the Cabinet prior to the end of 2023. As they will be essentially doubled it is estimated that the Council will achieve an extra £25,000 in income by the end of 2023/24. The Planning Performance Agreement for Mitcham Gasworks has been signed during the week commencing Monday 7th August 2023. This will generate an additional £100,000 during the current financial year and £50,000 of that was submitted to the Council by Berkeley Homes on Thursday 12th October 2023. The Planning Service has negotiated a further Planning Performance Agreement fee of £40,000 (Wimbledon College of Arts) whilst every pre-application meeting regarding Turle Road is currently chargeable. A bid for £100,000 of Central Government funding (Planning Skills Delivery Fund) was submitted by the deadline of 11th September 2023 and a decision on this is expected in mid-October 2023. Agency staff can be released or converted to permanent contracts once the AELTC planning application has been presented to the Planning Applications Committee in October and following planned re-structures of the planning enforcement and admin teams.		Jonathan Berry
Total		431	285	146		285	146				

Capital Budget Monitoring – September 2023

	Actuals	Year to Date Budget	Variance	Revised Budget 2023-24	Forecast Outturn 2023-24	Forecast Variance 2023-24
Merton Capital	8,739,383	15,616,157	(6,877,304)	41,041,620	41,046,970	5,350
Capital	8,739,383	15,616,157	(6,877,304)	41,041,620	41,046,970	5,350
Finance and Digital	1,218,618	1,861,135	(642,517)	8,167,910	8,167,748	(162)
Infrastructure & Transactions	1,255,923	1,372,525	(116,602)	5,709,300	5,709,138	(162)
IT Modernisation	1,255,923	1,372,525	(116,602)	5,709,300	5,709,138	(162)
Customer Contact Programme	830,907	0	830,907	2,801,740	2,801,578	(162)
Business Systems	149,590	503,085	(353,495)	959,290	959,290	0
Social Care IT System	83,038	444,340	(361,302)	885,520	885,520	0
Planned Replacement Programme	192,388	425,100	(232,712)	1,062,750	1,062,750	0
Finance	0	0	0	125,000	125,000	0
Major Projects	0	0	0	125,000	125,000	0
Financial System	0	0	0	125,000	125,000	0
Corporate Items	(37,305)	488,610	(525,915)	2,333,610	2,333,610	0
Centrally Held Budgets	(37,305)	488,610	(525,915)	2,333,610	2,333,610	0
Westminster Ccl Coroners Court	(37,305)	488,610	(525,915)	488,610	488,610	0
Compulsory Purchase Order	0	0	0	1,845,000	1,845,000	0

	Actuals	Year to Date Budget	Variance	Revised Budget 2023-24	Forecast Outturn 2023-24	Forecast Variance 2023-24
ASC- Int Care & Public Health	0	0	0	0	0	0

	Actuals	Year to Date Budget	Variance	Revised Budget 2023-24	Forecast Outturn 2023-24	Forecast Variance 2023-24
Children-LifeLearn-Families	1,829,296	3,511,510	(1,682,744)	6,326,440	6,326,570	130
Primary Schools	734,290	(130,530)	864,290	2,474,790	2,474,790	0
Hollymount	115,602	212,240	(96,638)	200,740	200,740	0
West Wimbledon	126,461	162,000	(35,539)	162,000	162,000	0
Hatfeild	67,004	61,250	5,754	71,000	71,000	0
Hillcross	3,009	6,010	(3,001)	6,010	6,010	0
Joseph Hood	156,818	439,650	(282,832)	480,000	480,000	0
Dundonald	6,295	52,330	(46,035)	65,000	65,000	0
Merton Park	550	21,100	(20,550)	20,870	20,870	0
Pelham	(1,864)	3,000	(4,864)	3,000	3,000	0
Poplar	5,526	131,860	(126,334)	131,860	131,860	0
Wimbledon Chase	67,834	270,000	(202,166)	277,000	277,000	0
Wimbledon Park	4,942	3,500	1,442	21,000	21,000	0
Abbotsbury	(1,345)	20,000	(21,345)	20,000	20,000	0
Malmesbury	525	0	(5)	530	530	0
Morden	16,907	80,000	(63,093)	80,000	80,000	0
Bond	654	65,830	(65,176)	38,040	38,040	0
Cranmer	5,961	99,660	(93,699)	99,660	99,660	0
Gorringe Park	(1,461)	59,600	(61,061)	25,960	25,960	0
Haslemere	(910)	250,000	(250,910)	280,000	280,000	0
Links	37,852	54,230	(16,378)	53,710	53,710	0
Singlegate	(361)	51,320	(51,681)	50,000	50,000	0
St Marks	(2,329)	410	(2,739)	410	410	0
Lonesome	(925)	3,000	(3,925)	3,000	3,000	0
Sherwood	63,257	75,000	(11,743)	75,000	75,000	0
William Morris	64,288	260,000	(195,712)	260,000	260,000	0
Unlocated Primary School Proj	0	(2,512,520)	2,512,520	50,000	50,000	0
Secondary School	96,116	681,020	(584,904)	433,570	433,570	0
Raynes Park	(810)	0	(810)	0	0	0
Ricards Lodge	(360)	50,360	(50,720)	50,000	50,000	0
Rutlish	(6,376)	507,600	(513,976)	260,510	260,510	0
Harris Academy Wimbledon	103,661	123,060	(19,399)	123,060	123,060	0

Capital Budget Monitoring – September 2023

	Actuals	Year to Date Budget	Variance	Revised Budget 2023-24	Forecast Outturn 2023-24	Forecast Variance 2023-24
SEN	713,985	2,049,510	(1,335,525)	2,411,010	2,411,140	130
Cricket Green	1,525	81,650	(80,125)	81,650	81,650	0
Melrose	54,882	305,170	(250,288)	255,170	255,170	0
Melrose Whatley Ave SEN	(19,890)	128,980	(148,870)	128,980	128,980	0
Unlocated SEN	0	0	0	0	0	0
Melbury College - Smart Centre	(221)	41,410	(41,631)	31,410	31,410	0
Perseid Lower	151,422	280,040	(128,618)	510,040	510,040	0
Perseid	(614)	113,280	(113,894)	89,280	89,280	0
Medical PRU	5,914	117,450	(111,536)	117,450	117,580	130
Mainstream SEN (ARP)	520,966	981,530	(460,564)	1,197,030	1,197,030	0
CSF Schemes	284,906	911,510	(626,604)	1,007,070	1,007,070	0
CSF Safeguarding	54,244	277,610	(223,366)	294,110	294,110	0
Devolved Formula Capital	176,556	353,120	(176,564)	353,120	353,120	0
Children's Centres	20,758	53,960	(33,203)	63,960	63,960	0
Youth Provision	33,349	226,820	(193,471)	295,880	295,880	0

Capital Budget Monitoring – September 2023

	Actuals	Year to Date Budget	Variance	Revised Budget 2023-24	Forecast Outturn 2023-24	Forecast Variance 2023-24
Environmnt-Civic Pride-Climate	4,086,006	6,511,125	(2,425,120)	14,274,150	14,279,532	5,382
Public Protection and Developm	51,141	798,273	(747,133)	1,873,410	1,872,800	(610)
On Street Parking - P&D	8,147	142,244	(134,097)	255,610	255,000	(610)
Off Street Parking - P&D	35,612	400,576	(364,964)	736,000	736,000	0
CCTV Investment	7,382	161,983	(154,602)	511,800	511,800	0
CCTV Investment	7,382	161,983	(154,602)	511,800	511,800	0
Public Protection and Developm	0	93,470	(93,470)	370,000	370,000	0
Regulatory Service	0	93,470	(93,470)	370,000	370,000	0
Street Scene & Waste	(119,173)	144,000	(263,173)	336,000	336,000	0
Fleet Vehicles	0	120,000	(120,000)	300,000	300,000	0
Waste Operations	(119,173)	24,000	(143,173)	36,000	36,000	0
Alley Gating Scheme	0	24,000	(24,000)	36,000	36,000	0
Waste SLWP	(119,173)	0	(119,173)	0	0	0
Sustainable Communities	4,099,152	5,451,492	(1,352,340)	11,877,380	11,877,372	(8)
Raynes Park Area Roads	25,334	39,060	(13,726)	39,060	39,055	(5)
Highways & Footways	2,007,016	3,578,430	(1,571,414)	7,128,940	7,128,940	0
Cycle Route Improvements	143,807	434,380	(290,573)	713,380	713,380	0
Morden Leisure Centre	0	0	0	0	0	0
Cannons Leisure Centre Works	0	0	0	0	0	0
Wimbledon Park Lake and Waters	26,883	64,190	(37,307)	64,190	64,190	0
Sports Facilities	238,712	259,900	(21,188)	549,750	549,750	0
Street Trees	50,270	48,772	1,498	121,930	121,934	4
Cemeteries	0	0	0	0	0	0
Parks	1,607,129	1,026,760	580,369	3,260,130	3,260,123	(7)
Smart Bin Leases - Parks	0	0	0	0	0	0
Libraries	54,886	97,360	(42,474)	97,360	103,360	6,000
Library Enhancement Works	0	0	0	0	0	0
Major Library Projects	54,886	73,360	(18,474)	73,360	79,360	6,000
Libraries IT	0	24,000	(24,000)	24,000	24,000	0
Climate Change	0	20,000	(20,000)	90,000	90,000	0
Climate Change Initiatives	0	20,000	(20,000)	90,000	90,000	0

	Actuals	Year to Date Budget	Variance	Revised Budget 2023-24	Forecast Outturn 2023-24	Forecast Variance 2023-24
Innovation and Change	0	45,000	(45,000)	45,000	45,000	0
Corporate Governance	0	45,000	(45,000)	45,000	45,000	0
Electoral Services	0	45,000	(45,000)	45,000	45,000	0

