

CABINET 19 February 2024

Subject: Financial Report 2023/24 – Quarter 3 (Period 9), December 2023

Lead officer: Asad Mushtaq

Lead member: Councillor Billy Christie

Recommendations:

- A. That Cabinet note the financial reporting data for Quarter 3 (period 9), December 2023, relating to revenue budgetary control, showing a forecast net adverse variance at 31st December on service expenditure of £1.185m when corporate and funding items are included.
- B. That Cabinet note the contents of Section 5 and appendices 5a to 5c 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
Children, Lifelong Learning & Families						
Perseid Lower - Perseid School Expansion	(1)	0	(1,513,000)	2,413,000	0	Re-profiled in line with projected spend
Mainstream SEN (ARP)	(1)	0	0	0	(900,000)	Vired to Perseid in 2025-26
Mainstream SEN (ARP) - Secondary sch ARP expansion 2	(1)	0	(825,970)	825,970	0	Re-profiled in line with projected spend
Mainstream SEN (ARP) - Raynes Pk Sch ARP expansion 1	(1)	0	(1,839,340)	1,839,340	0	Re-profiled in line with projected spend
Mainstream SEN (ARP) - Second school ARP expansion 4	(1)	0	(730,000)	0	0	For ARP Expansion as Stanford is Closing
Mainstream SEN (ARP) - Liberty ARP expansion	(1)	0	730,000	0	0	For ARP Expansion as Stanford is Closing
Mainstream SEN (ARP) - Second school ARP expansion 3	(1)	0	(1,408,850)	508,850	900,000	Re-profiled in line with projected spend
Mainstream SEN (ARP) - Primary school ARP expansion	(1)	0	(115,990)	115,990	0	Re-profiled in line with projected spend
CSF Safeguarding - Care Leavers Living Accom	(1)	0	60,000	0	0	Additional house added to the programme
Total Children, Lifelong Learning & Families		0	(5,643,150)	5,703,150	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						
On Street Parking - ANPR Cameras	(1)	(460)	0	0	0	Scheme complete unspent balance relinquished
CCTV Investment - CCTV Cameras & Infrastructure	(1)	0	(200,000)	200,000	0	Re-profiled in line with projected spend
Regulatory Service - Designing Out Crime for ASB	(1)	(440)	0	0	0	Scheme complete unspent balance relinquished
Regulatory Service - Noise Monitoring Equipment	(1)	(7,000)	0	0	0	Scheme complete unspent balance relinquished
Mortuary Provision	(1)	0	0	100,000	0	Multi Authority contribution to Statutory Imps
Recycling and Reuse Schemes - Waste Bins	(1)	110,620	50,000	1,300,000	50,000	DEFRA Grant for the cost of meeting new legislation
Recycling and Reuse Schemes - Vehicles	(1)	204,600	0	0	0	DEFRA Grant for the cost of meeting new legislation
Highways & Footways - Culverts	(1)	0	(150,000)	150,000	0	Re-profiled in line with projected spend
Highways & Footways - Walking and Cycling Strategy	(1)	0	(450,000)	50,000	400,000	Re-profiled in line with projected spend
Highways & Footways - Pothole Grant	(1)	0	372,000	186,000	186,000	DfT 11 Year Grant Funding for London Potholes
Highways & Footways - Abbotsbury Child Friendly Zone	(1)	0	30,000	0	0	NCIL Civic Pride Funded Scheme
Cycle Route Improvements - Cycle access/parking	(1)	(50,000)	50,000	0	0	Re-profiled in line with projected spend
Sports Facilities - Borough of Sport Infrastructure Fd	(1)	0	(1,092,360)	1,000,000	0	Funding of Volley Ball Court Work
Parks Investment - Resurface Tennis Courts (Wimb Pk)	(1)	(68,000)	68,000	0	0	Re-profiled in line with projected spend
Parks Investment - Moreton Green Gym	(1)	(3,740)	0	0	0	Scheme complete unspent balance relinquished
Parks Investment - Bridges and Structures	(1)	0	80,000	0	(80,000)	Re-profiled in line with projected spend
Parks Investment - Volleyball	(1)	92,360	0	0	0	Virement from Borough of Sport
Parks Investment - Youth Sports Arena	(1)	0	60,000	0	0	NCIL Civic Pride Funded Scheme
Parks Investment - Cannizaro Flood Management	(1)	0	30,000	0	0	NCIL Civic Pride Funded Scheme
Parks Investment - Morden Rec Access, Leisure & Health	(1)	0	80,000	0	0	NCIL Civic Pride Funded Scheme
Parks Investment - Basketball Court & Outdoor Gym	(1)	0	69,850	0	0	NCIL Civic Pride Funded Scheme
Total Environment, Civic Pride & Climate		277,940	(1,002,510)	2,986,000	556,000	

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Cost Centre Narrative	Budget 2023-24 £	Budget 2024-25 £	Budget 2025-26 £	Budget 2026-27 £	Explanation for the Budgetary Change
Finance & Digital					
Customer Contact - Robotics Process Automation	0	32,240	0	0	Adjustments and Re-profiling in line with projected spend
Sapian DPIA/IAR Imp	(2,090)	0	0	0	Adjustments and Re-profiling in line with projected spend
Customer Contact - Portal	1,800	0	0	0	Adjustments and Re-profiling in line with projected spend
Customer Contact - Complaints	(64,650)	66,090	0	0	Adjustments and Re-profiling in line with projected spend
Customer Contact - Digital Strategy	5,000	(5,000)	0	0	Adjustments and Re-profiling in line with projected spend
Customer Contact - Replace TKDialogue	(233,950)	240,000	0	0	Adjustments and Re-profiling in line with projected spend
Customer Contact - Unified Data Model	(123,130)	123,140	0	0	Adjustments and Re-profiling in line with projected spend
Customer Contact - Members Enquiries Solution	(40,030)	50,000	0	0	Adjustments and Re-profiling in line with projected spend
Customer Contact - M365 Tools - PowerBI	(38,000)	0	0	0	Adjustments and Re-profiling in line with projected spend
Customer Contact - Chatbots Implementation	0	150,000	0	0	Adjustments and Re-profiling in line with projected spend
Customer Contact - M365 Tools - Power Automate	(34,240)	0	0	0	Adjustments and Re-profiling in line with projected spend
Customer Contact - M365 Tools - Forms	(23,210)	0	0	0	Adjustments and Re-profiling in line with projected spend
Customer Contact - Dynamics365 CRM	(106,900)	(85,100)	0	0	Adjustments and Re-profiling in line with projected spend
Customer Contact - Biztalk Replacement	29,540	22,440	0	0	Adjustments and Re-profiling in line with projected spend
Customer Contact - CRM Health Check	(60,000)	0	0	0	Adjustments and Re-profiling in line with projected spend
Customer Contact - Waste & Cleansing Services	0	150,000	0	0	Adjustments and Re-profiling in line with projected spend
Customer Contact - Passenger Transport Management	(11,010)	15,530	0	0	Adjustments and Re-profiling in line with projected spend
Customer Contact - Virtual Desktop	(5,200)	0	0	0	Adjustments and Re-profiling in line with projected spend
Customer Contact - Data Security and Control	23,140	0	0	0	Adjustments and Re-profiling in line with projected spend
Customer Contact - Improve End User Devices	270	0	0	0	Adjustments and Re-profiling in line with projected spend
Customer Contact - Active Directory	(18,950)	0	0	0	Adjustments and Re-profiling in line with projected spend
Customer Contact - Self Service	(4,560)	0	0	0	Adjustments and Re-profiling in line with projected spend
Customer Contact - Network Reconfiguration	(13,060)	0	0	0	Adjustments and Re-profiling in line with projected spend
Business Systems - EAMs Re-Procurement	(60,940)	66,790	0	0	Adjustments and Re-profiling in line with projected spend
Business Systems - Revs and Bens	75,000	(75,000)	0	0	Adjustments and Re-profiling in line with projected spend
Business Systems - Housing System	17,000	21,000	0	0	Adjustments and Re-profiling in line with projected spend
Business Systems - ePayments Project	0	80,700	0	0	Adjustments and Re-profiling in line with projected spend
Business Systems - Children's Safeguarding	0	(125,000)	0	0	Adjustments and Re-profiling in line with projected spend
Business Systems - Planning & Public Protection	(95,860)	(296,320)	400,000	0	Adjustments and Re-profiling in line with projected spend
Business Systems - GIS (Spectrum Spatial Analysis)	(59,890)	105,410	0	0	Adjustments and Re-profiling in line with projected spend
Business Systems - e-Forms Platform Transition	15,320	(100,590)	230,700	0	Adjustments and Re-profiling in line with projected spend
Business Systems - Parking System Re-Procurement	189,890	(186,140)	0	0	Adjustments and Re-profiling in line with projected spend
Business Systems - Ancillary IT Systems	40	0	0	0	Adjustments and Re-profiling in line with projected spend
Business Systems - Safer Merton Case Management	0	(60,000)	0	0	Adjustments and Re-profiling in line with projected spend
Business Systems - Exacom	0	(40,000)	0	0	Adjustments and Re-profiling in line with projected spend
Social Care IT System - Replacement SC System	0	(636,930)	215,740	0	Adjustments and Re-profiling in line with projected spend
Social Care IT System - Mosaic ASC Changes	(7,070)	0	0	0	Adjustments and Re-profiling in line with projected spend
Social Care IT System - EHCP Hub	(5,170)	(33,940)	0	0	Adjustments and Re-profiling in line with projected spend
Social Care IT System - Mosaic Finance Integration	7,590	0	0	0	Adjustments and Re-profiling in line with projected spend
Social Care IT System - Transition Tracker	(650)	0	0	0	Adjustments and Re-profiling in line with projected spend
Social Care IT System - Insights to Intervention	430	0	0	0	Adjustments and Re-profiling in line with projected spend
Social Care IT System - Care Account	0	100,000	100,000	0	Adjustments and Re-profiling in line with projected spend
Social Care IT System - Shared Care Record	0	20,000	0	0	Adjustments and Re-profiling in line with projected spend
Social Care IT System - Early Years Single Recording	0	20,000	0	0	Adjustments and Re-profiling in line with projected spend
Social Care IT System - Integrated Front Door	0	20,000	0	0	Adjustments and Re-profiling in line with projected spend
Social Care IT System - Integration with Health	0	50,000	0	0	Adjustments and Re-profiling in line with projected spend
Social Care IT System - Mosaic APIs	0	75,000	75,000	0	Adjustments and Re-profiling in line with projected spend
Planned Replacement Programme- project General	0	(1,300,000)	650,000	(150,000)	24-25 - £500k for PABX and £250k for SAN to be surrendered. Utilise some of this to cover £150k UPS Replacement. 25-26 - £50k for SAN to be surrendered. 26-27 - £150k for WAN to be surrendered.
Acquisitions Budget	0	0	0	(640,900)	Reprofiled to 2024-25 Civic Centre Boilers Upgrade
Capital Bidding Fund	0	0	0	(320,450)	Reprofiled to 2024-25 Civic Centre Boilers Upgrade
Multi Function Devices	0	(600,000)	600,000	0	Re-profiled in line with projected spend
Corporate Capital Contingency	0	0	0	(538,650)	Reprofiled to 2024-25 Civic Centre Boilers Upgrade
Compulsory Purchase Orders - CPO Clarion	0	(2,254,090)	7,000,000	0	Latest Forecast from Clarion December 2023
Total Finance & Digital	(643,540)	(4,389,770)	9,271,440	(1,650,000)	

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Cost Centre Narrative	Budget 2023-24 £	Budget 2024-25 £	Budget 2025-26 £	Budget 2026-27 £	Explanation for the Budgetary Change
Housing & Sustainable Development					
Disabled Facilities Grants - DiG Minor Works	150,000	150,000	150,000	150,000	Minor Works Permissible under latest guidance
Mitcham Area Regeneration - Rowan Pk Comm Fac Match Fndng	0	(150,000)	150,000	0	Re-profiled in line with projected spend
Mitcham Area Regeneration - Pollards Hill Bus Shelter	0	(400,000)	350,000	50,000	Re-profiled in line with projected spend
Mitcham Area Regeneration - New Horizon Centre	0	50,000	0	0	£40,119 NCIL Civic Pride Funded £9,881 Climate Reserve
Mitcham Area Regeneration - 23rd Mitcham Scout Hall	0	13,740	0	0	Section 106 Carbon Offset Funding
Mitcham Area Regeneration - Figges Marsh Park Improvements	0	42,140	0	0	NCIL Civic Pride Funded Scheme
Mitcham Area Regeneration - Commonside Improved Community Facilities	0	70,620	0	0	NCIL Civic Pride Funded Scheme
Mitcham Area Regeneration - Hadley Road Community Allotments	0	30,160	0	0	£24,192 NCIL Civic Pride Funded £5,959 Climate Reserve
Wimbledon Area Regeneration - Wimb Public Realm Imps	(48,000)	48,000	0	0	Re-profiled in line with projected spend
Wimbledon Area Regeneration - Wimb Vill Heritage Led Public Realm	(25,000)	(349,000)	374,000	0	Re-profiled in line with projected spend
Wimbledon Area Regeneration - Polka Theatre	0	29,350	0	0	NCIL Civic Pride Funded Scheme
Morden Area Regeneration - Morden Town Centre Improvements	0	(50,000)	50,000	0	Re-profiled in line with projected spend
Morden Area Regeneration - Kenilworth Park	0	65,000	0	0	Thames Water Funding for a Pocket Park
Borough Regeneration - Shop Front Improvements	0	(450,000)	450,000	0	Re-profiled in line with projected spend
Borough Regeneration - Civic Pride Public Realm	0	(450,000)	450,000	0	Re-profiled in line with projected spend
Borough Regeneration - Schools Living Walls	0	43,120	0	0	£34,597 NCIL Civic Pride Funded £8,521 Climate Reserve
Civic Centre - Boiler Upgrade	0	1,500,000	0	0	Re-profiled from corporate contingencies in 2026-27
Civic Centre - Lighting Upgrade	0	(100,000)	100,000	0	Re-profiled in line with projected spend
Civic Centre - Workplace Design	0	(350,000)	350,000	0	Re-profiled in line with projected spend
Civic Centre - Emergency Control Rm Imps	0	27,500	0	0	Cost of H&S works etc. & FM Fees
Civic Centre - CCTV Control Room	0	69,000	0	0	Cost of H&S works and Equipment & FM Fees
Total Housing & Sustainable Development	77,000	(160,370)	2,424,000	200,000	
Overall Total	(288,600)	(11,195,800)	20,384,590	(894,000)	

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					
Joseph Hood- Schools Capital Maintenance	(2,000)		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.
Melbury College- Schools Capital Maintenance	2,000		0	0	
Links- Schools Capital Maintenance	(2,000)		0	0	
Malmesbury- Schools Capital Maintenance	1,500		0	0	
Singlegate- Schools Capital Maintenance	500		0	0	
Melrose- Schools Capital Maintenance	(200)		0	0	
Pelham- Schools Capital Maintenance	200		0	0	
Total Children, Lifelong Learning & Families	0	0	0	0	

D. That Cabinet approve the 15 revenue civic pride investing in neighbourhoods and climate action fund bids below as contained in Appendix 5d and summarised in the Table below:

Project name	Recommended Revenue Allocations			Funding of Proposed Projects		
	Budget 2023-24 £	Budget 2024-25 £	Total Budget £	Neighbourhood CIL £	Climate £	Total Funding £
Shine Saturday School	0	30,000	30,000	30,000	0	30,000
Polish Family Climate Action	0	41,000	41,000	0	41,000	41,000
Friends of Raynes Park Station (FORPS)	0	4,500	4,500	4,500	0	4,500
The Wheel	0	30,884	30,884	0	30,884	30,884
Preloved Studio	0	36,554	36,554	25,718	10,836	36,554
Actively Merton” exercise opportunities for those aged 50+	0	63,200	63,200	63,200	0	63,200
BAME Community Climate Action	0	41,308	41,308	0	41,308	41,308
Library in the Park 2024	0	5,000	5,000	5,000	0	5,000
TET Creative	0	112,860	112,860	112,860	0	112,860
Merton Garden Streets 2024	0	34,613	34,613	24,353	10,260	34,613
Make Merton Merry	0	25,000	25,000	25,000	0	25,000
May Project Gardens Eco System	0	30,360	30,360	23,009	7,351	30,360
St Mary's Churchyard Heritage Wall repair	1,822	0	1,822	1,822	0	1,822
Small Quarter Phase 1	891	0	891	891	0	891
Ward Allocation Scheme	0	370,000	370,000	370,000	0	370,000
Sub-total bids and top-ups	2,713	825,279	827,992	686,353	141,639	827,992

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

1.1 This is the Quarter 3 (Period 9), December 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 9.
- 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 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 £41.169m 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 9 (to 1st December 2023), the year-end forecast is a net adverse variance of £10.553m on Net Service Expenditure and a favourable variance of £9.368m on Corporate Provisions. Net Forecast Variance at Period 9 is an adverse variance of £1.185m. 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 31 December 2023

	Current Budget 2023/24 £000s	Year to Date Budget (Dec) £000s	Year to Date Actual (Dec) £000s	Full Year Forecast (Dec) £000s	Forecast Variance at year end (Dec/Q3) £000s	Forecast Variance at year end (Sept/Q2) £000s	Outturn Variance 2022/23 £000s
Department							
Finance and Digital	18,684	15,275	18,369	18,549	-135	335	380
Innovation and Change	13,071	9,077	10,927	13,073	2	124	487
Children, Lifelong Learning & Families	68,113	40,306	57,065	72,162	4,049	1,997	1,649
Adult Social Care, Integrated Care and Public Health	69,095	54,928	47,497	71,595	2,500	2,562	(770)
Environment , Civic Pride and Climate	21,814	8,890	9,084	24,604	2,790	2,817	5,244
Housing and Sustainable Development	9,796	4,107	9,234	11,143	1,347	2,541	1,282
Overheads	(10)	0	0	(10)	0	0	
NET SERVICE EXPENDITURE	200,563	132,583	152,176	211,116	10,553	10,376	8,272
Corporate Items							
Impact of Capital on revenue budget	10,882	7,255	5,406	9,237	(1,645)	0	(180)
Other Central budgets	(30,877)	(1,737)	(31,539)	(38,600)	(7,723)	(2,366)	(7,673)
Levies	1,504	1,003	1,359	1,504	0	0	0
TOTAL CORPORATE PROVISIONS	(18,491)	6,521	(24,774)	(27,859)	(9,368)	(2,366)	(7,853)
Covid-19	0	0	9	0	0	0	46
TOTAL GENERAL FUND	182,072	139,104	127,410	183,257	1,185	8,010	465
FUNDING							
Revenue Support Grant	(6,108)	(4,072)	(4,642)	(6,108)	0	0	0
Business Rates	(35,364)	0	(5,076)	(35,364)	0	0	0
Other Grants	(28,219)	(18,812)	(26,933)	(28,219)	0	0	(430)
Council Tax and Collection Fund	(112,382)	0	0	(112,382)	0	0	0
FUNDING	(182,072)	(22,884)	(36,652)	(182,072)	0	0	(430)
NET	(0)	116,219	90,759	1,185	1,185	8,010	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 £000	Actuals YTD (at December) £000	Full year Forecast (December) £000	Full Year Forecast Variance (December) £000	Full Year Forecast Variance (September) £000	Outturn Variance 2022/23 £000
Infrastructure & Technology	9,994	9,548	9,929	(65)	165	118
Resources	7,603	7,115	7,367	(236)	(50)	92
Corporate Other	1,087	1,706	1,253	167	220	170
Total	18,684	18,369	18,549	(135)	335	380

Overview

The department is currently forecasting a favourable variance of £135k, an improvement of £469k since September (Quarter 2). Agency spend within the department continues to be scrutinised as well as in depth reviews of all key budget areas where pressures are identified.

Infrastructure & Technology - £65k favourable variance

The I&T division's forecast for period 9 (quarter 3) has improved by £230k since quarter 2.

The improvement in the division's forecast is largely due to the reduction of £106k on the IT Service Delivery's forecast overspend following staffing updates including salary capitalisation, delayed recruitment and vacancies in the team. The Business Systems Team forecast has also improved by £90k since Q2 as a number of prepayments for system support and maintenance relating to 2024/25 have since been identified. The adverse variance against the Client Financial Affairs service has reduced by £17k since September, largely due to staffing changes including a new part-year vacancy.

Within the division, some budget pressures remain. This includes £150k 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 £95k adverse variance remaining on the IT Service Delivery budget, of which £36k relates to the cost of providing 24/7 IT Helpdesk support (which has since come to an end), and the remainder is predominately due to the cost of using agency staff to

cover vacancies in the permanent staffing establishment.

The Client Financial Affairs team are also forecasting a £47k adverse variance due to overspends on banking and IT costs, as well as an underachievement against the income target.

Mitigating the above pressures are favourable variances of £157k against the budget for Microsoft Enterprise Agreement (EA) costs and a further £94k favourable variance in the Commercial Services team due to part-year vacancies. The Transactional Services team are forecasting a £35k 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. Budget has been identified within the division to address the unachieved saving partially in 2024/25 and fully from 2025/26. A further £53k favourable variance is within the AD's budget for cyber security and the IT transformation project.

Resources - £236k favourable variance

The Resources division's forecast variance has had a favourable movement of £186k since quarter 2.

The main improvement in the Resources forecast since quarter 2 is from a £91k reduction against the Local Taxation Service due to a new systems contract starting mid-year which has significantly reduced IT costs. Additionally, part year vacancies in the Budget Management Team and the Capital & Financial Strategy Team have reduced the forecast spend by £43k and £47k respectively since September.

Corporate Other -£167k adverse variance

The corporate other budgets have had a favourable movement of £53k since quarter 2. This is mainly due to being able to reduce the unachievable income target against the Housing Benefit rent allowances budget with the use of Section 31 grants.

The adverse variance on HB Rent Allowances is now £298k, which is partly offset with various smaller favourable variances within the other corporate budgets.

Innovation & Change

Division	Current Budget	Actuals YTD (at December)	Full year Forecast (December)	Full Year Forecast Variance (December)	Full Year Forecast Variance (September)	Outturn Variance 2022/23
	£000	£000	£000	£000	£000	£000
Senior Management	184	180	242	58	56	0
Customers, Policy and Improvement	7,958	5,675	7,768	(190)	(137)	33
Corporate Governance	2,271	3,179	2,374	102	65	101
Human Resources	2,657	1,893	2,690	33	140	354
Total	13,071	10,927	13,073	3	124	487

Overview

The department is currently forecasting an adverse variance of £3k, a decrease of £121k since September (quarter 2). Agency spend within the department continues to be challenged, with a number of high cost agency assignments recently ended or reduced.

Senior Management - £58k adverse variance

The adverse £58k 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.

Customers, Policy and Improvement - £190k favourable variance

The division's forecast position has improved by £54k since Q2. This is largely due to the staffing updates as well as the commissioning of a residents survey no longer being included in the costs for the current financial year.

The main favourable variance within the division is from the customer contact budget which is forecasting a £241k 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 £94k favourable variance forecast on the Registrars service due to an expected over-achievement on income for service bookings as well as a part-year vacancy. Cash collections are also forecasting a favourable variance of £29k due to a significantly reduced number of collections taking place. Community Engagement is forecasting a £38k favourable variance due to the commissioning of a residents survey not taking place this financial year. The Policy and Strategy team is also forecasting a favourable £35k variance due to vacancies held during the year.

The above favourable variances are more than offsetting the adverse variances in the division. Adverse variances in the division are largely due to the use of agency staff across the

Communications Team and Programme Office as well as additional staffing costs for the Complaints Team.

Corporate Governance - £102k adverse variance

Corporate Governance's adverse variance forecast has increased by £37k since September. This is due to various movements such as Merton's share of the SLLp deficit increasing by £80k to reflect updated staffing costs and chargeable hours being recorded by legal staff. Partly offsetting this movement are vacancies reflected in the division for part of the year.

Within the division there is an adverse forecast of £37k for the Information Team due to the use of agency staff and £132k adverse forecast for the South London Legal Partnership (SLLp). SLLp are forecasting an overall deficit of £597k which is to be shared between the partner boroughs. Merton's share of the deficit is forecast at £132k. The deficit on SLLp is largely caused by the chargeable hours target being under-achieved for the period from 1 April to 31 December 2023. Management action has been carried out in order to address the level of hours being recorded and this resulted in a marked improvement in chargeable hours. Action is now being taken to address the shortfall in recorded hours for earlier in the year.

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.

Human Resources - £33k adverse variance

The forecast adverse variance in Human Resources has reduced by £107k since quarter 2. This is largely as a result of a reduced use of agency staff in the division as well as the identification of prepayments and staffing changes.

The overspends within HR are predominately due to the use of agency staff earlier in the financial year and now covering short-term project work assignments. There are also a number of unfunded posts within the division which the service is looking to address as part of a growth bid for 2024/25 which would cover a new HR staffing structure. 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.

Environment, Civic Pride and Climate (ECPC)

Service	Current Budget £'000	YTD Actuals (December) £'000	Full Year Forecast (December) £'000	Forecast Variance (December) £'000	Q2 Variance (September) £'000	Last Year Outturn Variance 2022/23 £'000
Parking Services	-17,378	-10,315	-14,239	3,140	2,903	3,469
Regulatory Services	816	2,404	942	127	236	186
Safer Merton & CCTV	1,780	1,427	1,640	-139	-62	-153
Public Protection Total	-14,783	-6,485	-11,656	3,127	3,077	3,502
Greenspaces	2,617	1,491	2,659	42	213	357
Leisure & Culture	1,190	623	1,032	-159	-96	-68
Transport Commissioning	-257	-597	-410	-153	-157	-192
Transport Operations	-211	-6	55	265	205	403
Waste Services	16,600	1,156	16,580	-20	-97	925
Public Space Total	19,939	2,667	19,915	-23	69	1,425
Senior Management & Support	1,360	906	1,207	-153	-148	39
Senior Management Total	1,360	906	1,207	-153	-148	39
Future Merton	12,535	9,706	12,360	-175	-193	173
Sustainable Communities Total	12,535	9,706	12,360	-175	-193	173
Libraries	2,764	2,290	2,777	13	1	104
Libraries Total	2,764	2,290	2,777	13	1	104
Total ECPC Controllable	21,814	9,084	24,604	2,790	2,806	5,243

Overview: Environment, Civic Pride & Climate is forecasting an adverse variance of £2.790m. This is reflected across divisions with Public Protection bearing £3.127m, Sustainable Communities (£175k), ECPC Management & support (£175k), Public Space (£23k) and Libraries £13k. The variance has changed favourably since quarter 2 by (£16k).

The department is continuing work to reduce overspends.

Parking – adverse variance £3.14m

The predicted shortfall on Parking Services income is £2.84 million. This is consistent with the forecast at the end of November. Assuming that parking charges are increased from July 2024, the income deficit could be reduced by an estimated £600k next year (2024/25), down to around £2.2 million, and then to £2 million in 2025/26. The forecast 2023/24 income deficit is made up as follows:

	Forecast Income Deficit 2023/24
Traffic PCNs	-£610k
Parking PCNs	-£540k
Car parks and season tickets	-£750k
Permits and visitors	-£950k
On-street and other income	£10k
Total	-£2.84 million

In respect of expenditure, an overspend of £283k is forecast. Of this, £154k has been authorised to

fund the parking enforcement pilot. In respect of the balance of the overspend (£129k), the budgets under pressure include car park maintenance, which is forecast to overspend by £33k with limited opportunities to capitalise essential repairs. IT and printing costs, for example on the RingGo system, have been impacted by recent price increases and are forecast to overspend by £94k. Overall, the Parking budget is forecast to be in deficit by £3.14 million. This is consistent with forecasts made over the past 12 months, and with the 2022/23 outturn.

Regulatory Services – adverse variance £127k

The change in variance from quarter 2 is a favourable (£109k) mainly because of Non shared service (£117k) increased income and RSP/Shared services (£13k) decrease in net spend. This is an improving financial picture for the RSP but further work is in progress to further reduce the adverse variance through recovery of unpaid licence fees.