Capital Budget Monitoring – September 2023

	Actuals	Year to Date Budget	Variance	Revised Budget 2023-24	Forecast Outturn 2023-24	Forecast Variance 2023-24
Housing & Sustainable Developm	1,605,463	3,687,387	(2,081,924)	12,228,120	12,228,120	0
Housing	371,808	366,852	4,956	4,181,140	4,181,140	0
Disabled Facilities Grant	371,808	351,852	19,956	879,630	879,630	0
Projects - Affordable Housing	0	0	0	3,264,010	3,264,010	0
Projects - Empty Homes	0	15,000	(15,000)	37,500	37,500	0
Major Projects - Social Care H	0	0	0	0	0	0
Regeneration	693,618	719,843	(26,225)	2,502,870	2,502,870	0
Mitcham Area Regeneration	195,792	0	195,792	489,180	489,180	0
Wimbledon Area Regeneration	167,175	411,443	(244,268)	1,107,660	1,107,660	0
Morden Area Regeneration	322,694	280,800	41,894	517,000	517,000	0
Borough Regeneration	7,957	27,600	(19,643)	389,030	389,030	0
Property Management	0	0	0	451,000	451,000	0
Property Management Enhancemen	0	0	0	451,000	451,000	0
Facilities Management	540,038	2,600,692	(2,060,654)	5,093,110	5,093,110	0
Works to other buildings	201,471	269,900	(68,429)	674,750	674,750	0
Civic Centre	317,858	2,178,736	(1,860,878)	4,038,220	4,038,220	0
Invest to Save schemes	20,709	152,056	(131,348)	380,140	380,140	0

Virement, Re-profiling and New Funding - September 2023

Appendix 5b

		Starting Budget 2023-24	Virement	Funding Adjustment	Reprofiling	Revised Budget 2023-24	Starting Budget 2024-25	Virement	Funding Adjustment	Reprofiling	Revised Budget 2024-25	Narrative
		£	£	£	£	£	£	£	£	£	£	
Finance & Digital												
Customer Contact - Replace TKDialogue	(1)	114,000			161,000	275,000	0	335,000		(161,000)	174,000	Virement to cover expected outturn on scheme
Customer Contact - Digital Strategy	(1)	30,000				30,000	79,290		500,000		579,290	Funding for Digital Strategy
Business Systems - Revenue and Benefits	(1)	90,000				90,000	410,000	(335,000)			75,000	Virement from scheme to fund TKDialogue
Business Systems - Parking System	(1)	52,000				52,000	606,820		(35,000)		571,820	For E,CP&C revenue staff to progress the scheme
Financial System	(1)	0			125,000	125,000	0				0	To Pay for Licences for the whole extension period
Children, Lifelong Learning & Families												
Hollymount - Capital Maintenance	n/a	224,740	(24,000)			200,740	0				0	Required adjustments to the approved programme for the capital maintenance of schools - these schemes are all funded by government grant and are treated as one budget within the capital programme.
Hatfield - Capital Maintenance	n/a	70,000	1,000			71,000	0				0	
Joseph Hood - Capital Maintenance	n/a	456,180	23,820			480,000	0				0	
Dundonald - Capital Maintenance	n/a	50,000	15,000			65,000	0				0	
Wimbledon Chase - Capital Maintenance	n/a	270,000	7,000			277,000	0				0	
Wimbledon Park - Capital Maintenance	n/a	16,000	5,000			21,000	0				0	
Malmesbury - Capital Maintenance	n/a	530	156,150		(156,150)	530	0	0	156,150		156,150	
Bctn - Capital Maintenance	n/a	64,040	80,000		(106,000)	38,040	0	0	106,000		106,000	
Bringe Park - Capital Maintenance	n/a	55,960	(30,000)			25,960	0		0		0	
Co Lemere - Capital Maintenance	n/a	250,000	30,000			280,000	0		0		0	
Unallocated - Capital Maintenance	n/a	394,970	(344,970)			50,000	0		0		0	
Butch - Capital Maintenance	n/a	220,510	40,000			260,510	0		0		0	
Leid Upper - Capital Maintenance	n/a	104,150	(24,000)			80,150	0		0		0	
Wose - Capital Maintenance	n/a	197,970	(50,000)			147,970	0		0		0	
Melbury College - SMART - Capital Maintenance	n/a	41,410	115,000		(125,000)	31,410	0	0	125,000		125,000	
Mainstream SEN (ARP) - Secondary sch ARP expansion 2	(1)	30,000			(30,000)	0	845,970			30,000	875,970	Budget re-profiled in line with projected spend
Mainstream SEN (ARP) - Raynes Pk Sch ARP expansion 1	(1)	30,000			(20,000)	10,000	2,009,340			20,000	2,029,340	Budget re-profiled in line with projected spend
Mainstream SEN (ARP) - Second school ARP expansion 4	(1)	10,000			(10,000)	0	720,000			10,000	730,000	Budget re-profiled in line with projected spend
Mainstream SEN (ARP) - Second school ARP expansion 3	(1)	10,000			(10,000)	0	1,698,850		0	10,000	1,708,850	Budget re-profiled in line with projected spend
Mainstream SEN (ARP) - Primary school ARP expansion	(1)	10,000			(10,000)	0	405,990		0	10,000	415,990	Budget re-profiled in line with projected spend
Environment, Civic Pride & Climate												
Parks - New water play feature Wimb Pk	(1)				87,430	87,430	183,000		(95,570)	(87,430)	0	Existing water feature has been repaired with parts that can be used in the new water feature allowing budget to be relinquished - new water feature will be installed as part of a larger scheme incorporating the play area
On Street Parking - P&D - Pay and Display Machines	(1)	205,610		(100,000)		105,610	0				0	Project nearing completion, officers are confident £100k of budgetary provision can be relinquished
Off Street Parking - P&D - Car Park Upgrades	(1)	601,440		(265,440)		336,000	0				0	Work on St Georges Car Park held until freeholder commits to undertaking large scale structural repairs budget relinquished
Parks - Park Security Meas & Trav Prev	(1)	75,000			20,000	95,000	50,000			(20,000)	30,000	Budget re-profiled in line with projected spend
Alley Gating Scheme	(1)	60,000		(24,000)		36,000	0				0	Budget being relinquished as not required to complete identified schemes
Highways & Footways - Casualty Reduction & Schools	(1)	437,700		8,000		445,700	0				0	Additional TfL Funding
Highways & Footways - ANPR Cameras School Streets	(1)	251,840		(211,620)		40,220	0				0	Reduced TfL Funding and £200k relinquished
Highways & Footways - Haydons Rd Access for All	(1)	100,000			(100,000)	0	0			100,000	100,000	Budget re-profiled in line with projected spend

(1) Requires Cabinet approval

(2) Requires Council Approval

Virement, Re-profiling and New Funding - September 2023

Appendix 5b

		Starting Budget 2023-24	Virement	Funding Adjustment	Reprofiling	Revised Budget 2023-24	Starting Budget 2024-25	Virement	Funding Adjustment	Reprofiling	Revised Budget 2024-25	Narrative
		£	£	£	£	£	£	£	£	£	£	
Highways & Footways - Milner Rd Improvements	(1)	222,330		(52,330)		170,000	0				0	Forecast outturn on the scheme has been reduced budget has been relinquished
Cycle Route Improvements - Active Travel Road Safety	(1)	380,380		48,000		428,380	0				0	Additional TfL Funding to complete agreed programme
Cycle Route Improvements - Haydons Rd Bridge Cycle Lane	(1)	135,000		(115,000)		20,000	0				0	SCIL Funding reducing TfL funding within Active Travel Road Safety is increasing
Sports Facilities - Sporting Big Screens	(1)	60,000			(60,000)	0	0			60,000	60,000	Concerns regarding the purchase, ownership, security and revenue implications of the Council owning such equipment have delayed progression
Parks - Parks Investment	(1)	225,750	12,000	33,600		271,350	300,000				300,000	£15k Contribution from Hercules Athletics & £18.6k contribution from a Friends Group and application of GLA Grant moved
Parks - New Green Flag Improvements	(1)	62,000	(12,000)		20,000	70,000	150,000			(20,000)	130,000	Virement to General Parks code of GLA Grant and Re-profiled In Line with projected spend
Parks - Merton Saints BMX Club	(1)	130,000		37,400		167,400	0				0	Additional Civic Pride (NCIL) Funding
Parks - Bridges and Structures	(1)	85,000			7,000	92,000	31,000			(7,000)	24,000	Budget re-profiled in line with projected spend
Parks - Cannizaro Park Safety	(1)		82,500			82,500	0				0	Virement to correct Cost Centre
Major Library Projects - Library Self Service	(1)					0	0			350,000	350,000	Budget re-profiled in line with projected spend
Housing & Sustainable Development												
Projects - Affordable Housing - Afgan Settlement/Homelessness Pressures	(1)			2,480,000		2,480,000						DLUHC Grant to fully fund this scheme which is expected to be delivered by a Housing Association
Wimbledon Area Regeneration - Cannizaro Park Safety	(1)	82,500	(82,500)			0	0				0	Virement to correct Cost Centre
Morden Area Regeneration - Crown Creative Knowledge Exch	(1)	377,000	40,000			417,000	0				0	Virement to fund projected outturn
Borough Regeneration - Shop Front Improvement	(1)	0	(40,000)		40,000	0	790,000			(40,000)	750,000	Virement to fund projected outturn
Borough Regeneration - Civic Pride Public Realm	(1)	0			20,000	20,000	1,470,000			(20,000)	1,450,000	External Architectural Lighting for Vestry Hall Lighting
Total		6,284,010	0	1,838,610	(146,720)	7,975,900	9,750,260	0	369,430	621,720	10,741,410	