Safer Merton – favourable variance (£139k)

Safer Merton's variance has changed favourably since quarter 2 by (£77k) and is due to: (£43k) increase in CCTV income, (£16k) decreased ASB costs, (£18k) combined decreased costs for Emergency Planning and Crime & Strategy.

Greenspaces – adverse variance £42k

The variance has changed favourably by (£171k) since quarter 2. The main changes are: (£12k) net increase in events income, (£77k) net decrease in SLWP costs, (£82k) net increased in rental income, (£47k) decreased employee costs, £30k increased premises costs, £22k increased supplies & services costs and £11k increased HLF Canons/Parks for People costs.

Leisure and Culture - net favourable variance of (£159k) made up of:

(£151k) LC income overachievement, (£38k) underspend on staff costs, (£17k) income overachievement, £12k overspend on supplies and services, £32k Morden Assembly Hall costs as this is no longer used as an events space as a pharmacy has occupancy.

Transport – net adverse variance £113k

Transport costs have changed adversely since quarter 2 by £65k. This is due to extreme weather conditions and increased cost for external service provision (sub-contract). Although we have incurred notable costs in improving our fleet vehicles to be ULEZ compliant, we are actively exploring longer-term hire solutions for compliant vehicles to alleviate this cost pressure effectively. Furthermore, the outcomes of our ongoing decarbonisation project will determine where future investments are required to align with our sustainability goals. It's also worth mentioning that, despite the challenges faced, the overspend in transport related costs is partly offset by an overachievement of income.

Waste – net favourable variance (£20k)

Waste services has changed adversely since quarter 2 by £77k and is due to (£139k) decrease in salaries costs (vacancies), (£51k) decrease in enforcement costs and £267k net increased SLWP cost as a result of an annual review for right sizing.

The net favourable variance of (£20k) is made up as follows:

(£358k) net underspend on Disposal costs

(£61k) net underspend for enforcement

£361k overspend for HRRC

£94k net overspend on Phace C/SLWP costs

(£204k) underspend on staff costs

£54k overspend in supplies and services

£98k income underachievement for Wimbledon Tennis Street cleansing and Commercial Waste recycling.

Future Merton – favourable variance (£175k)

The net underspend is due to income over-achievements from Temporary Traffic Orders (£241k) and Street Works charges (£212k), (£144k) underspend on CPZs, (£20k) underspend on winter maintenance, (£56k) income overachievement for footpath crossings.

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

- Highways Maintenance £204k due to contract inflation. Since the start of the contract in 2018 costs have increased by almost 22%.
- Street Lighting electricity costs £45k which are 20% lower than last year but still expected to exceed the budget.
- Supplies and Services £189k, the majority of which relates to statutory advertising costs for Temporary Traffic Orders and is more than covered by the over-achievement in income.
- Bishopsford Bridge litigation costs £39k
- Traffic Signals maintenance £27k, for which the cost is fixed each year by TfL and has increased by 8-10% per year for the last 2 years.

Libraries – £13k adverse variance

Libraries services is forecasting £63k overspend on premises related expenses, £52k overspend on supplies and services, (£20k) underspend in third party payments for Home library service and (£75k) income overachievement.

The net adverse change in variance from last quarter is due to increased utilities costs

ECPC Senior Management and support – favourable variance (£153k)

Environment, Civic Pride & Climate is forecasting (£75k) underspend on employee costs as Head of Public Protection post is vacant from Dec23, (£25k) underspend on supplies and services and (£47k) income from recharges to RSP for Head of Public Protection.

Housing and Sustainable Development

Service	Current Budget £'000	YTD Actuals (Dec) £'000	Full Year Forecast (Dec) £'000	Forecast Variance (Dec) £'000	Quarter 2 Variance (Sep) £'000	Last Year Outturn Variance 2022/23 £'000
Building & Development Control	195	944	745	581	746	914
Facilities	5,052	4,299	5,358	305	461	373
Property Management	-1,934	-2,537	-2,331	-396	-47	-594
Future Merton Regeneration	1,926	1,223	1,658	-268	-38	-63
Housing	4,111	4,910	5,255	1,144	1,420	653
Selective Licensing	138	131	138	0	0	0
Senior Management & Support	309	263	319	10	0	0
Total for Housing & Sust Dev Controllable	9,796	9,234	11,143	1,347	2,541	1,283

Overview:

Housing & Sustainable Development is forecasting an adverse variance of £1.347m with Housing forecasting an adverse variance of £1.144m, Building and Development control £581k, Facilities £305k. Favourable variances are being forecasted for Future Merton Regeneration (£268k) and Property management (£396k).

The net forecast variance has changed favourably since quarter 2 by (£1.195m). The department will be continuing work to reduce overspends.

Building & Development Control - adverse variance £581k

Building Control (BC) £105k net overspend:

The net adverse variance for BC is made up of £11k overspend on employee costs, £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 £474k:

DC is forecasting £254k overspend on employee costs, (£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 and this has been successful. The date and terms of receipt are currently awaited.
- A report proposing an “invest to save” restructure of the Planning Enforcement service has been prepared and this would reduce 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 them) was approved by Cabinet and has now been implemented.
- An improved system for collecting Planning Performance Agreement fees is being implemented which will bring in c£200,000 of PPA fees.
- A temporary Planning team leader left the organisation on 22nd December 2023. This will result in an annual saving of approximately £94,000 per year.
- Now the planning application submitted by the AELTC has been presented to the Planning Applications Committee, the capacity of the Principal Case Officer has been freed up 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. All current agency workers have expressed an interest in becoming permanent.
- In December 2023 Central Government increased the nationally set planning application fees by 35% for majors and 25% for minors.

Facilities – adverse variance of £305k:

Facilities variance has changed favourably by (£155k) since quarter 2. This is mainly due to net decrease in staff cost within FM as vacant posts will not be filled until the new year.

The total adverse variance is made up of:- (£252k) underspend on employee costs, (£108k) underspend on contract payments and £672k underachievement of income.

Property Management – favourable variance (£396k):

The favourable variance is made up of:

£46k overspend on Stouthall

(£162k) underspend on employee costs

£122k overspend on premises

£137k overspend on supplies and services

(£533k) rental income overachievement

Future Merton Regeneration – favourable variance (£268k):

The net favourable variance consists of:

(£112k) underspend on Morden Growth, (£77k) CIL Admin Team net income
(£11k) underspend on Vestry Hall, (£76k) underspend on staff, £34k overspend on supplies & services
(£18k) income overachievement

The favourable swing of (£230k) since P6 (Sept) is due to the following:

- Decrease in forecast salary costs due vacancies not being filled in a couple of “hard to recruit posts” (£59k).
- Lower than expected consultancy costs for the Local Plan work (£30k).
- Decrease in forecast for supplies and services (£12k).
- A favourable swing in expected income (£20k).
- An underspend (£112k) in the Morden Town Centre regen budget as the delivery options are still being considered.

Housing – adverse variance £1.144m:

Housing variance has changed favourably by (£276k) from quarter 2.

The main changes being (£46k) net decrease housing advice costs, (£40k) housing strategy net income increase, (£65k) decrease in supporting people net costs and (£125k) decrease for temporary accommodation costs.

The net adverse variance of £1.144m is made up of: £1.375m overspend on Homelessness, (£46k) underspend for Housing advice, (£107k) net underspend/income overachievement on Housing Strategy and (£77k) net underspend/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 \(emlfiles4.com\)](#) 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. Court statistics from July to September show a continued 14 percent increase from the same quarter last year.

London Councils have stated that the number of households entitled to homelessness support from London boroughs increased 15.2% between April 2022 and April 2023. New research from London Council's indicates that with one in 50 Londoners homeless and living in temporary accommodation, the current freeze on local housing allowance rates could lead to between 16,500 and 22,000 London residents becoming homeless in the next 6 years.

There are also increased demands from former asylum seekers granted status in the UK and an increase in domestic abuse cases. The home office 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 has 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 to look to ensure that the Council takes steps to minimise the use of temporary accommodation whilst meeting our statutory obligations. We have also recruited for additional staff to look at taking preventative action wherever possible to reduce the use of temporary accommodation.

Children, Lifelong Learning and Education

Overall CLLF is forecasting an overspend of £4.049m for the year, made up of pressures of £4.085m in Children's Social Care, and minor underspends across Education and other CLLF.

The Children's Social Care budget overspend has increased from Q2 due to the higher demand costs of placements and support packages as provided in further detail below.

Local Authority

Local Authority Funded Services (£000's)	Budget	Actuals YTD	Q3 Variance	Q2 Variance	2022-23 Outturn Variance
Child Social Care and Youth Inclusion					
Senior Management	£ 838	£ 179	-£ (111)	-£ (597)	£ 72
Head of Help & Family Assessment	£ 3,326	£ 2,850	£ 765	£ 753	-£ (41)
Head of Family Support & Safeguarding	£ 4,701	£ 5,067	£ 1,966	£ 2,151	£ 1,112
Head of Corporate Parenting	£ 13,197	£ 10,233	£ 1,535	£ 16	-£ (394)
Head of Adolescent and Safeguarding	£ 2,163	£ 1,458	-£ (70)	-£ (60)	£ 1,054
CSC & Youth Incl Total	24,225	19,786	4,085	2,263	1,803
Education					
Contracts, Proc & School Org	£ 9,592	£ 7,135	£ 302	£ 307	£ 1,316
Early Years & Children Centres	£ 5,218	£ 2,582	-£ (527)	-£ (429)	-£ (237)
Education - School Improvement	£ 156	£ 336	£ 39	£ 41	£ 3
Education Inclusion	£ 1,935	£ 1,463	-£ (41)	-£ (25)	-£ (185)
Schools Delegated Budget	£ -	-£ (641)	£ -	£ -	£ -
SEN & Disability Integrat Serv	£ 3,278	£ 2,687	£ 245	£ 465	£ 112
Additional Safety Valve Support and Senior Mangement	£ 2,116	£ 1,127	-£ (140)	-£ (521)	-£ (383)
Policy, Planning & Performance	£ 684	£ 509	£ 39	£ 22	£ 1
Departmental Business Support	£ 237	£ 206	-£ (13)	-£ (27)	-£ (70)
Adult Education Commissioning	£ -	N/A	£ -	£ -	£ -
Education Total	£ 23,217	£ 15,404	-£ (96)	-£ (167)	£ 557
Other CLLF Total					
Joint Commissioning & Partnrsh	£ 995	£ 536	£ 26	£ -	-£ (120)
PFI Unitary Charges	£ 8,403	£ 9,436	£ -	£ -	£ -
Depreciation	£ 11,093	£ 11,073	£ -	£ -	£ -
Other Education Budgets	£ 120	£ -	£ -	£ -	-£ (135)
Education Services Grant	-£ (1,062)	£ -	£ -	£ -	£ -
Pension & Redundancy Costs	£ 1,122	£ 830	£ 35	-£ (98)	-£ (456)
Other CLLF Total	£ 20,672	£ 21,875	£ 60	-£ (98)	-£ (711)
LA Total	£ 68,113	£ 57,065	£ 4,049	£ 1,998	£ 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 £96k.

Pressures include home to school transport (within Contracts and School Org) 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 arises from a number of vacant therapist and other SEND specialist posts. These are hard to recruit to posts nationally. The vacancies mean that there is a requirement to focus on statutory rather than work that generates income.

Children's Social Care and Youth Inclusion

The Children's Social Care budget overspend of £4.085m has increased compared to Q2.

This forecast includes a £500k contribution from the Children's Social Care budget towards the safety valve plan.

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 and for children with disabilities. This is reflective of some of the pressures across London and nationwide.

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 who have complex and challenging needs. We are also seeing an increase of children with very complex behavioural and mental health needs requiring Tier 4 Hospital admissions where there is a lack of community residential placements that can meet their needs.

Since Q2, 7 high-cost residential placements have been made which total over £1 million spend to this year's budget. One of these was a Secure Unit ordered by the court with a weekly cost of £29k. 2 of these children live with disabilities and entered residential care following tribunal decisions.

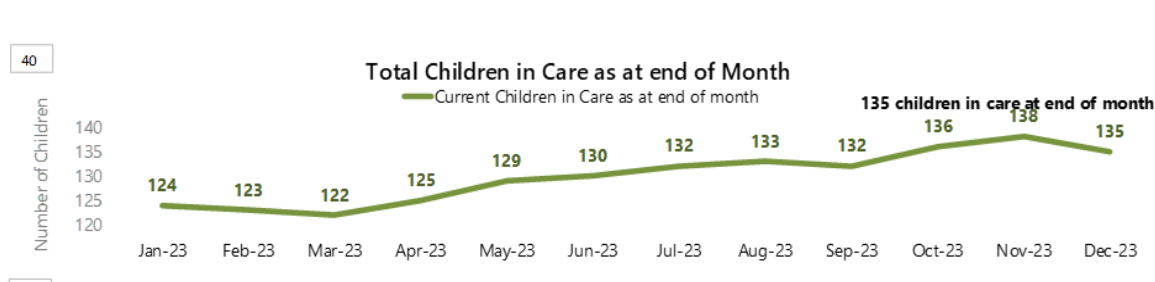
Whilst the practice in Merton has gone a long way to protecting us against the national pressures in comparison to some other LA's, we are being none the less impacted by high-cost placements which is reflected in this forecast. We have a small number of children whose complex emotional, behavioural 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.

The markets for residential & agency foster care are supplier led, with local authorities competing for placements and providers 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 decreased over the 3-years to March 2023 and our rate of children in care per 10,000 children is significantly lower.

	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

However, whilst Merton continues to have low number of children in care compared to the London and National picture, we have experienced a steady increase from 122 at the start of this financial year to 135 at the end of December 2023.



This has been a combination of Unaccompanied Asylum Seeking and UK born children. The average yearly placement cost of a child in foster care is £39k and therefore an increase of 11 children would account for a yearly increase of approximately 429K. However, 4 of the children new into care are in the cohort of the mentioned 7-high-cost placements, and 2 were a child who had a baby and placed in a higher cost Mother and baby foster placement. Therefore, this impact is greater.

Within the Family Support and Safeguarding service, we have 3 court directed reverse parenting assessments being undertaken. These are high-cost assessments which ensure an intense level of supervision and monitoring of mother’s parenting babies in the community as an alternative to entering care or using residential parenting assessment centres – the weekly costs of these are between 6-8K and are ordered by the courts. We have incurred annual costs of £400k for just two individual children in our CwD team with complex needs and exceptional circumstances including 1 child, who we had to fund a hospital bed for a period of time.

This year’s forecast includes a sum of £221k for our Out Of Hours Emergency Duty team contract from previous years which was not accrued in the accounts, therefore causing a one-off pressure in 2023/24.

More generally inflationary costs are far higher than forecast at the start of the financial year.

A deep dive into the Children’s Social Care (CSC) budget undertaken by Grant Thornton provided the following key points to note:

- Increasing CSC is far from unique to the Council. The increase in CSC spend in the Council over the last 5 years is below that of Merton’s statistical neighbours on average
- Merton has done well to keep the number of external residential placements very low (and LAC numbers overall)
- Most councils are currently forecasting overspends in CSC
- While there has been a 20% increase in net expenditure in CSC over the last 2 years, the Council’s net expenditure per head in CSC in 2022/23 was materially lower than its statistical

neighbours, and the second lowest overall. It was £870 versus a nearest neighbour average of £1,141. This equates to being 24% lower than the average. It is also low in comparison to all London boroughs (and all councils nationally) on average

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 Forecast deficit after SV payment of £2.625 million is now forecast to be £6.603 million. The MTFS provided a budget of £2.54 million so after allowing for this the in-year a budget gap is forecast to be £4.063 million in 2023/24. The headline cumulative deficit to the DfE (without additional council payments) is forecast to be £41.168 million at the end of 2023/24.

Adult Social Care, Integrated Care and Public Health Position- P9 (December) Position

Overview

Adult Social Care, Integrated Care and Public Health is currently forecasting an unfavourable position for December was £2.5m thus the departments overall position has remained unchanged since quarter 2 2023.

Although Public Health expects to achieve a breakeven position. There are pressures on the budget in the new financial year due to the 'agenda for change' on NHS contracts.

Adult Social Care, Integrated Care and Public Health	2023/24 Current Budget	2023/24 Budget to Date	2023/24 Actuals to Date	2023/24 Forecast Dec'23 P9	2023/24 Variance Dec'23 P9	2023/24 Variance Sept'23 P6	2022/23 Outturn Variance £ (Mar'23)
	£ '000	£'000	£'000	£'000	£'000	£'000	£'000
Adult Social Care	69,260	54,420	51,911	71,760	2,500	2,562	(770)
Public Health	(165)	508	(4,414)	(165)	0	0	0
Total Favourable/ Unfavourable	69,095	54,928	47,497	71,595	2,500	2,562	(770)

Directors Summary

The overall position of Adult Social Care, Integrated Care and Public Health is an adverse position of £2.500m.

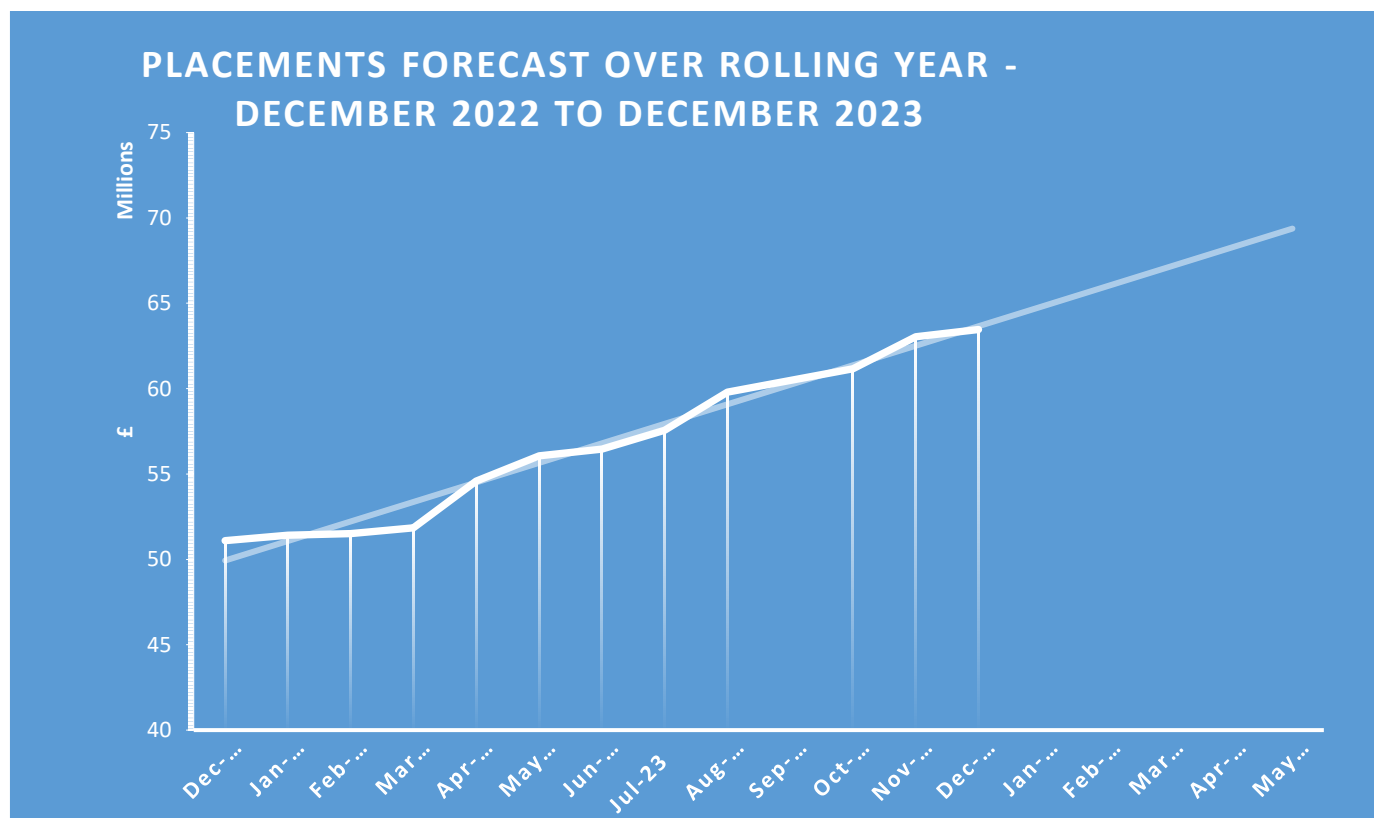
Adult social care's adverse position has remained the same since last budget monitoring. Although placement has increased by £420k there has been corresponding reduction in forecasted salary expenditure, pooled equipment, and non-pay items.

However, placements continue to increase as demonstrated in the graph below. Increases are in the older people, learning disability.

The department continues to resolve inflationary increase to provider fees requests which has added to the budget pressure. Providers experienced significant increase to pay inflation on the NMW and LLW as well as none pay inflationary pressures on, for example utilities. The majority of fee increase were agreed and settled early in the financial year; however, some have required further negotiation. We have £200k of inflationary pressures forecasted to pay providers in the budget in this year and this will be our final inflationary pressures of the year. However, we are already receiving fee increase requests for next financial year, some are significantly above

expectations and the likely level of increase agreed in our budget setting assumptions. During this period, we are seeing less people leaving the service compared to the previous period along with a higher number of referrals resulting in the need for care. Adult social care across London and England are having increasing pressures on their budgets due to demand, provider fee increases linked to pay and non-pay inflation and rising need.

A recent survey of London wide boroughs by London Councils showed that the average overspends by borough on Adult Social Care is £4.2m and these issues are seen across England and in neighbouring boroughs.



The above graph shows the trajectory of placements since December 2022 to December 2023.

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 have commissioned 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, and this will begin in January 2024.
- Introduced a decision-making panel with the Executive Director for ASC, IC & PH for all S117 funding splits to appropriately contribute to each case to meet their Care Act needs. This is resulting in a lower % contribution from ASC.
- The department has converted two senior managers posts from agency to short term

temporary contracts to reduce costs seen has seen some success already with interim staff moving to permanent or fixed term contract positions.

- Grant Thornton was commissioned to undertake a review of adult social care expenditure to ascertain if we are obtaining value for money and whether improvements can be made. The findings show that in Adult Social Care, Merton performs well in comparison with our statistical neighbours in managing demand and inflationary pressures. However, despite this, these inflationary and demand pressures remain as the core causes of budgetary pressures for ASC.

Public Health 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 Public Health contracts). The service is also carrying several vacancies. The Public Health grant indicative allocation for 2024/25 is an increase of 1.3% which is below current inflation and the agenda for change pay settlement.

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. The service continues to see a move from domiciliary care to long term nursing which is more expensive. There is also an expected £1.1m in transitions cost for your people moving from Childrens to Adult Social Care 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.

Discharge Activities

Data not available for November & December 2023.

Adult Social Care- Internal Provision- £510k Favourable Variance

This service's favourable variance has increased by £153k since quarter 3, which is due to a reduction in forecasted staff costs, and an increase in security cost to cover security at Riverside Drive until the property is fully handed back to Wandle Housing. It should also be noted that the current underspend is due to the number of vacancies in the service due to the reprovision and redesign of this service. Two posts at JMC will be used as Community Navigator roles from January 2024.

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.

This service is currently conducting activities below: -

The service submitted a bid for funding to create a shared service to work with other boroughs to tackle school absences by establishing an integrated multidisciplinary support to improve pupil physical health and wellbeing and reduce pupil sickness absences.

CORPORATE ITEMS

The details comparing actual expenditure up to 31 December 2023 (Quarter 3) against budget are contained in Appendix 1.

Corporate Items	Current Budget 2023/24 £000s	Full Year Forecast (Dec.) £000s	Forecast Variance at year end (Dec.) £000s	Forecast Variance at year end (Qtr.2/Sep.) £000s	Outturn Variance 2022/23 £000s
Impact of Capital on revenue budget	10,882	9,237	(1,645)	0	(180)
Investment Income	(6,321)	(13,000)	(6,679)	(4,000)	(2,897)
Pension Fund	237	237	0	0	(503)
Pay and Price Inflation	1,244	148	(1,095)	2,013	(388)
Contingencies and provisions	9,318	9,369	51	(379)	(5,387)
Income Items	0	0	0	0	(31)
Appropriations/Transfers	(7,083)	(7,083)	0	0	1,559
Central Items	(2,605)	(10,328)	(7,723)	(2,366)	(7,647)
Levies	1,504	1,504	0	0	0
Depreciation and Impairment	(28,271)	(28,271)	0	0	20
TOTAL CORPORATE EXPENDITURE	(18,491)	(27,859)	(9,368)	(2,366)	(7,807)

There has been an improvement of £7.002m in the favourable variance forecast for corporate budgets from £2.366m in September (Quarter 2) to £9.368m. There have been a large number of significant movements in the past quarter:-

1. Following the review of the capital programme that has been taking place during the year, the estimated capital financing costs for 2023/24 have been reduced by £1.645m.
2. Due mainly to favourable interest rates, the investment income projection for 2023/24 has improved by £2.679m since quarter 2.
3. The budget for the 2023/24 pay award has been transferred to service directorate budgets as follows:-

	2023/24
	£000
Innovation and Change	635
Finance and Digital	980
Housing and Sustainable Development	541
Environment, Civic Pride and Climate	1,426
Children, Lifelong Learning, and Families	1,491
Adult Social Care, Integrated Care, and Public Health	1,173
Total	6,245

The budget provision agreed for the 2023/24 pay award was 3% but the actual award agreed was c. 6% for non-schools staff and c. 8% for non-teaching staff in schools.

There is an overspend of £1.805m against the original budget which is an improvement of £1.608m on the quarter 2 estimate.

4. The corporate provision of £1.5m for the National Minimum wage will be used to offset the cost of services.
 5. It is anticipated that only £0.425m of the corporate contingency budget may be required leaving an additional £1.5m over the quarter 2 forecast available to offset the cost of services.
 6. Within contingencies and provisions, the balance of £0.153m on the provision for the impact of the London Living wage costs on contracts will be used to offset the cost of services.
 7. The provision for the cost of the DSG Safety Valve Agreement has to be increased by £2.083m over the quarter 2 projection in order to match the increase in the DSG deficit.
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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	6,931	(644)	4,613	9,181	(4,390)	4,791	1,280	9,271	10,551	7,536	(1,650)	5,886
ASCIC&PH	0		0	0		0	0		0	0		0
CLL&F	6,322	0	5,999	16,921	(5,643)	11,278	3,479	5,703	9,182	3,400	0	3,400
ECP&C	14,202	278	13,712	12,520	(1,003)	11,517	15,555	2,986	18,541	12,970	556	13,526
I&C	45		45	0		0	0		0	0		0
H&SD	9,640	77	9,260	21,164	(160)	21,004	20,682	2,424	23,106	17,962	200	18,162
TOTAL	37,140	(289)	33,629	59,786	(11,196)	48,590	40,996	20,385	61,380	41,868	(894)	40,974

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

Capital Budget Monitoring - December 2023

Department	Actuals £	Year to Date Budget £	Variance £	Final Budget 2023-24 £	Forecast Outturn 2023-24 £	Forecast Variance 2023-24 £
Finance and Digital (a)	2,136,180	1,499,835	636,345	4,612,440	4,612,437	(3)
ASC, Integrated Care & Public Health	0	0	0	0	0	0
Children, Lifelong Learning & Families (b)	3,706,728	5,751,390	(2,044,662)	5,999,120	5,992,160	(6,960)
Environment, Civic Pride & Climate (c)	7,560,650	8,954,684	(1,394,034)	13,711,740	13,544,271	(167,469)
Innovation & Change (d)	44,740	45,000	(260)	45,000	44,740	(260)
Housing & Sustainable Development (e)	2,576,627	3,682,607	(1,105,980)	9,260,370	9,260,958	588
Total	16,024,925	19,933,516	(3,908,591)	33,628,670	33,454,566	(174,104)