Virement, Re-profiling and New Funding - September 2023

		Starting Budget 2025-26	Virement	Funding Adjustment	Reprofiling	Revised Budget 2025-26	Revised Budget 2026-27	Virement	Funding Adjustment	Reprofiling	Revised Budget 2026-27	Narrative
		£	£	£	£	£	£	£	£	£	£	
Finance & Digital												
Financial System	(1)	0				0	200,000			(125,000)	75,000	To Pay for Licences for the whole extension period
Environment, Civic Pride & Climate												
Major Library Projects - Library Self Service	(1)	350,000			(350,000)	0	0				0	Budget Re-profiled in line with projected spend
Housing & Sustainable Development												
Disabled Facilities Grant	(1)	0				0	309,860		517,140		827,000	Funded by ringfenced Grant
Total		350,000	0	0	(350,000)	0	509,860	0	517,140	(125,000)	902,000	

(1) Requires Cabinet approval

(2) Requires Council Approval

Capital Programme Funding Summary 2023/24

	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
August 23 Monitoring	17,331	22,019	39,350
SCIL Adjustment fo Q2 Receipt	(100)	100	0
Finance & Digital			
Customer Contact - Replace TKDialogue	161	0	161
Financial System	125	0	125
Children, Lifelong Learning & Families			
Malmesbury - Capital Maintenance	0	(156)	(156)
Bond - Capital Maintenance	0	(106)	(106)
Melbury College - SMART - Capital Maintenance	0	(125)	(125)
Mainstream SEN (ARP) - Secondary sch ARP expansion 2	0	(30)	(30)
Mainstream SEN (ARP) - Raynes Pk Sch ARP expansion 1	0	(20)	(20)
Mainstream SEN (ARP) - Second school ARP expansion 4	0	(10)	(10)
Mainstream SEN (ARP) - Second school ARP expansion 3	0	(10)	(10)
Mainstream SEN (ARP) - Primary school ARP expansion	0	(10)	(10)
Environment, Civic Pride & Climate			
Parks - New water play feature Wimb Pk	0	87	87
On Street Parking - P&D - Pay and Display Machines	(100)	0	(100)
Off Street Parking - P&D - Car Park Upgrades	(265)	0	(265)
Parks - Park Security Meas & Trav Prev	20	0	20
Alley Gating Scheme	(24)	0	(24)
Highways & Footways - Casualty Reduction & Schools	0	8	8
Highways & Footways - ANPR Cameras School Streets	(200)	(12)	(212)
Highways & Footways - Haydons Rd Access for All	0	(100)	(100)
Highways & Footways - Milner Rd Improvements	0	(52)	(52)
Cycle Route Improvements - Active Travel Road Safety	0	48	48
Cycle Route Improvements - Haydons Rd Bridge Cycle Lane	0	(115)	(115)
Sports Facilities - Sporting Big Screens	(60)	0	(60)
Parks - Parks Investment	0	34	34
Parks - New Green Flag Improvements	20	0	20
Parks - Merton Saints BMX Club	0	37	37
Parks - Bridges and Structures	7	0	7
Housing & Sustainable Development			
Projects - Affordable Housing - Afgan Resettlement/Homelessness Pressures	0	2,480	2,480
Morden Area Regeneration - Crown Creative Knowledge Exch	40	0	40
Borough Regeneration - Civic Pride Public Realm	20	0	20
September 23 Monitoring	16,974	24,067	41,042

Capital Programme Funding Summary 2024/25

	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
August 23 Monitoring	21,346	29,661	51,007
SCIL Adjustment fo Q2 Receipt	(363)	363	0
Finance & Digital			
Customer Contact - Replace TKDialogue	174	0	174
Customer Contact - Digital	500	0	500
Business Systems - Revenue and Benefits	(335)	0	(335)
Business Systems - Parking System	(35)	0	(35)
Children, Lifelong Learning & Families			
Malmesbury - Capital Maintenance	0	156	156
Bond - Capital Maintenance	0	106	106
Melbury College - SMART - Capital Maintenance	0	125	125
Mainstream SEN (ARP) - Secondary sch ARP expansion 2	0	30	30
Mainstream SEN (ARP) - Raynes Pk Sch ARP expansion 1	0	20	20
Mainstream SEN (ARP) - Second school ARP expansion 4	0	10	10
Mainstream SEN (ARP) - Second school ARP expansion 3	0	10	10
Mainstream SEN (ARP) - Primary school ARP expansion	0	10	10
Environment, Civic Pride & Climate			
Parks - New water play feature Wimb Pk	(0)	(183)	(183)
Highways & Footways - Haydons Rd Access for All	0	100	100
Parks - Park Security Meas & Trav Prev	(20)	0	(20)
Sports Facilities - Sporting Big Screens	60	0	60
Parks - New Green Flag Improvements	(20)	0	(20)
Parks - Bridges and Structures	(7)	0	(7)
Major Library Projects - Library Self Service	350	0	350
Housing & Sustainable Development			
Morden Area Regeneration - Crown Creative Knowledge Exch	(40)	0	(40)
Borough Regeneration - Civic Pride Public Realm	(20)	0	(20)
September 23 Monitoring	21,589	30,409	51,998

Capital Programme Funding Summary 2025/26

	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
August 23 Monitoring	23,767	17,679	41,446
SCIL Adjustment fo Q2 Receipt Environment, Civic Pride & Climate	(600)	600	0
Major Library Projects - Library Self Service	(350)	0	(350)
September 23 Monitoring	22,817	18,279	41,096

Capital Programme Funding Summary 2026/27

	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
August 23 Monitoring	24,736	16,740	41,476
Finance & Digital			
Financial Systems - Improving Financial Systems	(125)	0	(125)
Housing & Sustainable Development			
Disabled Facilities Grant	0	517	517
September 23 Monitoring	24,611	17,257	41,868

Further Review of the Capital Programme 2023-24, last updated Oct 23

Appendix 5d

Finance and Digital									
Project Title	Funding Source	Revised Budget 2023-24 September 2023 Monitoring	YTD Spend (end Sept) incl IT capitalised Salaries to 1.10.23	POs Raised	Remaining Budget	Narrative - impact of removing	RAG		
Customer Contact Programme - Sapien DPIA/IAR Imp	LBM funded	5,980	3,887		2,093	<p>These schemes are part of Year 2 of the IT Implementation Programme. Expenditure on these schemes comprises two areas:</p> <p>Agency Staff: 13 agency staff are currently employed delivering the IT implementation programme costing and estimated £142k per month (current spend £852k) - estimated to be £1.8 to £2m in 2023-24 (or to complete Y2 implementation).</p> <p>Third Party Costs: Current Spend £566k, it is currently estimated that £2m is scheduled to be spent on third parties in 2023-24 (or to complete Y2 implementation).</p> <p>Abortive Costs: Agency staff could be given notice (this would take an estimated two weeks) depending of the timing of any decision the authority is likely to incur at least one more month of salary costs. In addition, it is envisaged that the majority of agency costs incurred this financial year would be abortive and funding would need to be identified to charge these costs to revenue.</p> <p>If the agency staff are given notice this will have an impact of savings for Citrix in 24-25 as the work to migrate will not be completed, other corporate projects (Skype to Teams, PI removal Dark Fibre will also be affected.) We will also need more than a 2 weeks to do a formal handover of work to internal teams as some of the projects just cant be stopped, this will have an impact on internal work and staff priorities.</p> <p>The £1Million for the Dark Fibre matched funding is not on this list, this has was agreed in May and has revenue savings. The contract has just been signed by TFL.</p> <p>The £70,000 for wireless microphones and hybrid meetings are not related to customer contact programme - this is democratic services</p>	R		
Customer Contact Programme - Portal	LBM funded	7,080	7,080		0				
Customer Contact Programme - Complaints	LBM funded	387,780	250,573		137,207				
Customer Contact Programme - Digital Strategy	LBM funded	30,000	50,375		(20,375)				
Customer Contact Programme - Replace TKDialogue	LBM funded	275,000	14,254	40,049	220,697				
Customer Contact Programme - Unified Data Model	LBM funded	452,080	208,831	30,000	213,249				
Customer Contact Programme - Members Enquiries Solution	LBM funded	86,000			86,000				
Customer Contact Programme - M365 Tools - PowerBI	LBM funded	38,000			38,000				
Customer Contact Programme - M365 Tools - Power Automate	LBM funded	55,800	47,488		8,312				
Customer Contact Programme - M365 Tools - Foms	LBM funded	113,000	46,053		66,947				
Customer Contact Programme - Dynamics365 CRM	LBM funded	106,900		4,000	102,900				
Customer Contact Programme - Biztalk Replacement	LBM funded	110,000	16,948		93,052				
Customer Contact Programme - CRM Healthcheck	LBM funded	60,000			60,000				
Customer Contact Programme - Transport Management System	LBM funded	64,860	18,298		46,562				
Customer Contact Programme - Virtual Desktop	LBM funded	237,530	79,365		158,165				
Customer Contact Programme - Data Security and Control	LBM funded	143,060	84,248		58,812				
Customer Contact Programme - Improve End User Devices	LBM funded	169,480	80,369		89,111				
Customer Contact Programme - Active Directory	LBM funded	78,040	29,540		48,500				
Customer Contact Programme - Self-Service	LBM funded	36,490	17,232		19,258				
Customer Contact Programme - Network Reconfiguration	LBM funded	274,660	124,347		150,313				
Customer Contact Programme - Wireless Microphones & Hybrid	LBM funded	70,000			70,000				
Business Systems - Environmental Asset Management	LBM funded	123,640	32,153		91,487			<p>Contractually committed to replace or extend the business systems within this cost centre - action has to be taken as current contracts expire - as discussed at the reduction meetings officers are extending contract periods as contracts are due for renewal and the saving from this action has already been built into future years of the Capital Programme.</p> <p>Citrix saving needs Revs and bens migrated to the Cloud by end calendar year.</p>	R
Business Systems - Revenue and Benefits	LBM funded	90,000			90,000				
Business Systems - Housing System	LBM funded	6,080	6,075		5				
Business Systems - Planning&Public Protection Sys	LBM funded	189,880	45,345		144,535				
Business Systems - Kofax Scanning	LBM funded	100,000			100,000				
Business Systems - Spectrum Spatial Analyst Repla	LBM funded	352,770	137,295		215,475				
Business Systems - e-Forms Platform Transition	LBM funded	0	2,050						
Business Systems - Regulatory System	LBM funded	38,410			38,410				
Business Systems - Parking System	LBM funded/Reserve	52,000	7,834		44,166				
Business Systems - Ancillary IT Systems	LBM funded	6,510	128		6,383				
Social Care IT System -Replacement Social Care System	LBM funded	636,930			636,930	<p>See commentary for the Customer Contact Programme and Business Systems. In addition these budgets will be used to address the legislative requirement for IT care integration and the integration of Mosaic and e5</p>	R		
Social Care IT System -Mosaic ASC Changes	LBM funded	81,670	31,281		50,389				
Social Care IT System -EHCP Hub	LBM funded	12,220	5,280		6,940				
Social Care IT System -Mosaic Finance Integration	LBM funded	68,560	31,418		37,142				
Social Care IT System -Transition Tracker	LBM funded	10,170	6,050		4,120				
Social Care IT System -Insights to Intervention	LBM funded	75,970	34,320	1,726	39,925				
Planned Replacement Programme - General	LBM funded	862,750	65,515	83,235	714,000	<p>Five year rolling programme to replace operational hardware and software - required to maintain existing IT provision - if the budget is reduced would struggle to replace hardware etc such as laptops, this is needed to remove PI as agreed by CMT. These budgets also provide for the replacement of Storage Area Network equipment (SAN) and backup hardware which is essential to the functioning of all IT systems and is out of support in Qtr 2 2024. Network switch upgrade is required for the Dark Fibre work.</p>	R		
Planned Replacement Programme - Network Switch Upgrade	LBM funded	200,000	141,907		58,093				
Planned Replacement Programme - IT Equipment	LBM funded	0	(15,035)	8,966	6,069				
Financial Systems - Improving Information Systems	LBM funded	125,000			125,000	Invoice received for multi-year licences to cover extension period	Committed		
Westminster Coroners Court	LBM funded	488,610	(37,305)	0	525,915	Committed Budget managed outside of Merton	Committed		
Clarion Compulsory Purchase Orders	Clarion Funded	1,845,000			1,845,000	Clarion will refund any expenditure by Merton	Ringfenced		
Total Finance & Digital		8,167,910	1,573,200	167,974	6,428,786				