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 - Robotics Process Automation	(1)	0	32,240	0	0	Adjustments and Re-profiling in line with projected spend
Sapian DPIA/IAR Imp	(1)	(2,090)	0	0	0	Adjustments and Re-profiling in line with projected spend
Customer Contact - Portal	(1)	1,800	0	0	0	Adjustments and Re-profiling in line with projected spend
Customer Contact - Complaints	(1)	(64,650)	66,090	0	0	Adjustments and Re-profiling in line with projected spend
Customer Contact - Digital Strategy	(1)	5,000	(5,000)	0	0	Adjustments and Re-profiling in line with projected spend
Customer Contact - Replace TKDialogue	(1)	(233,950)	240,000	0	0	Adjustments and Re-profiling in line with projected spend
Customer Contact - Unified Data Model	(1)	(123,130)	123,140	0	0	Adjustments and Re-profiling in line with projected spend
Customer Contact - Members Enquiries Solution	(1)	(40,030)	50,000	0	0	Adjustments and Re-profiling in line with projected spend
Customer Contact - M365 Tools - PowerBI	(1)	(38,000)	0	0	0	Adjustments and Re-profiling in line with projected spend
Customer Contact - Chatbots Implementation	(1)	0	150,000	0	0	Adjustments and Re-profiling in line with projected spend
Customer Contact - M365 Tools - Power Automate	(1)	(34,240)	0	0	0	Adjustments and Re-profiling in line with projected spend
Customer Contact - M365 Tools - Forms	(1)	(23,210)	0	0	0	Adjustments and Re-profiling in line with projected spend
Customer Contact - Dynamics365 CRM	(1)	(106,900)	(85,100)	0	0	Adjustments and Re-profiling in line with projected spend
Customer Contact - Biztalk Replacement	(1)	29,540	22,440	0	0	Adjustments and Re-profiling in line with projected spend
Customer Contact - CRM Health Check	(1)	(60,000)	0	0	0	Adjustments and Re-profiling in line with projected spend
Customer Contact - Waste & Cleansing Services	(1)	0	150,000	0	0	Adjustments and Re-profiling in line with projected spend
Customer Contact - Passenger Transport Management	(1)	(11,010)	15,530	0	0	Adjustments and Re-profiling in line with projected spend
Customer Contact - Virtual Desktop	(1)	(5,200)	0	0	0	Adjustments and Re-profiling in line with projected spend
Customer Contact - Data Security and Control	(1)	23,140	0	0	0	Adjustments and Re-profiling in line with projected spend
Customer Contact - Improve End User Devices	(1)	270	0	0	0	Adjustments and Re-profiling in line with projected spend
Customer Contact - Active Directory	(1)	(18,950)	0	0	0	Adjustments and Re-profiling in line with projected spend
Customer Contact - Self Service	(1)	(4,560)	0	0	0	Adjustments and Re-profiling in line with projected spend
Customer Contact - Network Reconfiguration	(1)	(13,060)	0	0	0	Adjustments and Re-profiling in line with projected spend
Business Systems - EAMs Re-Procurement	(1)	(60,940)	66,790	0	0	Adjustments and Re-profiling in line with projected spend
Business Systems - Revs and Bens	(1)	75,000	(75,000)	0	0	Adjustments and Re-profiling in line with projected spend
Business Systems - Housing System	(1)	17,000	21,000	0	0	Adjustments and Re-profiling in line with projected spend
Business Systems - ePayments Project	(1)	0	80,700	0	0	Adjustments and Re-profiling in line with projected spend
Business Systems - Children's Safeguarding	(1)	0	(125,000)	0	0	Adjustments and Re-profiling in line with projected spend
Business Systems - Planning & Public Protection	(1)	(95,860)	(296,320)	400,000	0	Adjustments and Re-profiling in line with projected spend
Business Systems - GIS (Spectrum Spatial Analysis)	(1)	(59,890)	105,410	0	0	Adjustments and Re-profiling in line with projected spend
Business Systems - e-Forms Platform Transition	(1)	15,320	(100,590)	230,700	0	Adjustments and Re-profiling in line with projected spend
Business Systems - Parking System Re-Procurement	(1)	189,890	(186,140)	0	0	Adjustments and Re-profiling in line with projected spend
Business Systems - Ancillary IT Systems	(1)	40	0	0	0	Adjustments and Re-profiling in line with projected spend
Business Systems - Safer Merton Case Management	(1)	0	(60,000)	0	0	Adjustments and Re-profiling in line with projected spend
Business Systems - Exacom	(1)	0	(40,000)	0	0	Adjustments and Re-profiling in line with projected spend
Social Care IT System - Replacement SC System	(1)	0	(636,930)	215,740	0	Adjustments and Re-profiling in line with projected spend
Social Care IT System - Mosaic ASC Changes	(1)	(7,070)	0	0	0	Adjustments and Re-profiling in line with projected spend
Social Care IT System - EHCP Hub	(1)	(5,170)	(33,940)	0	0	Adjustments and Re-profiling in line with projected spend
Social Care IT System - Mosaic Finance Integration	(1)	7,590	0	0	0	Adjustments and Re-profiling in line with projected spend
Social Care IT System - Transition Tracker	(1)	(650)	0	0	0	Adjustments and Re-profiling in line with projected spend
Social Care IT System - Insights to Intervention	(1)	430	0	0	0	Adjustments and Re-profiling in line with projected spend
Social Care IT System - Care Account	(1)	0	100,000	100,000	0	Adjustments and Re-profiling in line with projected spend
Social Care IT System - Shared Care Record	(1)	0	20,000	0	0	Adjustments and Re-profiling in line with projected spend
Social Care IT System - Early Years Single Recording	(1)	0	20,000	0	0	Adjustments and Re-profiling in line with projected spend
Social Care IT System - Integrated Front Door	(1)	0	20,000	0	0	Adjustments and Re-profiling in line with projected spend
Social Care IT System - Integration with Health	(1)	0	50,000	0	0	Adjustments and Re-profiling in line with projected spend
Social Care IT System - Mosaic APIs	(1)	0	75,000	75,000	0	Adjustments and Re-profiling in line with projected spend
Planned Replacement Programme- project General	(1)	0	(1,300,000)	650,000	(150,000)	24-25 - £500k for PABX and £250k for SAN to be surrendered. Utilise some of this to cover £150k UPS Replacement. 25-26 - £50k for SAN to be surrendered. 26-27 - £150k for WAN to be surrendered.
Acquisitions Budget	(1)	0	0	0	(640,900)	Reprofiled to 2024-25 Civic Centre Boilers Upgrade
Capital Bidding Fund	(1)	0	0	0	(320,450)	Reprofiled to 2024-25 Civic Centre Boilers Upgrade
Multi Function Devices	(1)	0	(600,000)	600,000	0	Re-profiled in line with projected spend
Corporate Capital Contingency	(1)	0	0	0	(538,650)	Reprofiled to 2024-25 Civic Centre Boilers Upgrade
Compulsory Purchase Orders - CPO Clarion	(1)	0	(2,254,090)	7,000,000	0	Latest Forecast from Clarion December 2023
Total Finance & Digital		(643,540)	(4,389,770)	9,271,440	(1,650,000)	

(1) Requires Cabinet Approval

The proposals in the above table will require the retention of 6 consultants in 2024-25 to complete IT development schemes already commenced but not completed. This includes one consultant funded by grant and one consultant working on the council's digital strategy.

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						
Joseph Hood- Schools Capital Maintenance	n/a	(2,000)	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.
Melbury College- Schools Capital Maintenance	n/a	2,000	0	0	0	
Links- Schools Capital Maintenance	n/a	(2,000)	0	0	0	
Malmesbury- Schools Capital Maintenance	n/a	1,500	0	0	0	
Singlegate- Schools Capital Maintenance	n/a	500	0	0	0	
Melrose- Schools Capital Maintenance	n/a	(200)	0	0	0	
Pelham- Schools Capital Maintenance	n/a	200	0	0	0	
Perseid Lower - Perseid School Expansion	(1)	0	(1,513,000)	2,413,000	0	Re-profiled in line with projected spend
Mainstream SEN (ARP)	(1)	0	0	0	(900,000)	Vired to Perseid in 2025-26
Mainstream SEN (ARP) - Secondary sch ARP expansion 2	(1)	0	(825,970)	825,970	0	Re-profiled in line with projected spend
Mainstream SEN (ARP) - Raynes Pk Sch ARP expansion 1	(1)	0	(1,839,340)	1,839,340	0	Re-profiled in line with projected spend
Mainstream SEN (ARP) - Second school ARP expansion 4	(1)	0	(730,000)	0	0	For ARP Expansion as Stanford is Closing
Mainstream SEN (ARP) - Liberty ARP expansion	(1)	0	730,000	0	0	For ARP Expansion as Stanford is Closing
Mainstream SEN (ARP) - Second school ARP expansion 3	(1)	0	(1,408,850)	508,850	900,000	Re-profiled in line with projected spend
Mainstream SEN (ARP) - Primary school ARP expansion	(1)	0	(115,990)	115,990	0	Re-profiled in line with projected spend
CSF Safeguarding - Care Leavers Living Accom	(1)	0	60,000	0	0	Additional house added to the programme
Total Children, Lifelong Learning & Families		0	(5,643,150)	5,703,150	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.

There has been a detailed review of the SEN Expansion programme and the budgets have been reprofiled to match the projected spend profile. The SEN expansion programme is interlinked with the safety valve agreement with the DfE. Officers estimate that the cost of the expansion programme has increased due to inflation, and the complexity of the Perseid School scheme. There is also the requirement to re-provide the SEN provision currently at Stanford following the school closure. This will be at Liberty school. The DfE have indicated that the Authority should receive an additional High Needs Grant Allocation in 2024-25 of circa £3m. This funding and budget will be incorporated into the capital programme when formal notification is received.

Youth Provision - Pollards Hill Digital Divide – the final account on the building works is still outstanding. Officers are currently revising the equipment provision for the scheme and estimate that the budget will be fully utilised.

A small underspend of £7k is also forecast on the Children's Centre - Bond Road Family Centre scheme, any underspend will be returned to the central SCIL fund and made available for other schemes.

- 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 apart from four projects:

Cost Centre Narrative		Budget 2023-24 £	Budget 2024-25 £	Budget 2025-26 £	Budget 2026-27 £	Explanation for the Budgetary Change
Environment, Civic Pride & Climate						
On Street Parking - ANPR Cameras	(1)	(460)	0	0	0	Scheme complete unspent balance relinquished
CCTV Investment - CCTV Cameras & Infrastructure	(1)		(200,000)	200,000	0	Re-profiled in line with projected spend
Regulatory Service - Designing Out Crime for ASB	(1)	(440)	0	0	0	Scheme complete unspent balance relinquished
Regulatory Service - Noise Monitoring Equipment	(1)	(7,000)	0	0	0	Scheme complete unspent balance relinquished
Mortuary Provision	(1)	0	0	100,000	0	Multi Authority contribution to Statutory Imps
Recycling and Reuse Schemes - Waste Bins	(1)	110,620	50,000	1,300,000	50,000	DEFRA Grant for the cost of meeting new legislation
Recycling and Reuse Schemes - Vehicles	(1)	204,600	0	0	0	DEFRA Grant for the cost of meeting new legislation
Highways & Footways - Culverts	(1)	0	(150,000)	150,000	0	Re-profiled in line with projected spend
Highways & Footways - Walking and Cycling Strategy	(1)	0	(450,000)	50,000	400,000	Re-profiled in line with projected spend
Highways & Footways - Pothole Grant	(1)	0	372,000	186,000	186,000	DfT 11 Year Grant Funding for London Potholes
Highways & Footways - Abbotsbury Child Friendly Zone	(1)	0	30,000	0	0	NCIL Civic Pride Funded Scheme
Cycle Route Improvements - Cycle access/parking	(1)	(50,000)	50,000	0	0	Re-profiled in line with projected spend
Sports Facilities - Borough of Sport Infrastructure Fd	(1)	0	(1,092,360)	1,000,000	0	Funding of Volley Ball Court Work
Parks Investment - Resurface Tennis Courts (Wimb Pk)	(1)	(68,000)	68,000	0	0	Re-profiled in line with projected spend
Parks Investment - Moreton Green Gym	(1)	(3,740)	0	0	0	Scheme complete unspent balance relinquished
Parks Investment - Bridges and Structures	(1)	0	80,000	0	(80,000)	Re-profiled in line with projected spend
Parks Investment - Volleyball	(1)	92,360	0	0	0	Virement from Borough of Sport
Parks Investment - Youth Sports Arena	(1)	0	60,000	0	0	NCIL Civic Pride Funded Scheme
Parks Investment - Cannizaro Flood Management	(1)	0	30,000	0	0	NCIL Civic Pride Funded Scheme
Parks Investment - Morden Rec Access, Leisure & Health	(1)	0	80,000	0	0	NCIL Civic Pride Funded Scheme
Parks Investment - Basketball Court & Outdoor Gym	(1)	0	69,850	0	0	NCIL Civic Pride Funded Scheme
Total Environment, Civic Pride & Climate		277,940	(1,002,510)	2,986,000	556,000	

(1) *Requires Cabinet Approval*

Highways and Footways – Casualty Reduction in Schools – Forecast £146k underspend on the Streatham Rd Healthy Streets Scheme. This is due to a delay in the start date (to allow gas works to take place first) and we may need to reduce the scope of the scheme as TfL are unlikely to agree any carry over of funding. Any underspend may need to be relinquished and returned to TfL.

Cycle Route Improvements – Cycle Route Improvements - Forecast £78k underspend on two sub-schemes (Commonside West and Bushey Rd/Matin Way Junction) that may not be fully complete by the end of March. If schemes are in progress, it is envisaged that TfL will allow slippage of the budget.

Parks investment – Parks Investment is forecasting an overspend of £49k, officers are currently reviewing sources of funding to offset this projected overspend. If funding cannot be identified it will be necessary to utilise budgetary provision in 2024-25.

Major Library Projects - Creation of a Digital Maker Space is currently forecasting and overspend of £8k, officers have been unable to identify alternative sources of funding so will be bidding to the Capital Bidding Fund to cover inflationary projected overspend.

In addition

The £24k for the Libraries IT-Library Management System may be relinquished as deductions due from the penalty clauses may be sufficient to offset the sum due for phase 2 of the multi-authority project which is now complete. Additional information is expected.

The Authority has just been successful in a bid for financial resources for the Local Electric Vehicle Infrastructure from the Department of Transport circa £3 million. This is a joint bid from Hounslow and Wandsworth and the allocation needs to be split between the constituent authorities. As additional information becomes available it is envisaged that the tranche applicable to Merton will be added to the Capital Programme for 2024-25.

Amenity Way – Officers are currently compiling the works required to this site for the new waste collection and street cleansing service – it is currently envisaged that this will be funded from SCIL and the mobilisation fund.

The Authority is currently undertaking a review of its transportation provision to become carbon neutral. In the short term there are a number of vehicles that need to be replaced either by leasing/rental/purchase as they are non-ULEZ compliant (21 vehicles) and are rented/leased under a framework agreement that ceases in September 2024 (6 vehicles). Procurement documentation will progress options to rent/lease and purchase, once the method of procurement is established budgetary provision will be made.

Draft Terms – AFC Wimbledon Library and Community Hub - This is a variation on proposals previously considered by the Authority – the changes compared to the previous proposal are:

- Lease term changed from 25 years to 99 years.
- No break clause
- 10 years of running costs covered by club sponsorship thereafter full cost will fall on LBM.

d) Innovation & Change – The election booths budget is now 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						
Disabled Facilities Grants - DiG Minor Works	(1)	150,000	150,000	150,000	150,000	Minor Works Permissible under latest guidance
Mitcham Area Regeneration - Rowan Pk Comm Fac Match Fndng	(1)	0	(150,000)	150,000	0	Re-profiled in line with projected spend
Mitcham Area Regeneration - Pollards Hill Bus Shelter	(1)	0	(400,000)	350,000	50,000	Re-profiled in line with projected spend
Mitcham Area Regeneration - New Horizon Centre	(1)	0	50,000	0	0	£40,119 NCIL Civic Pride Funded £9,881 Climate Reserve
Mitcham Area Regeneration - 23rd Mitcham Scouthall	(1)	0	13,740	0	0	Section 106 Carbon Offset Funding
Mitcham Area Regeneration - Figges Marsh Park Improvements	(1)	0	42,140	0	0	NCIL Civic Pride Funded Scheme
Mitcham Area Regeneration - Commonside Improved Community Facilities	(1)	0	70,620	0	0	NCIL Civic Pride Funded Scheme
Mitcham Area Regeneration - Hadley Road Community Allotments	(1)	0	30,160	0	0	£24,192 NCIL Civic Pride Funded £5,959 Climate Reserve
Wimbledon Area Regeneration - Wimb Public Realm Imps	(1)	(48,000)	48,000	0	0	Re-profiled in line with projected spend
Wimbledon Area Regeneration - Wimb Vill Heritage Led Public Realm	(1)	(25,000)	(349,000)	374,000	0	Re-profiled in line with projected spend
Wimbledon Area Regeneration - Polka Theatre	(1)	0	29,350	0	0	NCIL Civic Pride Funded Scheme
Morden Area Regeneration - Morden Town Centre Improvements	(1)	0	(50,000)	50,000	0	Re-profiled in line with projected spend
Morden Area Regeneration - Kenilworth Park	(1)	0	65,000	0	0	Thames Water Funding for a Pocket Park
Borough Regeneration - Shop Front Improvements	(1)	0	(450,000)	450,000	0	Re-profiled in line with projected spend
Borough Regeneration - Civic Pride Public Realm	(1)	0	(450,000)	450,000	0	Re-profiled in line with projected spend
Borough Regeneration - Schools Living Walls	(1)	0	43,120	0	0	£34,597 NCIL Civic Pride Funded £8,521 Climate Reserve
Civic Centre - Boiler Upgrade	(1)	0	1,500,000	0	0	Re-profiled from corporate contingencies in 2026-27
Civic Centre - Lighting Upgrade	(1)	0	(100,000)	100,000	0	Re-profiled in line with projected spend
Civic Centre - Workplace Design	(1)	0	(350,000)	350,000	0	Re-profiled in line with projected spend
Civic Centre - Emergency Control Rm Imps	(1)	0	27,500	0	0	Cost of H&S works etc. & FM Fees
Civic Centre - CCTV Control Room	(1)	0	69,000	0	0	Cost of H&S works and Equipment & FM Fees
Total Housing & Sustainable Development		77,000	(160,370)	2,424,000	200,000	

(1) Requires Cabinet Approval

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

5.6 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	(280)	(14,602)	4,613
ASC, Integrated Care & Public Health	0	0	0	0	0	0	0
Children, Lifelong Learning & Families	8,033	1,034	(17)	1,282	(12)	(4,321)	5,999
Environment, Civic Pride & Climate	13,270	2,159	(1,213)	2,424	119	(3,047)	13,712
Innovation & Change	45	0	0	0	0	0	45
Housing & Sustainable Development	12,951	1,699	(264)	3,177	1,149	(9,451)	9,260
Total	52,685	6,171	(1,665)	6,882	976	(31,422)	33,629

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

Depts.	Spend To December 2020	Spend to December 2021	Spend to December 2022	Spend to December 2023	Variance 2020 to 2022	Variance 2021 to 2022	Variance 2022 to 2023
Total Capital	9,458	14,541	14,346	16,025	6,567	1,484	1,679

Outturn £000s	16,930	21,776	23,365				
Budget £000s				33,629			
Projected Spend December 2023 £000s				33,455			
Percentage Spend to Budget				47.65%			
% Spend to Outturn/Projection	55.86%	66.77%	61.40%	47.90%			
Monthly Spend to Achieve Projected Outturn £000s				5,410			

5.8 December is three quarters of the way through the financial year and departments have spent just under 48% of the budget. Spend to date is higher than all three previous financial years. Finance officers are currently expecting an outturn of circa £23m (£25.5m with the Afgan resettlement), this is circa £8m below the current forecast of just under £33.5m.

5.9 During December 2023 officers spent just under £1.6 million, to achieve year end spend officers would need to spend approximately £5.5 million each month to year end.

5.10 Appendix 5d summarises the 28 proposed civic pride investing in neighbourhoods and community climate action schemes (including a ward allocation) from this year's bidding process totalling £1,431,950 – there is a separate report detailing the schemes and allocation process elsewhere on the agenda. Bids have been split between capital and revenue allocations and anticipated financial years. Capital allocations have been added to the programme as part of this monitoring report. Cabinet is being requested to approve 15 revenue bids totalling £827,992, they will be added to revenue budgets appropriately.

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.

Summary Progress on Savings 2023/24

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	791	114
Innovation & Change	150	120	30	150	0
Adult Social Care, Integrated Care & Public Health	1,853	1,106	748	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	3,909	2,601	4,059	2,449

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.

- o **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 - Recommended Allocation of Civic Pride Investing in Neighbourhoods and Community Climate Action Bids

14 BACKGROUND PAPERS

- a. None.

15 REPORT AUTHOR

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APPENDIX 1

3E. Corporate Items	Council 2023/24	Current Budget 2023/24	Year to Date Actual (Dec.)	Full Year Forecast (Dec.)	Forecast Variance at year end (Dec.)	Forecast Variance at year end (Qtr.2/Sep.)	Outturn Variance 2022/23
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Cost of Borrowing	10,882	10,882	5,406	9,237	(1,645)	0	(180)
Use for Capital Programme					0	0	0
Impact of Capital on revenue budget	10,882	10,882	5,406	9,237	(1,645)	0	(180)
	-	-	-	-	-		
Investment Income	(6,321)	(6,321)	3,955	(13,000)	(6,679)	(4,000)	(2,897)
Pension Fund	237	237	0	237	0	0	(503)
Corporate Provision for Pay Award	4,440	(1,805)	0	0	1,805	3,413	2,450
Corporate Provision for National Minimum Wage	1,500	1,500	0	0	(1,500)	0	(1,500)
Provision for excess inflation	5,283	1,548	0	148	(1,400)	(1,400)	(1,338)
Pay and Price Inflation	11,224	1,244	0	148	(1,095)	2,013	(388)
Contingency	2,500	2,425	0	425	(2,000)	(500)	(558)
Bad Debt Provision	1,000	1,000	140	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	167	450	0	0	(220)
Revenuisation and miscellaneous	7,708	2,903	152	791	(2,112)	(1,959)	(146)
Growth - Provision against DSG	2,540	2,540	0	6,703	4,163	2,080	(3,017)
Contingencies and provisions	14,198	9,318	460	9,369	51	(379)	(5,433)
Other income	0	0	(0)	0	0	0	(31)
Income items	0	0	(0)	0	0	0	(31)
Appropriations: CS Reserves	(360)	(4,525)	(4,525)	(4,525)	0	0	0
Appropriations: E&R Reserves	(286)	(2,135)	(2,135)	(2,135)	0	0	0
Appropriations: CSF Reserves	0	(645)	(633)	(645)	0	0	0
Appropriations: C&H Reserves	(104)	(132)	(28)	(132)	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	(7,083)	(7,766)	(7,083)	0	0	1,559
Depreciation and Impairment	(26,997)	(28,271)	(28,188)	(28,271)	0	0	20
Central Items	3,273	(19,995)	(26,133)	(29,363)	(9,368)	(2,366)	(7,853)
						0	
Levies	1,058	1,504	1,359	1,504	0	0	0
TOTAL CORPORATE PROVISIONS	4,332	(18,491)	(24,774)	(27,859)	(9,368)	(2,366)	(7,853)
COVID-19 Emergency expenditure	0	0	9	0	0	0	46
TOTAL CORPORATE EXPENDITURE inc. COVID-19	4,332	(18,491)	(24,766)	(27,859)	(9,368)	(2,366)	(7,807)

Pay and Price Inflation as at December 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 4.0% and RPI at 5.2% 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 just been agreed but provision of 3% was included in the MTFs. The agreed pay award for 2023/24 is:-

- 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).

The cost for Merton is estimated at £6.2m which is £1.8m above the original budget of £4.4m.

Prices:

The Consumer Prices Index (CPI) rose by 4.0% in the 12 months to December 2023, up from 3.9% in November, and the first time the rate has increased since February 2023. On a monthly basis, CPI rose by 0.4% in December 2023, the same rate as in December 2022.

The Consumer Prices Index including owner occupiers' housing costs (CPIH) rose by 4.2% in the 12 months to December 2023, the same rate as in November. On a monthly basis, CPIH rose by 0.4% in December 2023, the same rate as in December 2022.

The largest upward contribution to the monthly change in both CPIH and CPI annual rates came from alcohol and tobacco while the largest downward contribution came from food and non-alcoholic beverages.

Core CPI (excluding energy, food, alcohol and tobacco) rose by 5.1% in the 12 months to December 2023, the same rate as in November; the CPI goods annual rate slowed from 2.0% to 1.9%, while the CPI services annual rate increased from 6.3% to 6.4%

Core CPIH (excluding energy, food, alcohol and tobacco) rose by 5.2% in the 12 months to December 2023, the same rate as in November; the CPIH goods annual rate slowed from 2.0% to 1.9%, while the CPIH services annual rate remained at 6.0%.

The RPI rate for December 2023 was 5.2%, which is down from 5.3% in November 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 13 December 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 next meeting is planned for 1 February 2024.

In the minutes to the December meeting, the MPC state that “Relative to the assumptions in the November Monetary Policy Report, the fiscal measures in the Autumn Statement are provisionally estimated to increase the level of GDP by around ¼% over coming years. As these measures will probably also boost potential supply to some extent, the implications for the Committee’s output gap projection, and hence inflationary pressures in the economy, are likely to be smaller. Annual private sector regular Average Weekly Earnings (AWE) growth declined to 7.3% in the three months to October, 0.5 percentage points below the November Report projection. That has brought AWE somewhat more into line with other indicators of pay growth, which have fallen below 7%. There remain upside risks to the outlook for wage growth, including from the possible effects of the recently announced increase in the National Living Wage.”

There is some optimism that there will be an improvement on the projections in the November report although there may be an increase in services price inflation although the MPC believe that “much of the downside news relative to the November Report reflected movements in components that may not provide a good signal of underlying trends in services prices and of persistence in headline inflation. CPI inflation is expected to remain near to its current rate around the turn of the year. In particular, services price inflation is projected to increase temporarily in January, related to base effects from unusually weak price movements at the start of this year, before starting to fall back gradually thereafter. The near-term path for CPI inflation is somewhat lower than projected in the November Report, in part reflecting recent declines in energy prices.”

The MPC note that “key indicators of UK inflation persistence remain elevated. As anticipated, tighter monetary policy is leading to a looser labour market and is weighing on activity in the real economy more generally. Given the significant increase in Bank Rate since the start of this tightening cycle, the current monetary policy stance is restrictive.... The MPC 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.”

In the November 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 (January 2024)

	Lowest %	Highest %	Average %
2023 (Quarter 4)			
CPI	2.6	5.1	4.2
RPI	5.0	10.0	5.9
LFS Unemployment Rate	3.5	4.5	4.3
2024 (Quarter 4)			
CPI	0.8	3.9	2.4
RPI	0.7	6.1	3.3
LFS Unemployment Rate	2.8	5.3	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 2026 are summarised in the following table:-

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

	2023	2024	2025	2026
	%	%	%	%
CPI	7.4	3.0	1.9	2.0
RPI	10.2	4.4	2.2	2.6
LFS Unemployment Rate	4.2	4.6	4.7	4.8

Treasury Management: Outlook

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 13 December 2023, the MPC voted by a majority of 6–3 to maintain Bank Rate at 5.25%.

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.”

The MPC are clear that they will not start to loosen monetary until it is clear that inflation is under control and “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. As illustrated by the November Monetary Policy Report projections, the Committee continues to judge that monetary policy is likely to need to be restrictive for an extended period of time. Further tightening in monetary policy would be required if there were evidence of more persistent inflationary pressures.”

Given the significant increase in Bank Rate since the start of this tightening cycle, the current monetary policy stance was restrictive. The decision whether to increase or to maintain Bank Rate at current levels is “again finely balanced between the risks of not tightening policy enough when underlying inflationary pressures could prove more persistent, and the risks of tightening policy too much given the impact of policy that was still to come through.”