Further Review of the Capital Programme 2023-24, last updated Oct 23 continued.....

Appendix 5d

Children, Lifelong Learning and Families

Project Title	Funding Source	Revised Budget 2023-24 September 2023 Monitoring	YTD Spend (end Sept)	POs Raised	Remaining Budget	Narrative - impact of removing	RAG
Hollymount-Schools Capital maintenance	Ringfenced Grant	200,740	115,602	44,776	40,362		
West Wimbledon-Schools Capital maintenance	Ringfenced Grant	162,000	126,461	21,542	13,997		
Hatfield-Schools Capital maintenance	Ringfenced Grant	71,000	67,004	1,387	2,609		
Hillcross-Schools Capital maintenance	Ringfenced Grant	6,010	3,009	0	3,001		
Joseph Hood-Schools Capital maintenance	Ringfenced Grant	480,000	156,818	56,488	266,694		
Dundonald-Schools Capital maintenance	Ringfenced Grant	65,000	6,295	15,245	43,460		
Merton Park-Schools Capital maintenance	Ringfenced Grant	20,870	550	19,590	730		
Pelham-Schools Capital maintenance	Ringfenced Grant	3,000	(1,864)	7,949	(3,085)		
Poplar-Schools Capital maintenance	Ringfenced Grant	131,860	5,526	116,766	9,568		
Wimbledon Chase-Schools Capital maintenance	Ringfenced Grant	277,000	67,834	140,070	69,096		
Wimbledon Park-Schools Capital maintenance	Ringfenced Grant	21,000	4,942	7,184	8,874		
Abbotsbury-Schools Capital maintenance	Ringfenced Grant	20,000	(1,345)	14,384	6,961		
Malmesbury-Schools Capital maintenance	Ringfenced Grant	530	525	0	5		
Morden-Schools Capital maintenance	Ringfenced Grant	80,000	16,907	53,840	9,253		
Bond-Schools Capital maintenance	Ringfenced Grant	38,040	654	31,436	5,950		
Cranmer-Schools Capital maintenance	Ringfenced Grant	99,660	5,961	36,861	56,838		
Gorringe Park-Schools Capital maintenance	Ringfenced Grant	25,960	(1,461)	25,895	1,526		
Haslemere-Schools Capital maintenance	Ringfenced Grant	280,000	(910)	144,440	136,470		
Links-Schools Capital maintenance	Ringfenced Grant	53,710	37,852	285	15,573		
Singlegate-Schools Capital maintenance	Ringfenced Grant	50,000	(361)	46,648	3,713		
St Marks-Schools Capital maintenance	Ringfenced Grant	410	(2,329)	399	2,340		
Lonesome-Schools Capital maintenance	Ringfenced Grant	3,000	(925)	97	3,828		
Sherwood-Schools Capital maintenance	Ringfenced Grant	75,000	63,257	3,213	8,530	Ringfenced Grant	Ringfenced
William Morris-Schools Capital maintenance	Ringfenced Grant	260,000	64,288	101,138	94,574		
Unlocated Primary School Proj-Schools Capital m	Ringfenced Grant	50,000	0	177	49,823		
Ricards Lodge 6th Form Expans	Ringfenced Grant	50,000	0	0	50,000		
Rutlish-Schools Capital maintenance	Ringfenced Grant	260,510	(6,376)	3,878	263,009		
Harris Academy Wimbledon-Expansion	Ringfenced Grant	123,060	103,661	9,252	10,147		
Cricket Green-Schools Capital maintenance	Ringfenced Grant	42,610	1,525	31,484	9,601		
Cricket Green School Expansion	Ringfenced Grant	39,040	0	0	39,040		
Melrose-Schools Capital maintenance	Ringfenced Grant	147,970	65,261	29,760	52,949		
Melrose School Expansion	Ringfenced Grant	107,200	(10,379)	25,971	91,608		
Melrose-Schools Capital maintenance	Ringfenced Grant	10,000	9,182	0	818		
Whatley Avenue Expansion	Ringfenced Grant	118,980	(29,072)	0	148,052		
Melbury College - Smart Centre-Schools Capital m	Ringfenced Grant	31,410	(221)	30,015	1,616		
Perseid Schools Capital maintenance	Ringfenced Grant	310,040	102,785	99,532	107,723		
Perseid School Expansion	Ringfenced Grant	200,000	48,638	0	151,362		
Perseid-Schools Capital maintenance	Ringfenced Grant	80,150	40,512	57,013	(17,375)		
Perseid School Expansion	Ringfenced Grant	9,130	(41,126)	0	50,256		
Medical PRU-Schools Capital maintenance	Ringfenced Grant	27,120	11,295	0	15,825		
Medical PRU Expansion	Ringfenced Grant	90,330	(5,381)	3,436	92,275		
Mainstream SEN (ARP)-Raynes Pk Sch ARP expa	Ringfenced Grant	10,000	0	0	10,000		
Mainstream SEN (ARP)-Cranmer Primary School	Ringfenced Grant	812,500	499,906	52,717	259,877		
Mainstream SEN (ARP)-West Wimb Primary ARP	Ringfenced Grant	354,220	17,566	37,633	299,021		
Mainstream SEN (ARP)-Hatfield Primary ARP ex	Ringfenced Grant	20,310	3,494	557	16,259		
CSF Safeguarding-Children's Safeguarding	LBM Capital	165,000	0	0	165,000	Officers are currently working with our legal team and that of the carer's ("Grantee") solicitor on the exact agreement. The intention is that the council will have security in the property for a set period and the grantee will be required to pay back if the council does not get the benefit of the placement, with the percentage of the grant back payable reducing over time. <u>Abortive Costs:</u> It is envisaged that there would be considerable additional placement costs incurred by the Council if this foster placement were to cease.	R
CSF Safeguarding-Care Leavers Living Accom	LBM Capital	129,110	54,244	6,414	68,452	Adaptation of properties to provide semi-independent (SI) accommodation for care leavers. The identified properties were formerly school caretaker properties and then let out by E&R via an agency to private tenants. Currently the council is meeting a high cost of the needs for these young people through companies providing a care service and accommodation, which can duplicate the work of our in-house team. The projects are to enable us to a model of using our spare council accommodation for priority cases (spend to save business case). There are five live schemes, three of which have completed, and two of which were delayed due to tenancy vacancy issues, but will still in the autumn. A 6th house has now become available (Hillcross School) with the potential for a 7th (Liberty School). We would like to bid for these extra properties to be adapted for the same purpose, which will have the same spend to save case	R
Devolved Formula Capital	Ringfenced Grant	353,120	176,556	0	176,564	Ringfenced	Ringfenced
Children's Centres-Bond Road Family Centre	SCIL	33,960	20,758	0	13,202	This project is to provide an outdoor play facility for The Bond Road Family Centre, the Council's designated facility for court ordered supervised contact for birth parents and their children who are looked after by the LA. The works have been completed with a few minor payments to make	Committed
Children's Centres-Family Hubs	Ringfenced Grant	30,000	0	0	30,000	Ringfenced	Ringfenced
Youth Provision-Pollards Hill Digital Divide	SCIL	295,880	33,349	147,908	114,623	This budget is to build a suitable IT education classroom at Pollards Hill Youth Club and equip it to be used for group work, homework support, coding club etc. We are now in contract so are committed to it	Committed
Total Children, Lifelong Learning and Families		6,326,440	1,830,467	1,425,379	3,070,594		

Further Review of the Capital Programme 2023-24, last updated Oct 23 continued.....

Appendix 5d

Environment, Civic Pride & Climate

Project Title	Funding Source	Revised Budget 2023-24 September 2023 Monitoring	YTD Spend (end Sept)	POs Raised	Remaining Budget	Narrative - impact of removing	RAG
On Street Parking P&P - Pay and Display Machines	LBM Capital	105,610	10,398	12,236	82,976	The funding is in place to remove on street loss making machines. Additional revenue costs will be incurred if the scheme is stopped. £55k required and committed for current phase of machine removal, which is in progress. By end of Nov, analysis will be available for the next phase of removal with estimated costs of £50k. £100k of this budget can therefore be relinquished. £100k removed as part of September 2023 Monitoring	Remove all = RED Remove £100k = GREEN
On Street Parking P&D - ANPR Cams Air Qual & Traf Sens	SCIL	150,000	0	149,539	461	Locations identified and cameras ordered.	Committed
Off Street Parking P&D - Car Park Upgrades	LBM Capital/SCIL	336,000	32,250	49,569	254,181	£265k of this budget has been identified to be removed / re-profiled due to the pausing of work at St George's Rd car park. Total estimated cost of essential works £336k which includes: 1) York Close resurfacing, vital part of Morden TC parking linked to TfL / Peel House. 2) EV charge points; high political priority 3) LED conversions; improve security, lower energy costs, payback within 3 years £265k removed as part of September 2023 Monitoring	Remove all = RED Remove £265k = GREEN
Off Street Parking P&D - Peel House Car Park	LBM Capital	400,000	3,362	0	396,638	Top level of car park will become unsafe if nothing is done. We are negotiating with TfL (freeholder) whose aim is to redevelop in the future. York Close will be the main long term car park. Peel House needs to be made safe by removing the top floor. The car park is essential in the short/medium term pending redevelopment of Morden TC. Following works annual revenue will increase by c£150k (will assist with the Parking revenue gap). <u>Abortive Costs:</u> Loss of £150k per annum parking income	R
CCTV Investment - CCTV Cameras & Infrastructure Upgrade	LBM Capital/SCIL	350,000	3,902	178,791	167,307	Contractual commitment of £179k (POS raised). CCTV equipment upgrades are linked to the dark fibre infrastructure investment. Old obsolete/unreliable cameras need replacing to improve reliability and additional cameras will increase coverage across the borough to include areas that known crime hotspots. Reliable CCTV coverage supports the night time economy, which is a political priority <u>Abortive Costs:</u> Loss of income as old cameras become obsolete/fail and there is the potential to increase income through provision of reliable CCTV	R
Rapid Response Cameras	LBM Capital	42,580	1,213	40,764	603	Cameras ordered.	Committed
Willow Lane Bridge Imps	SCIL	26,790	0	0	26,790	Scheme cannot be progressed until the Dark Fibre Scheme is complete. This is a flytipping hotspot and is currently experiencing an increase in fly tipping and anti-social behaviour. Currently using redeployable cameras which limit borough wide use of these cameras to monitor other hotspots <u>Abortive Costs:</u> Revenue budgets have to cover the cost of removing flytipping.	A
Brangwyn Crescent/Commonside East	SCIL	52,430	0	0	52,430	Scheme cannot be progressed until the Dark Fibre Scheme is complete. This is a flytipping hotspot and current redeployable cameras are not providing full coverage Increase in fly tipping and anti-social behaviour. Currently using redeployable cameras which limit borough wide use of these cameras to monitor other hotspots. Current redeployable cameras are not providing full coverage Increase in fly tipping and anti-social behaviour. <u>Abortive Costs:</u> Revenue budgets have to cover the cost of removing flytipping.	A
CCTV Dark Fibre	SCIL	40,000	2,267	0	37,733	FULLY COMMITTED to contribute to IT Services funded work (£1.1m), plus GLA funding. £130k has been relinquished proposal to divert £130k to fund CCTV control room upgrades. New bid required for this.	Committed
Designing Out Crime for ASB	SCIL	50,000	0	49,560	440	Cameras ordered.	Committed
Noise Monitoring Equipment	LBM Capital	70,000	0	0	70,000	Current equipment no longer reliable and at end of life. Essential tool in dealing with noise matters. Statutory requirement to monitor and control noise. Procurement is underway.	Committed
Upgrade Auto Air Qual Mon Stat	LBM/S106/SCIL	250,000	0	0	250,000	Current equipment is at the end of its life, unreliable and does not meet the latest reporting requirements (PM 2.5), resulting in failure to return full data set in 2022-23. Statutory requirement to monitor air quality and we are required to submit returns to DEFRA. New AQ action plan - Political priority. Award of contract is imminent (credit check in progress for successful bidder). The procurement includes equipment for Richmond & Wandsworth. Considerable reputational impact if project is paused.	Committed
Replacement of Fleet Vehicles	LBM Capital	300,000	0	0	300,000	Budget is required to address ULEZ compliancy for passenger transport vehicles before 2024-25. It is envisaged that this budget will be used to cover the cost of any finance leasing. <u>Abortive Costs:</u> - There is no revenue budget for the additional cost of non-ULEZ compliant vehicles	Committed
Alley Gating Scheme	LBM Capital	36,000	0	35,850	150	No other identified schemes at this time. Remaining £25K can be relinquished. Budget has been removed as part of September 2023 Monitoring	£24k = G
Raynes Park Station Public Realm	S106	39,060	25,334		13,726	Ringfenced S106	Ringfenced
Street Lighting Replacement Pr	LBM Capital	290,000	82,380	51,548	156,072	Note that 2025-26 onwards budget has been removed and new bid required. Currently the volume of 'Red' columns that are identified following structural testing each year is 1.5% (this is on average with national figures) therefore around 200 columns are required to be upgraded per annum. With the current Capital funding allocation for street lighting (£290k), we are only able to upgrade 160 columns per year (£1800 per column). This is due to increase costs for Steel, deliveries and resource as within the funding allocation previously 225 columns could have been upgraded per annum. <u>Abortive Costs:</u> No abortive costs expected.	R
Accessibility Programme	TfL	360,650	59,910		300,740	Ringfenced TfL	Ringfenced
Casualty Reduction & Schools	TfL	445,700	61,827		383,873	Ringfenced TfL	Ringfenced

Further Review of the Capital Programme 2023-24, last updated Oct 23 continued.....

Appendix 5d

Environment, Civic Pride & Climate continued.....