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 November 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 market implied 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	791	114
Innovation & Change	150	120	30	150	0
Adult Social Care, Integrated Care & Public Health	1,853	1,106	748	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	3,909	2,601	4,059	2,449

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	16	4	A	20	0	Sean Cunniffe	Various small overspends across supplies and services	Y
2022-23 CS11	Corporate Governance - Legal income	5	4	1	G	5	0	Paul Phelan		
2023-24 CS01	Communications - Savings on production and distribution of My Merton	25	0	25	A	25	0	Keith Burns	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		150	0			

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	For 2023/24 the shortfall against the saving is offset by one off income for recovery of costs. From 2024/25 the saving will be covered by other budgets within I&T.	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	40	10	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		791	114			

PROGRESS ON 2023/24 SAVINGS

Updated December'23

Appendix 4

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	Achieved	Y
CH108	Commissioning and Market Development – Self-Funder Brokerage Offer	25	0	25	R		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	Achieved	Y
CH112R	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)	180	0	180	A		180	Graham Terry	Replacement savings approved by Cabinet 16th of November 2023. New project plan is in place	Y
CH113	Make efficiencies with ASC &PH budget	330	330	0	G	330	0	Russell Styles	Achieved	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	Achieved	Y
CH116	Reduce the need for "double handed care" to "single handed care"	200	25	175	A		200	Graham Terry	Reablement reductions of double handed care and reviews of existing packages are projected to meet the saving target. Work in progress	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	49.5	51	A		100	Graham Terry	Service working to increase uptake of direct payments from other services once the Homecare contract is operational	Y
Total		1,853	1,106	748		1,168	685			

60%

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 have created in-house care leaver accomodation 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	Tom Procter		
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

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 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-late 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 – December 2023

	Actuals	Year to Date Budget	Variance	Revised Budget 2023-24	Forecast Outturn 2023-24	Forecast Variance 2023-24
Capital	16,024,925	19,933,516	(3,908,591)	33,628,670	33,454,566	(174,104)
Finance and Digital	2,136,180	1,499,835	636,345	4,612,440	4,612,437	(3)
Infrastructure & Transactions	2,048,485	1,011,225	1,037,260	3,998,830	3,998,827	(3)
IT Modernisation	2,048,485	1,011,225	1,037,260	3,998,830	3,998,827	(3)
Customer Contact Programme	1,366,785	0	1,366,785	2,082,510	2,082,507	(3)
Business Systems	302,523	578,710	(276,187)	1,039,850	1,039,850	0
Social Care IT System	148,344	248,590	(100,246)	243,720	243,720	0
Planned Replacement Programme	230,834	183,925	46,909	632,750	632,750	0
Finance	125,000	0	125,000	125,000	125,000	0
Major Projects	125,000	0	125,000	125,000	125,000	0
Financial System	125,000	0	125,000	125,000	125,000	0
Corporate Items	(37,305)	488,610	(525,915)	488,610	488,610	0
Centrally Held Budgets	(37,305)	488,610	(525,915)	488,610	488,610	0
Westminster Ccl Coroners Court	(37,305)	488,610	(525,915)	488,610	488,610	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

Capital Budget Monitoring – December 2023

	Actuals	Year to Date Budget	Variance	Revised Budget 2023-24	Forecast Outturn 2023-24	Forecast Variance 2023-24
Children-LifeLearn-Families	3,706,728	5,751,390	(2,044,662)	5,999,120	5,992,160	(6,960)
Primary Schools	1,437,638	2,362,360	(924,722)	2,512,930	2,512,930	0
Hollymount	116,062	149,500	(33,438)	200,000	200,000	0
West Wimbledon	135,094	162,000	(26,906)	153,160	153,160	0
Hatfeild	67,072	62,250	4,822	72,000	72,000	0
Hillcross	18,070	20,010	(1,940)	19,010	19,010	0
Joseph Hood	356,376	463,470	(107,094)	454,090	454,090	0
Dundonald	45,513	65,000	(19,487)	50,000	50,000	0
Merton Park	899	20,870	(19,971)	22,000	22,000	0
Pelham	(540)	3,000	(3,540)	3,200	3,200	0
Poplar	62,415	131,860	(69,445)	149,000	149,000	0
Wimbledon Chase	169,053	277,000	(107,947)	340,000	340,000	0
Wimbledon Park	7,157	8,500	(1,343)	23,000	23,000	0
Abbotsbury	1,262	20,000	(18,738)	20,000	20,000	0
Malmesbury	525	530	(5)	10,500	10,500	0
Morden	17,731	80,000	(62,269)	80,000	80,000	0
Bond	1,003	38,040	(37,037)	46,040	46,040	0
Cranmer	7,870	99,660	(91,790)	99,660	99,660	0
Gorringe Park	(174)	25,960	(26,134)	49,960	49,960	0
Haslemere	97,241	280,000	(182,759)	275,000	275,000	0
Links	41,307	53,710	(12,403)	51,710	51,710	0
Singlegate	35,830	61,000	(25,170)	61,500	61,500	0
St Marks	(1,003)	2,000	(3,003)	2,000	2,000	0
Lonesome	(491)	3,000	(3,491)	3,000	3,000	0
Sherwood	63,393	75,000	(11,607)	68,000	68,000	0
William Morris	195,970	260,000	(64,030)	260,000	260,000	0
Secondary School	326,930	433,570	(106,640)	429,200	429,200	0
Raynes Park	37	0	37	140	140	0
Ricards Lodge	0	50,000	(50,000)	50,000	50,000	0
Rutlish	213,627	260,510	(46,883)	256,000	256,000	0
Harris Academy Wimbledon	113,266	123,060	(9,794)	123,060	123,060	0

Capital Budget Monitoring – December 2023

	Actuals	Year to Date Budget	Variance	Revised Budget 2023-24	Forecast Outturn 2023-24	Forecast Variance 2023-24
SEN	1,484,597	1,876,950	(392,353)	2,234,920	2,234,920	0
Cricket Green	28,868	42,610	(13,742)	42,610	42,610	0
Melrose	184,903	242,200	(57,297)	242,000	242,000	0
Melrose Whatley Ave SEN	(15,163)	128,980	(144,143)	139,980	139,980	0
Melbury College - Smart Centre	27,077	31,410	(4,333)	33,410	33,410	0
Perseid Lower	225,875	310,040	(84,166)	516,040	516,040	0
Perseid	9,243	80,150	(70,907)	30,150	30,150	0
Medical PRU	83,899	117,450	(33,551)	127,730	127,730	0
Mainstream SEN (ARP)	939,896	924,110	15,786	1,103,000	1,103,000	0
CSF Schemes	457,563	1,078,510	(620,947)	822,070	815,110	(6,960)
CSF Safeguarding	57,043	277,610	(220,567)	129,110	129,110	0
Devolved Formula Capital	264,834	353,120	(88,286)	353,120	353,120	0
Children's Centres	20,758	220,960	(200,203)	43,960	37,000	(6,960)
Youth Provision	114,928	226,820	(111,892)	295,880	295,880	0

Capital Budget Monitoring – December 2023

	Actuals	Year to Date Budget	Variance	Revised Budget 2023-24	Forecast Outturn 2023-24	Forecast Variance 2023-24
Environmnt-Civic Pride-Climate	7,560,650	8,954,684	(1,394,034)	13,711,740	13,544,271	(167,469)
Public Protection and Developm	349,605	1,015,001	(665,396)	1,348,290	1,348,290	0
Parking Improvements	213,350	554,127	(340,777)	551,150	551,150	0
On Street Parking - P&D	170,001	178,927	(8,926)	255,150	255,150	0
Off Street Parking - P&D	43,349	375,200	(331,851)	296,000	296,000	0
CCTV Investment	73,273	245,904	(172,631)	434,580	434,580	0
CCTV Investment	73,273	245,904	(172,631)	434,580	434,580	0
Public Protection and Developm	62,982	214,970	(151,988)	362,560	362,560	0
Regulatory Service	62,982	214,970	(151,988)	362,560	362,560	0
Street Scene & Waste	(108,323)	235,200	(343,523)	351,220	351,220	0
Fleet Vehicles	0	210,000	(210,000)	0	0	0
Alley Gating Scheme	10,850	25,200	(14,350)	36,000	36,000	0
Waste SLWP	(119,173)	0	(119,173)	0	0	0
Sustainable Communities	7,258,059	7,572,123	(314,064)	11,636,370	11,460,901	(175,469)
Highways Maintenance	4,009,377	4,805,666	(796,289)	7,134,930	6,989,225	(145,705)
Raynes Park Area Roads	30,048	40,820	(10,772)	40,820	40,820	0
Highways & Footways	3,979,329	4,764,846	(785,517)	7,094,110	6,948,405	(145,705)
Transport Improvements	266,259	442,380	(176,121)	627,380	549,000	(78,380)
Cycle Route Improvements	266,259	442,380	(176,121)	627,380	549,000	(78,380)
Leisure and Culture	337,405	309,015	28,390	463,940	463,940	0
Morden Leisure Centre	0	0	0	0	0	0
Wimbledon Park Lake and Waters	53,801	64,190	(10,389)	64,190	64,190	0
Sports Facilities	283,605	244,825	38,780	399,750	399,750	0
Parks Investment	2,645,018	2,015,062	629,956	3,410,120	3,458,736	48,616
Street Trees	72,437	85,351	(12,914)	121,930	121,930	0
Parks	2,572,581	1,929,711	642,870	3,288,190	3,336,806	48,616
Libraries	61,309	97,360	(36,051)	121,860	129,860	8,000
Major Library Projects	61,309	73,360	(12,051)	97,860	105,860	8,000
Libraries IT	0	24,000	(24,000)	24,000	24,000	0
Climate Change	0	35,000	(35,000)	254,000	254,000	0
Climate Change Initiatives	0	35,000	(35,000)	254,000	254,000	0
Climate Change Initiatives	0	35,000	(35,000)	254,000	254,000	0

	Actuals	Year to Date Budget	Variance	Revised Budget 2023-24	Forecast Outturn 2023-24	Forecast Variance 2023-24
Innovation and Change	44,740	45,000	(260)	45,000	44,740	(260)
Corporate Governance	44,740	45,000	(260)	45,000	44,740	(260)
Electoral Services	44,740	45,000	(260)	45,000	44,740	(260)

Capital Budget Monitoring – December 2023

	Actuals	Year to Date Budget	Variance	Revised Budget 2023-24	Forecast Outturn 2023-24	Forecast Variance 2023-24
Housing & Sustainable Developm	2,576,627	3,682,607	(1,105,980)	9,260,370	9,260,958	588
Housing	766,152	641,991	124,161	4,331,140	4,331,140	0
Grants	605,947	615,741	(9,794)	1,029,630	1,029,630	0
Disabled Facilities Grant	605,947	615,741	(9,794)	1,029,630	1,029,630	0
Affordable Housing	160,204	26,250	133,954	3,301,510	3,301,510	0
Projects - Affordable Housing	160,204	0	160,204	3,264,010	3,264,010	0
Projects - Empty Homes	0	26,250	(26,250)	37,500	37,500	0
Housing and Social Care	0	0	0	0	0	0
Major Projects - Social Care H	0	0	0	0	0	0
Regeneration	951,345	771,802	179,543	1,756,200	1,756,120	(80)
Mitcham Area Regeneration	312,141	0	312,141	522,570	522,490	(80)
Wimbledon Area Regeneration	211,225	386,602	(175,377)	657,600	657,600	0
Morden Area Regeneration	417,173	336,900	80,273	417,000	417,000	0
Borough Regeneration	10,806	48,300	(37,494)	159,030	159,030	0
Property Management	25,594	0	25,594	451,000	451,000	0
Property Management Enhancemen	25,594	0	25,594	451,000	451,000	0
Facilities Management	833,536	2,268,814	(1,435,278)	2,722,030	2,722,698	668
Works to other buildings	306,568	472,325	(165,757)	392,750	392,750	0
Civic Centre	434,614	1,530,391	(1,095,777)	1,949,140	1,949,808	668
Invest to Save schemes	92,354	266,098	(173,744)	380,140	380,140	0