Project Title	Funding Source	Revised Budget 2023-24 September 2023 Monitoring	YTD Spend (end Sept)	POs Raised	Remaining Budget	Narrative - impact of removing	RAG
Traffic Schemes	LBM Capital	100,000	12,341		87,659	£50k of this budget already removed. Part committed for contract inflation. Required for road safety related schemes, : 20mph signage, safety at junctions, speed activation signs, footway improvements for disabled. Safety implications of stopping road safety programme. Revenue consequences of aborting schemes = Already chrged to revenue	Committed
Surface Water Drainage	LBM Capital/	100,000	9,671	30,891	59,438	£20k match funding for project underway Kenilworth Rd (TW part funding, plus NCIL) £40k for 3 Kings Pond, Mitcham design underway. Risk of flooding / damage to infrastructure if not progressed. Linked to TfL funded cycle scheme	Committed
Repairs to Footways	LBM Capital	1,240,870	609,909	632,641	(1,680)	Schemes in progress / programmed	Committed
Maintain AntiSkid and Coloured	LBM Capital	60,000	0	60,000	0	Schemes in progress / programmed	Committed
Borough Roads Maintenance	LBM Capital	2,171,890	902,848	1,280,750	(11,708)	Schemes in progress / programmed	Committed
Highways bridges & structures	LBM Capital	475,950	49,371	198,508	228,071	Spend to date on West Barnes La deck replacement: £50k, Streatham Rd retaining wall – estimate £35k, provisional date for works Oct 23, Carshalton Rd – detailed design work £30k Oct/Nov. Construction works expected to take place Jan / Feb 23, cost estimate £120k. Burlington Rd – estimate for construction £300k. Additional costs for utility diversions £150k. Scheme likely to start later 2023-24 and will require funding fm 24-25 Project management costs total for all schemes £50k Abortive Costs: Would charge as much as possible to capital.	R
TfL Principal Rd Maint	TfL	200,000	592	199,500	(92)	Ringfenced TfL	Ringfenced
Culverts Upgrade	SCIL	203,080	868	37,718	164,494	Although there is not much spend considerable work has been undertaken in relation to this scheme. Seely Rd culvert – expected start date Nov 23, cost estimate £200k from 2023-24 budget. Mitcham Rd culvert , scope of project could increase as we may add a section belonging to LB Wandsworth to the works, which they will fund. Will require legal agreement with LB Wandsworth. Construction likely to start at end of 23-24 (dependent on EA granting a permit). The is scheme will spend remainder of 23-24 budget and majority of 24-25 budget and will be re-profiling the budget when officers have established the likely spend profile. Risk of structures failing with huge consequences for the Council, private properties and danger to life if not progressed. Abortive Costs: Higly likely to be abortive costs from any committed expenditure if the schemes were not progressed	R
Lamp Column Chargers	ORCS	427,250	206,463	0	220,787	Ringfenced ORCS	Ringfenced
Residential Cycle Storage	SCIL	25,670	0	0	25,670	Linked to TfL funding, which is being spent first. Huge demand for on street hangars. Removing budget would mean some streets would miss out. In procurement at the moment as have not been happy with the delivery of the existing supplier. Would look to cover the streets from the budget set aside for the Walking and Cycling Strategy as cycling is an administration priority. Abortive Costs: Do not envisage any at the moment	A
ANPR Cameras School Streets	LBM Capital/	40,220	40,215	0	5	Not yet committed, new school street prog part of revenue growth bid so will not be progressed this year. No current progress on purchasing cameras for new locations. £200k removed from capital programme as part of September 2023 Monitoring	G
S Wimb Bus Area Wayfinding	NCIL	127,660	0	0	127,660	Ringfenced NCIL	Ringfenced
Motspur Pk Stat Access for All	SCIL	690,000	0	690,000	0	Grant agreement with NW Rail in place	Committed
Milner Rd Improvements	SCIL/CP	170,000	269	0	169,731	In progress, committed but can relinquish £50k - £52k removed as part of September 2023 Monitoring	50K = G
Cycle Parking	TfL/SCIL	265,000	38,167	8,778	218,055	Ringfenced TfL	Ringfenced
Cycle Improve Residential Stre	TfL	428,380	105,640	0	322,740	Ringfenced TfL	Ringfenced
Haydons Rd Bridge Cycle Lane	SCIL	20,000	0	0	20,000	Keep £20k. Relinquish £105k as we now have £105k TfL funding. Scheme programmed. As part of September 2023 Monitoring £115k has been removed	G
Wimbledon Park Lake Safety	SCIL	64,190	26,883	26,853	10,454	Remaining £10k required for safe future access to spillway for IDV maintenance operations staff to ensue area is maintained and avoid clogging up water flow, critical part of drainage system.	R
Leisure Centre Plant & Machine	LBM Capital	499,750	238,712	245,388	15,650	Roof works in progress. Canons soft play £150k, Canons entrance area £40k, Morden Park Green Gym £31.5k	Committed
Sporting Big Screens	Rev reserve	0	0	0	0	Political priority. However, there are practical considerations in the provision of owning such equipment and additional revenue costs required (technical expertise, security, storage, insurance etc). Budget re-profiled to 2024-25 as part of September 2023 Monitoring to allow time to investigate these practical considerations	N/A
Borough of Sport Infrastructure	LBM Capital	50,000	0	0	50,000	£50k to be spent post-engagement with local clubs to identify quick wins, i.e. small improvements that will benefit activities. If removed reputational impact, particularly following on from Big Sports Day.	Committed
Street Tree Programme	LBM Capital	60,000	45,637	9,686	4,677	Ongoing.	Committed
New street tree planting prog	SCIL	11,930	4,633	0	7,297	Ongoing.	Committed
Harris Academy Trees	S106	50,000	0	0	50,000	Ringfenced S106	Ringfenced
Parks Investment	LBM Capital	271,350	163,818	142,641	(35,109)	Priorities for the remaining budget: Health & Safety / DDA access improvements, e.g. Morden Rec, Holland Gardens.	Committed
Resurface Tennis Courts (Wimb Park)	Reserve/LTA	350,440	239,064	97,973	13,403	LTA grant of £200k spent. £137k of LBM ringfence reserve is committed. Remaining £13k of LBM money is committed to investment in pickle-ball.	Ringfenced
New water play feature Wimb Pk	SCIL	87,430	87,423	0	7	Checking with TC, is this SCIL-able? If so, budget to be brought forward from 2024-25. Also linked to AELTC planning	Committed
Paddling Pool Borough Wide	LBM Capital	33,390	33,390	0	0	Complete	Complete
Morley Park Enhancements	S106	19,370	0	0	19,370	Ringfenced S106	Ringfenced

Further Review of the Capital Programme 2023-24, last updated Oct 23 continued.....

Appendix 5d

Environment, Civic Pride & Climate continued.....

Project Title	Funding Source	Revised Budget 2023-24 September 2023 Monitoring	YTD Spend (end Sept)	POs Raised	Remaining Budget	Narrative - impact of removing	RAG
Sports Drainage	SCIL	88,970	0	66,335	22,635	Commissioned the planned works for Joseph Hood Rec car park. Remaining budget is needed for the construction of a drainage ditch, which is required to complete the project and provide a robust solution to the drainage problems.	Committed
Multi Use Sports Areas	SCIL	140,690	140,690	0	0	Complete	Complete
Myrna Close Public Realm	S106	48,800	48,791	0	9	Complete	Complete
Morden Park Playground	NCIL	75,530	0	73,522	2,008	NCIL ringfenced and project planned with Friends to commence on site September 2023 after extensive stakeholder engagement	Ringfenced
Merton Saints BMX Club	NCIL	167,400	42,600	0	124,800	NCIL grant project being delivered via FMConway through term contract	Ringfenced
Cannizaro Park Safety	NCIL	82,500	0	0	82,500	NCIL ringfenced project designs have been approved. Greenspaces Team will put out on London Portal September 2023	Ringfenced
Durnsford Road Recreation Ground	NCIL	44,770	0	64,769	(19,999)	NCIL ringfenced and project planned with Friends to commence on site October 2023	Ringfenced
Garfield Rec MUGA refurb	NCIL	120,000	36,816	83,184	0	NCIL ringfenced project in construction phase on site completion August 2023. Requested 10% contingency for Turf Reinstatement rather than seeding.	Ringfenced
Green Gym for Moreton Green	NCIL	35,000	0	31,252	3,748	NCIL ringfenced project commences on site August 2023 with Great Outdoor Gym Company	Ringfenced
Playground Priority Upgrades Prog	SCIL	350,000	218,230	72,552	59,218	Multi year scheme, bid was based on health & Safety requirements - park user's safety. Consultation & design complete for Miles Rd Rec £75k-£100K. Rowan Rec playground requires £250k to be progressed in 2024-25. If these schemes do not progress there is a risk of closing parts of the parks, plus the reputational impact of pausing schemes after we have consulted (lead member, residents, local stakeholders) <u>Abortive Costs: None</u>	R
New Green Flag Improvement Prog	SCIL	70,000	19,163	47,505	3,332	Current year fully spent.	Committed
Green Spaces Bridges and Structures	LBM Capital	92,000	9,200	82,016	784	Complete	Committed
Resurface Tennis Courts (Borough Wide)	SCIL/LTA	883,650	558,594	193,672	131,384	Budget includes £734k from LTA which is all fully committed. SCIL match of £150k is committed as a contribution. Works still to be complete on pickleball courts at Tamworth Lane and Morden Park.	Committed
Wandle Tree Trail Safety & Mg Prog	SCIL/LBM Ca	60,000	0	0	60,000	Tree works planned to alleviate issues with bridges and path infrastructure on the trail (PROW / National Cycle Network). Health & Safety measures to keep the trail safe. <u>23-24 spend is for stage 2 -Plough Lane to Weir Road</u> £25K: enabling works, habitat enhancement and riverbank safety (Z-trees). Trail is a well-used commuter route so public safety is paramount and could be compromised if these works do not take place. £10K: planting extra trees (Z-trees) £11K: biodiversity report (RSPB) £TBC: Japanese knotweed management (PBA Solutions, as part of 5yr treatment programme) <u>Abortive Costs: None</u>	R
Parks Security Meas & Ill Occ Prev	SCIL	95,000	0	94,337	663	Current year fully spent.	Committed
Existing Green Flag Impr Prog	SCIL/LBM Capital	50,000	8,950	15,752	25,298	Merton has 6 existing Green Flag Award winning sites - many of the original awards bar Abbey Recreation Ground have received the Green Flag for between 9-10 years now and some of the necessary infrastructure items in the park are beginning to show their age and the £300,000 Parks Investment Fund can only be divided so many ways between the 67 other sites vying for attention The parks and greenspaces team work hard with the existing Friends of Parks Groups using the prioritised action plan for site improvements to seek funding from Internal and External sources in partnership with Park Friends and service providers at IdverdeUK to ensure every penny invested is maximised Officers relinquished half the future year programme budget (£125k) as part of the August/September Capital Reduction Meetings, if there are further reductions to the programme there is a risk of losing Green Flag status at 2 sites: Sir Joseph Hood (held for 9 years) & John Innes (held for 9 years). Reputational impact. <u>Abortive Costs: None</u>	A
Martin Way - Greener, Brighter, Rev.	NCIL/Civic Pr	93,840	0	0	93,840	£33.8 is NCIL ringfenced. £60k from Civic Pride. Greenspaces Team have done designs for planting areas.	Ringfenced
Creation Digital Maker Space	Ringfenced Grant	73,360	54,886	0	18,474	Ringfenced grant awarded by Arts Council England to install a new digital maker space and increase library opening hours via new technology. All expenditure to be completed by January 2024.	Ringfenced
Library Management System	LBM Capital	24,000	0	0	24,000	Funding has been committed and carried over from previous years. The funding is to replace the current library website and the new solution is to go live on 26 October 2023.	Committed
Carbon Offset Funding	S106	50,000	0	0	50,000	Ringfenced S106	Committed
Community Retrofit Loan	LBM Rev Contr	40,000	0	0	40,000	Climate Delivery Plan	Committed
Total Environment, Civic Pride & Climate		14,274,150	4,236,677	5,054,080	4,983,393		

Innovation & Change

Project Title	Funding Source	Revised Budget 2023-24 September 2023 Monitoring	YTD Spend (end Sept)	POs Raised	Remaining Budget	Narrative - impact of removing	RAG
Corporate Governance - New Election Booths	LBM funded	45,000	0	44,740	260	Committed Budget due for delivery w/c 16/10/2023	Committed
Total Innovation and Change		45,000	0	44,740	260		

Housing & Sustainable Development

Project Title	Funding Source	Revised Budget 2023-24 September 2023 Monitoring	YTD Spend (end Sept)	POs Raised	Remaining Budget	Narrative - impact of removing	RAG
Disabled Facilities Grant	Ringfenced Grant	879,630	371,808	588,221	(80,399)	Ringfenced Grant Funded	N/A
Affordable Housing - Affordable Housing Fund	LBM Capital/Ringfenced Grant	784,010	0	0	784,010	Required to progress the first 93 affordable dwellings to tender stage for which project managers, architects etc have been/are being contracted to undertake work <u>Abortive costs:</u> It is envisaged that any costs incurred would need to be charged to revenue. In addition, would also loose revenue grant of £360k on which revenue costs have already been incurred.	Committed
Afgan Resettlement	Ringfenced Grant	2,480,000	0	0	2,480,000	Ringfenced Grant Funded	N/A
Empty Homes Strategy	LBM Capital	37,500	0	0	37,500	Political priority. Scheme required to bring back into use empty properties. Scheme start slipped due to recruitment issues, now resolved, and the Empty Property Officer is expected to be in post by December. £87,500 already removed in 23-24. Removal of remaining funding would mean the scheme could not progress in 2023-24. <u>Abortive Costs:</u> At present there are currently no abortive costs in capital	R
New Horizon Centre	NCIL	27,470	0	0	27,470	Ringfenced NCIL	Ringfenced
Springboard SMCA	NCIL	86,210	86,130	0	80	Ringfenced NCIL	Ringfenced
Mitcham Cricket Green	NCIL	54,000	31,000	0	23,000	Ringfenced NCIL	Ringfenced
Small Quarter Phase2	NCIL	22,000	20,000	0	2,000	Ringfenced NCIL	Ringfenced
Chapter House Youth Theatre	NCIL	33,000	0	0	33,000	Ringfenced NCIL	Ringfenced
Knowledge Exchange Mitcham	Grant	266,500	2,737	144,970	118,793	Ringfenced Grant Funded	Ringfenced
Wimb Public Realm Implement	SCIL	58,000	2,257	0	55,743	Relinquished £190k from this scheme and counter terrorism relinquished for Queens Road also relinquished as part of the Reduction meetings in August/September 2023. Queens Road bus lane due for consultation December 2023. Linked to Centre Court redevelopment to mitigate DDA compliance issues and create larger public realm for local economy. On 9 October 2023 the Metropolitan Police Counter Terrorism Unit advised LBM to consider counter terrorism measures for Queens Road <u>Abortive Costs:</u> Survey is already commissioned so will need to be funded from revenue	R
Haydons Rd Public Realm Improv	SCIL	677,060	2,314	0	674,746	To commence early 2024. Scheme has been designed and consulted on with businesses and ward councillors. If not done, reputational impact of no benefit to residents and businesses from Wimbledon stadium CIL receipts. Planning and design complete - Starting works in January - Conway are scheduled to deliver May need to review profile of budget as part of October Monitoring - estimate 50% to move to 2024-25. <u>Abortive costs:</u> Design, engineering and abortive fees of around £7k would need to be charged to revenue	R
Wimbledon Hill Rd	SCIL	92,000	62,732	36,377	(7,109)	Scheme complete, contract inflation still to pay.	Complete
Wimb Vill Herit Led Pblc Realm	SCIL	100,000	17,690	0	82,310	Already relinquished £100k from this scheme as part of the August/September Capital Reduction Meetings. Design / surveys already commissioned. Community engagement and consultation with local councillors already underway. Significant Reputational impact if stopped (significant CIL comes from Wimbledon area). <u>Abortive Costs:</u> Surveys, engineering and design costs of £17,690 would need to be met from revenue.	R
Kenilworth Green/Pocket Park	NCIL	65,000	13,861	12,261	38,878	Ringfenced NCIL	Ringfenced
Thrive - Workshop 305	NCIL	115,600	67,097	0	48,503	Ringfenced NCIL	Ringfenced
Morden TC Improvement	NCIL	100,000	0	0	100,000	Ringfenced NCIL. Recently agreed with LSG as part of Morden strategy, procurement underway.	Ringfenced
Crown Creative Knowledge Exch	SCIL	417,000	161,667	216,973	(1,640)	Part ringfenced grant. SCIL committed as project almost complete.	Ringfenced
Wandle Project	NCILS106	69,030	0	0	69,030	Ringfenced NCIL	Ringfenced
Merton Lost Rivers	SCIL	300,000	4,057	0	295,943	Risk of structures failing and causing severe flooding issues with huge consequences for the Council, private properties and danger to life if not progressed.	R
Civic Pride Pub Realm Improve	LBM Capital	20,000	0	0	0	As part of September 2023 Monitoring £20k has been moved forward from 2024-25 for External Architectural Lighting for Vestry Hall	N/A
Comm Centr Engy Sving Lighting	NCIL	35,000	0	35,000	0	Ringfenced NCIL	Ringfenced
Stouthall	LBM Capital	416,000	0	0	0	Dilapidation required at cessation of lease	N/A
Works to Other Buildings - Capital Building Works	LBM Capital	674,750	267,158	102,869	304,723	This budget is for capital maintenance works, often of a health and safety nature, urgently required to keep a building open or to support business critical operations. Works currently planned from this budget are the replacement of the main roof at the Civic and replacement of the UPS in DC01.	R
Civic Centre Boilers	LBM Capital/Reserves/Ringfenced Grant	2,984,080	0	0	2,984,080	This is largely made up of grant funding and is all needed for the replacement of the Civic Centre boilers with a modern, reliable and low carbon heating system. It is critical for the business that this continues because the current boilers are past the end of their life expectancy.	Majority Ringfenced
Workplace Design	LBM Capital/Reserves	1,054,140	252,172	0	801,968	A portion of this will be needed to replace the carpet on the 7th floor and to pay for the agreed final account for the 7th floor works. The remainder is currently earmarked for the next phase of the modernisation of the Civic, currently the redevelopment of the ground floor public entrance. <u>Abortive Costs:</u> It is envisaged that there would be some additional costs for the works on the 7th Floor which would be funded from this budget	R
Invest to Save - General	LBM Capital	330,140	33,164	81,485	215,491	Invest to save funding which will return revenue savings to the council. Already fully committed for this year to Streetlighting and Solar panels. Removing this would create significant contractual issues.	R
Invest to Save - Photovoltaics & Energy Conservation	LBM Capital	50,000	0	0	50,000	Invest to save funding which will return revenue savings to the council. Already fully committed for this year to Solar panels on council sites.	R
Housing & Sustainable Development		12,228,120	1,395,841	7,910,329	9,521,950		
Total		41,041,620	9,036,188	7,910,329	23,621,153		

Previously Agreed Savings to be replaced

Ref	Description of Saving		2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
CH112	Service/Section	Adult Social Care-Merging of older people day opportunities services	180	0	0	0	M	H	SNS2
	Description	Redirect current users of Eastways Day Centre to other services and develop additional service capacity at the Dementia Hub							
	Service Implication Staffing Implications	Consolidation of two services onto one site Reduction in headcount of 9 employees. Secondment of 3 FTE employees to Dementia Hub service provider							
	Business Plan Impact on other Equalities Implications	Building / land could be repurposed to support delivery of strategic priorities. Assumes like for like transport requirement. Saving could be increased if Would require full EQIA in terms of both service changes and staffing implications.							
Total Directorate Savings			180	0	0	0			
Cumulative			180	0	0	0			

Replacement Savings

Ref	Description of Saving		2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
CH112R	Service/Section	Adult Social Care- Placements (Replacement Savings)	180	0	0	0	M	M	SNS1
	Description	Shared Lives - increase capacity for replacing traditional forms of care with shared lives. Targeting specifically additional capacity for LD. nominally 5 individuals require change of placement (replaces Eastway saving)							
	Service Implication Staffing Implications	Reduce respite and res care spend and utilise more Shared Lives Shared Lives team to remain part of Housing in immediate future. Project should be manageable within current staff resources. Long term view may be for expansion or partial outsourcing (as other LAs do) in order to provide more variety of service.							
	Business Plan implications Impact on other departments Equalities Implications	Civic Pride (relies on Merton residents becoming Shared Lives Carers and 'mutual benefit') and Sustainable Borough (cost effective solution and alternative to long term traditional care placements) Requires tightening of working relationship between all ASC SW teams and the Shared Lives team in Housing. Potential to grow areas of the business that support a wider range of people with different needs. Specifically targeting LD for both Shared Lives and Short Break respite options. Growing the Older People's offer too. Requires some EIA analysis of current SL customer base as well as SL carer base.							
Total Directorate Savings			180	0	0	0			
Cumulative			180	0	0	0			



Equality Analysis

Please refer to the guidance for carrying out Equality Analysis (available on the intranet).
Text in blue is intended to provide guidance – you can delete this from your final version.

What are the proposals being assessed?	Adult Social Care- Expansion of the Shared Lives service
Which Department/ Division has the responsibility for this?	Adult Social Care, Integrated Care & Public Health

Stage 1: Overview

Name and job title of lead officer	Phil Howell, Assistant Director of Commissioning						
1. What are the aims, objectives, and desired outcomes of your proposal? (Also explain proposals e.g., reduction/removal of service, deletion of posts, changing criteria etc)	<p>Reduce Adult Social Care, respite and residential care spend by expanding and utilising the Shared Lives service to increase the availability of this as an option for vulnerable adults in Merton. The Shared Lives Service is operated and managed within the Housing and Sustainable Development directorate of the council.</p> <p>The commissioned respite and residential care provision in Merton remains a challenging service market with rising costs and lower availability.</p> <p>Shared Lives care offers people an alternative and highly flexible form of accommodation and/or care or support inside or outside the Shared lives carer's home. Shared Lives arrangements are set up and supported by the Merton Shared Lives scheme and the care and accommodation people receive is provided by ordinary individuals, couples or families in the local community. This alternative enables individuals taking up a Shared Lives opportunity and the Shared Lives carer/s to enjoy shared activities and life experiences.</p> <p>Shared Lives enables a range of vulnerable people to live independent lives, have their health and well-being promoted and can reduce the need for admission to hospital or residential care (for example through 'Home from Hospital ' services). The scheme can also support young people in their transition to adulthood. The opportunities that Shared Lives has to offer are greatly valued by both people using the service and by family carers and commissioners.</p> <p>The current service users could be grouped as follows;</p> <table border="1" data-bbox="697 1344 1539 1468"> <tr> <td>Mental Health</td> <td>35</td> </tr> <tr> <td>Learning Disability</td> <td>6</td> </tr> <tr> <td>Mental Health/Learning Disability</td> <td>2</td> </tr> </table>	Mental Health	35	Learning Disability	6	Mental Health/Learning Disability	2
Mental Health	35						
Learning Disability	6						
Mental Health/Learning Disability	2						

	<table border="1" data-bbox="701 110 1541 196"> <tr> <td>Hospital Discharge</td> <td>2</td> </tr> <tr> <td>Long Term</td> <td>5</td> </tr> </table> <p>A recruitment campaign is required to expand the current Shared Lives capacity to recruit and approve more shared lives carers able to support people with a learning disability would widen the provision of respite ad long term placements. An alternative approach is to commission the service. Expansion of the current service could potentially deliver a saving quicker than commissioning it in the short term. The Shared Lives service costs are lower than purchased respite and residential care for people with learning disabilities, young people in transition, people with a physical disability, and people with mental health needs.</p> <p>Research undertaken as long ago as 2013 by the National organisation, Shared Lives Plus showed that Shared Lives costs less than other forms of care: on average £26,000 a year less for people with learning disabilities (£8,000 less for people who need support with their mental health). On current costs we expect to save £180k in placement costs from a modest expansion of Shared Lives capacity in particular from serving more people with a learning disability.</p>	Hospital Discharge	2	Long Term	5		
Hospital Discharge	2						
Long Term	5						
2. How does this contribute to the council's corporate priorities?	This proposal supports a sustainable future for ASC and Merton by enlarging the choice of accommodation and support available to vulnerable adults and enabling their presence and contribution to their local community as well as providing opportunities for people to become paid shared lives carers.						
3. Who will be affected by this proposal? For example, who are the external/internal customers, communities, partners, stakeholders, the workforce etc.	<p>Merton Shared Lives is a well-established Scheme, in existence since 2008, and received a 'good' rating across all 5 areas: safe, effective, caring, responsive and well-led from CQC following their inspection in September 2017.</p> <p>The Shared Lives Team establishment consists of 1 full time Team Manager, 2 full time Shared Lives Officers and 1 full time Shared Lives Coordinator</p> <p>The Merton Shared Lives Scheme currently had 17 Shared Lives Carers providing placements for the Scheme. Many of the Carers have worked with Merton for in excess of 15 years.</p> <p>The Merton Shared Lives Scheme offers 2 different types of arrangements: On-site and Off-site. An on-site arrangement is where a Shared Lives Carer offers accommodation and support to an individual in their own home. An off-site Shared Lives arrangement is where a Shared Lives Carer offers accommodation and floating support in a second home, which they own or rent.</p> <p>The Merton Shared Lives Scheme has 31 on-site placements and 23 off-site placements, totalling 54 placements meeting the following service user groups;</p> <p>Service user group</p> <table border="1" data-bbox="701 1317 1541 1463"> <tr> <td>Mental Health</td> <td>35</td> </tr> <tr> <td>Learning Disability</td> <td>6</td> </tr> <tr> <td>Mental Health/Learning Disability</td> <td>2</td> </tr> </table>	Mental Health	35	Learning Disability	6	Mental Health/Learning Disability	2
Mental Health	35						
Learning Disability	6						
Mental Health/Learning Disability	2						

		Hospital Discharge	2	
		Long Term	5	
4. Is the responsibility shared with another department, authority, or organisation? If so, who are the partners and who has overall responsibility?	The Merton Shared Lives Scheme is an in house service managed within Housing and Sustainable Development. ASC refer people with assessed eligible 2014 Care Act needs for support and accommodation to the service and a joint panel process operates.			

Stage 2: Collecting evidence/ data

5. What evidence have you considered as part of this assessment?

Provide details of the information you have reviewed to determine the impact your proposal would have on the protected characteristics (equality groups).

The proposal will have a beneficial impact on the protected characteristics (equality groups) through the increased availability of the scheme.

Stage 3: Assessing impact and analysis

6. From the evidence you have considered, what areas of concern have you identified regarding the potential negative and positive impact on one or more protected characteristics (equality groups)?

Protected characteristic (equality group)	Tick which applies		Tick which applies		Reason Briefly explain what positive or negative impact has been identified
	Positive impact		Potential negative impact		
	Yes	No	Yes	No	
Age	✓			✓	Increased availability of a more appropriate, personalised, and cost effective service provision within their local community
Disability	✓			✓	Increased availability of a more appropriate, personalised, and cost effective service provision within their local community
Gender Reassignment	✓			✓	Increased availability of a more appropriate, personalised, and cost effective service provision within their local community
Marriage and Civil Partnership	✓			✓	Increased availability of a more appropriate, personalised, and cost effective service provision within their local community
Pregnancy and Maternity	✓			✓	Increased availability of a more appropriate, personalised, and cost effective service provision within their local community
Race	✓			✓	Increased availability of a more appropriate, personalised, and cost effective service provision within their local community
Religion/ belief	✓			✓	Increased availability of a more appropriate, personalised, and cost effective service provision within their local community
Sex (Gender)	✓			✓	Increased availability of a more appropriate, personalised, and cost effective service provision within their local community
Sexual orientation	✓			✓	Increased availability of a more appropriate, personalised, and cost effective service provision within their local community

Socio-economic status	✓			✓	Increased availability of a more appropriate, personalised, and cost effective service provision within their local community
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7. If you have identified a negative impact, how do you plan to mitigate it?

None required

Stage 4: Conclusion of the Equality Analysis

8. Which of the following statements best describe the outcome of the EA (Tick one box only)

Please refer to the guidance for carrying out Equality Impact Assessments is available on the intranet for further information about these outcomes and what they mean for your proposal

- Outcome 1** – The EA has not identified any potential for discrimination or negative impact and all opportunities to promote equality are being addressed. **No changes are required.**
- Outcome 2** – The EA has identified adjustments to remove negative impact or to better promote equality. **Actions you propose to take to do this should be included in the Action Plan.**
- Outcome 3** – The EA has identified some potential for negative impact or some missed opportunities to promote equality and it may not be possible to mitigate this fully. **If you propose to continue with proposals you must include the justification for this in Section 10 below, and include actions you propose to take to remove negative impact or to better promote equality in the Action Plan. You must ensure that your proposed action is in line with the PSED to have 'due regard' and you are advised to seek Legal Advice.**
- Outcome 4** – The EA shows actual or potential unlawful discrimination. **Stop and rethink your proposals.**

Stage 5: Improvement Action Plan

9. Equality Analysis Improvement Action Plan template – Making adjustments for negative impact

This action plan should be completed after the analysis and should outline action(s) to be taken to mitigate the potential negative impact identified (expanding on information provided in Section 7 above).

Negative impact/ gap in information identified in the Equality Analysis	Action required to mitigate	How will you know this is achieved? e.g., performance measure/ target)	By when	Existing or additional resources?	Lead Officer	Action added to divisional/ team plan?
Expansion of the service is managed to protect the current level of support to shared lives cares and service users.	A project governance and plan to manage the expansion and any investment in staffing will be established to oversee this work and manage any risks arising.	The project will be part of the ASC Toward Outstanding Programme and monitored via TOP and involve Housing colleagues, the Service manager, staff, shared lives carers and current service users	1 st October 2023	Any expansion of staffing will be funded from savings generated.	Phil Howell	Yes



Note that the full impact of the decision may only be known after the proposals have been implemented; therefore it is important the effective monitoring is in place to assess the impact.

Stage 6: Reporting outcomes

10. Summary of the equality analysis

This section can also be used in your decision-making reports (CMT/Cabinet/etc.) but you must also attach the assessment to the report, or provide a hyperlink.

This Equality Analysis has resulted in an Outcome 1 Assessment

Stage 7: Sign off by Director/ Head of Service			
Assessment completed by	Keith Burns	Signature: 	Date: 20.10.23
Improvement action plan signed off by Director/ Head of Service	John Morgan	Signature: 	Date: 20/10/2023

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