Virement, Re-profiling and New Funding - December 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 - Robotics Process Automation	(1)	0	0	0	0	0	0	0	32,240	32,240	Adjustments and Re-profiling in line with projected spend
Sapian DPIA/IAR Imp	(1)	5,980	(2,090)	0	3,890	0	0	0	0	0	Adjustments and Re-profiling in line with projected spend
Customer Contact - Portal	(1)	7,080	1,800	0	8,880	0	0	0	0	0	Adjustments and Re-profiling in line with projected spend
Customer Contact - Complaints	(1)	387,780	0	(64,650)	323,130	0	0	1,440	64,650	66,090	Adjustments and Re-profiling in line with projected spend
Customer Contact - Digital Strategy	(1)	30,000	0	5,000	35,000	579,290	0	0	(5,000)	574,290	Adjustments and Re-profiling in line with projected spend
Customer Contact - Replace TK Dialogue	(1)	275,000	0	(233,950)	41,050	171,000	0	6,050	233,950	411,000	Adjustments and Re-profiling in line with projected spend
Customer Contact - Unified Data Model	(1)	452,080	0	(123,130)	328,950	0	0	10	123,130	123,140	Adjustments and Re-profiling in line with projected spend
Customer Contact - Members Enquiries Solution	(1)	86,000	0	(40,030)	45,970	0	0	9,970	40,030	50,000	Adjustments and Re-profiling in line with projected spend
Customer Contact - M365 Tools - PowerBI	(1)	38,000	(38,000)	0	0	0	0	0	0	0	Adjustments and Re-profiling in line with projected spend
Customer Contact - Chatbots Implementation	(1)	0	0	0	0	0	0	150,000	0	150,000	Adjustments and Re-profiling in line with projected spend
Customer Contact - M365 Tools - Power Automate	(1)	55,800	(34,240)	0	21,560	0	0	0	0	0	Adjustments and Re-profiling in line with projected spend
Customer Contact - M365 Tools - Forms	(1)	113,000	(23,210)	0	89,790	0	0	0	0	0	Adjustments and Re-profiling in line with projected spend
Customer Contact - Dynamics365 CRM	(1)	106,900	(106,900)	0	0	85,100	0	(85,100)	0	0	Adjustments and Re-profiling in line with projected spend
Customer Contact - Biztalk Replacement	(1)	110,000	29,540	0	139,540	0	0	22,440	0	22,440	Adjustments and Re-profiling in line with projected spend
Customer Contact - CRM Health Check	(1)	60,000	(60,000)	0	0	0	0	0	0	0	Adjustments and Re-profiling in line with projected spend
Customer Contact - Waste & Cleansing Services	(1)	0	0	0	0	0	0	150,000	0	150,000	Adjustments and Re-profiling in line with projected spend
Customer Contact - Passenger Transport Management	(1)	64,860	0	(11,010)	53,850	46,140	0	4,520	11,010	61,670	Adjustments and Re-profiling in line with projected spend
Customer Contact - Virtual Desktop	(1)	237,530	(5,200)	0	232,330	0	0	0	0	0	Adjustments and Re-profiling in line with projected spend
Customer Contact - Data Security and Control	(1)	143,060	23,140	0	166,200	0	0	0	0	0	Adjustments and Re-profiling in line with projected spend
Customer Contact - Improve End User Devices	(1)	169,480	270	0	169,750	0	0	0	0	0	Adjustments and Re-profiling in line with projected spend
Customer Contact - Active Directory	(1)	78,040	(18,950)	0	59,090	0	0	0	0	0	Adjustments and Re-profiling in line with projected spend
Customer Contact - Self Service	(1)	36,490	(4,560)	0	31,930	0	0	0	0	0	Adjustments and Re-profiling in line with projected spend
Customer Contact - Network Reconfiguration	(1)	274,660	(13,060)	0	261,600	0	0	0	0	0	Adjustments and Re-profiling in line with projected spend
Business Systems - EAMs Re-Procurement	(1)	123,640	0	(60,940)	62,700	327,340	0	5,850	60,940	394,130	Adjustments and Re-profiling in line with projected spend
Business Systems - Revs and Bens	(1)	90,000	0	75,000	165,000	75,000	0	0	(75,000)	0	Adjustments and Re-profiling in line with projected spend
Business Systems - Housing System	(1)	6,080	17,000	0	23,080	0	0	21,000	0	21,000	Adjustments and Re-profiling in line with projected spend
Business Systems - ePayments Project	(1)	0	0	0	0	150,000	0	80,700	0	230,700	Adjustments and Re-profiling in line with projected spend
Business Systems - Children's Safeguarding	(1)	0	0	0	0	125,000	0	(125,000)	0	0	Adjustments and Re-profiling in line with projected spend
Business Systems - Planning & Public Protection	(1)	189,880	0	(95,860)	94,020	666,270	0	7,820	(304,140)	369,950	Adjustments and Re-profiling in line with projected spend
Business Systems - GIS (Spectrum Spatial Analysis)	(1)	352,770	0	(59,890)	292,880	0	0	45,520	59,890	105,410	Adjustments and Re-profiling in line with projected spend
Business Systems - e-Forms Platform Transition	(1)	38,410	15,320	0	53,730	100,590	0	130,110	(230,700)	0	Adjustments and Re-profiling in line with projected spend
Business Systems - Parking System Re-Procurement	(1)	52,000	3,750	186,140	241,890	511,710	0	0	(186,140)	325,570	Adjustments and Re-profiling in line with projected spend
Business Systems - Ancillary IT Systems	(1)	6,510	40	0	6,550	29,490	0	0	0	29,490	Adjustments and Re-profiling in line with projected spend
Business Systems - Safer Merton Case Management	(1)	0	0	0	0	60,000	0	(60,000)	0	0	Adjustments and Re-profiling in line with projected spend
Business Systems - Exacom	(1)	0	0	0	0	40,000	0	(40,000)	0	0	Adjustments and Re-profiling in line with projected spend
Social Care IT System - Replacement SC System	(1)	0	4,870	(4,870)	0	636,930	(426,060)	0	(210,870)	0	Adjustments and Re-profiling in line with projected spend
Social Care IT System - Mosaik ASC Changes	(1)	81,670	(7,070)	0	74,600	0	0	0	0	0	Adjustments and Re-profiling in line with projected spend
Social Care IT System - EHCP Hub	(1)	12,220	(5,170)	0	7,050	33,940	(33,940)	0	0	0	Adjustments and Re-profiling in line with projected spend
Social Care IT System - Mosaik Finance Integration	(1)	68,560	7,590	0	76,150	0	0	0	0	0	Adjustments and Re-profiling in line with projected spend
Social Care IT System - Transition Tracker	(1)	10,170	(650)	0	9,520	0	0	0	0	0	Adjustments and Re-profiling in line with projected spend
Social Care IT System - Insights to Intervention	(1)	75,970	430	0	76,400	0	0	0	0	0	Adjustments and Re-profiling in line with projected spend
Social Care IT System - Care Account	(1)	0	0	0	0	0	200,000	0	(100,000)	100,000	Adjustments and Re-profiling in line with projected spend
Social Care IT System - Shared Care Record	(1)	0	0	0	0	0	20,000	0	0	20,000	Adjustments and Re-profiling in line with projected spend
Social Care IT System - Early Years Single Recording	(1)	0	0	0	0	0	20,000	0	0	20,000	Adjustments and Re-profiling in line with projected spend
Social Care IT System - Integrated Front Door	(1)	0	0	0	0	0	20,000	0	0	20,000	Adjustments and Re-profiling in line with projected spend
Social Care IT System - Integration with Health	(1)	0	0	0	0	0	50,000	0	0	50,000	Adjustments and Re-profiling in line with projected spend
Social Care IT System - Mosaik APIs	(1)	0	0	0	0	0	150,000	0	(75,000)	75,000	Adjustments and Re-profiling in line with projected spend
Planned Replacement Programme	(1)	432,750	0	0	432,750	1,835,000	0	(600,000)	(700,000)	535,000	24-25 - £500k for PABX and £250k for SAN to be surrendered. Utilise some of this to cover £150k UPS Replacement.
Multi Function Devices	(1)	0	0	0	0	600,000	0	0	(600,000)	0	Re-profiled in line with projected spend
Compulsory Purchase Orders - CPO Clarion	(1)	0	0	0	0	3,057,820	0	0	(2,254,090)	803,730	Latest Forecast from Clarion December 2023

(1) Requires Cabinet approval

(2) Requires Council Approval

Virement, Re-profiling and New Funding - December 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	
		£	£	£	£	£	£	£	£	£	£		
Children, Lifelong Learning & Families													
Joseph Hood- Schools Capital Maintenance	(1)	456,090	(2,000)	0	0	454,090	0	0	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.	
Melbury College- Schools Capital Maintenance	(1)	31,410	2,000	0	0	33,410	125,000	0	0	0	125,000		
Links- Schools Capital Maintenance	(1)	53,710	(2,000)	0	0	51,710	0	0	0	0	0		
Malmesbury- Schools Capital Maintenance	(1)	9,000	1,500	0	0	10,500	58,150	0	0	0	58,150		
Singlegate- Schools Capital Maintenance	(1)	61,000	500	0	0	61,500	0	0	0	0	0		
Melrose- Schools Capital Maintenance	(1)	135,000	(200)	0	0	134,800	12,970	0	0	0	12,970		
Pelham- Schools Capital Maintenance	(1)	3,000	200	0	0	3,200	0	0	0	0	0		
Perseid Lower - Perseid School Expansion	(1)	200,000	0	0	0	200,000	4,013,560	0	0	(1,513,000)	2,500,560		Re-profiled in line with projected spend
Mainstream SEN (ARP) - Secondary sch ARP expansion 2	(1)	0	0	0	0	0	875,970	0	0	(825,970)	50,000		Re-profiled in line with projected spend
Mainstream SEN (ARP) - Raynes Pk Sch ARP expansion 1	(1)	0	0	0	0	0	2,039,340	0	0	(1,839,340)	200,000		Re-profiled in line with projected spend
Mainstream SEN (ARP) - Second school ARP expansion 4	(1)	0	0	0	0	0	730,000	(730,000)	0	0	0	For ARP Expansion as Stanford is Closing	
Mainstream SEN (ARP) - Liberty ARP expansion	(1)	0	0	0	0	0	0	730,000	0	0	730,000	For ARP Expansion as Stanford is Closing	
Mainstream SEN (ARP) - Second school ARP expansion 3	(1)	0	0	0	0	0	1,708,850	0	0	(1,408,850)	300,000	Re-profiled in line with projected spend	
Mainstream SEN (ARP) - Primary school ARP expansion	(1)	0	0	0	0	0	415,990	0	0	(115,990)	300,000	Re-profiled in line with projected spend	
CSF Safeguarding - Care Leavers Living Accom	(1)	129,110	0	0	0	129,110	0	0	60,000	0	60,000	Additional house added to the programme	
Environment, Civic Pride & Climate													
Street Parking - ANPR Cameras	(1)	150,000		(460)		149,540	0				0	Scheme complete unspent balance relinquished	
CCTV Investment - CCTV Cameras & Infrastructure	(1)	350,000				350,000	789,730			(200,000)	589,730	Re-profiled in line with projected spend	
Regulatory Service - Designing Out Crime for ASB	(1)	50,000		(440)		49,560	0				0	Scheme complete unspent balance relinquished	
Regulatory Service - Noise Monitoring Equipment	(1)	70,000		(7,000)		63,000	0				0	Scheme complete unspent balance relinquished	
Recycling and Reuse Schemes - Waste Bins	(1)	0		110,620		110,620	0		50,000		50,000	DEFRA Grant for new legislation & General Bins	
Recycling and Reuse Schemes - Vehicles	(1)	0		204,600		204,600	0				0	DEFRA Grant for the cost of meeting new legislation	
Highways & Footways - Culverts	(1)	203,080				203,080	303,070		(150,000)		153,070	Re-profiled in line with projected spend	
Highways & Footways - Walking and Cycling Strategy	(1)	0				0	950,000			(450,000)	500,000	Re-profiled in line with projected spend	
Highways & Footways - Pothole Grant	(1)	0				0			372,000		372,000	DfT 11 Year Grant Funding for London Potholes	
Highways & Footways - Abbotsbury Child Friendly Zone	(1)	0				0	0		30,000		30,000	NCIL Civic Pride Funded Scheme	
Cycle Route Improvements - Cycle access/parking	(1)	229,000		(50,000)		179,000	0			50,000	50,000	Re-profiled in line with projected spend	
Sports Facilities - Borough of Sport Infrastructure Fd	(1)	50,000	(92,360)		92,360	50,000	1,500,000			(1,092,360)	407,640	Funding of Volley Ball Court Work	
Parks Investment - Resurface Tennis Courts (Wimb Pk)	(1)	350,440			(68,000)	282,440				68,000	68,000	Re-profiled in line with projected spend	
Parks Investment - Moreton Green Gym	(1)	35,000		(3,740)		31,260					0	Scheme complete unspent balance relinquished	
Parks Investment - Bridges and Structures	(1)	115,000				115,000	1,000			80,000	81,000	Re-profiled in line with projected spend	
Parks Investment - Volleyball	(1)	0	92,360			92,360					0	Virement from Borough of Sport	
Parks Investment - Youth Sports Arena	(1)	0				0	0		60,000		60,000	NCIL Civic Pride Funded Scheme	
Parks Investment - Cannizaro Flood Management	(1)	0				0	0		30,000		30,000	NCIL Civic Pride Funded Scheme	
Parks Investment - Morden Rec Access, Leisure & Health	(1)	0				0	0		80,000		80,000	NCIL Civic Pride Funded Scheme	
Parks Investment - Basketball Court & Outdoor Gym	(1)	0				0	0		69,850		69,850	NCIL Civic Pride Funded Scheme	

(1) Requires Cabinet approval

(2) Requires Council Approval

Virement, Re-profiling and New Funding - December 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
		£	£	£	£	£	£	£	£	£	£	
Housing & Sustainable Development												
Disabled Facilities Grants - DfG Minor Works	(1)	0		150,000		150,000	0		150,000		150,000	Minor Works Permissible under latest guidance
Mitcham Area Regeneration - Rowan Pk Comm Fac Match Fndng	(1)	0				0	150,000			(150,000)	0	Re-profiled in line with projected spend
Mitcham Area Regeneration - Pollards Hill Bus Shelter	(1)	0				0	400,000			(400,000)	0	Re-profiled in line with projected spend
Mitcham Area Regeneration - New Horizon Centre	(1)	5,860				5,860	0		50,000		50,000	£40,119 NCIL Civic Pride Funded £9,881 Climate Reserve
Mitcham Area Regeneration - 23rd Mitcham Scout Hall	(1)	0				0	0		13,740		13,740	Section 106 Carbon Offset Funding
Mitcham Area Regeneration - Figges Marsh Park Improvements	(1)	0				0	0		42,140		42,140	NCIL Civic Pride Funded Scheme
Mitcham Area Regeneration - Commons side Improved Community Facilities	(1)	0				0	0		70,620		70,620	NCIL Civic Pride Funded Scheme
Mitcham Area Regeneration - Hadley Road Community Allotments	(1)	0				0	0		30,160		30,160	£24,192 NCIL Civic Pride Funded £5,959 Climate Reserve
Wimbledon Area Regeneration - Wimb Public Realm Imps	(1)	58,000			(48,000)	10,000	304,880			48,000	352,880	Re-profiled in line with projected spend
Wimbledon Area Regeneration - Wimb Vill Heritage Led Public Realm	(1)	50,000			(25,000)	25,000	649,870			(349,000)	300,870	Re-profiled in line with projected spend
Wimbledon Area Regeneration - Polka Theatre	(1)	0				0	0		29,350		29,350	NCIL Civic Pride Funded Scheme
Morden Area Regeneration - Morden Town Centre Improvements	(1)	0				0	200,000			(50,000)	150,000	Re-profiled in line with projected spend
Morden Area Regeneration - Kenilworth Park	(1)	65,000				65,000	0		65,000		65,000	Thames Water Funding for a Pocket Park
Borough Regeneration - Shop Front Improvements	(1)	0				0	750,000			(450,000)	300,000	Re-profiled in line with projected spend
Borough Regeneration - Civic Pride Public Realm	(1)	20,000				20,000	1,450,000			(450,000)	1,000,000	Re-profiled in line with projected spend
Borough Regeneration - Schools Living Walls	(1)	0				0	0		43,120		43,120	£34,597 NCIL Civic Pride Funded £8,521 Climate Reserve
Civic Centre - Boilers Upgrade	(1)	1,100,000				1,100,000	3,803,080			1,500,000	5,303,080	Re-profiled from corporate contingencies in 2026-27
Civic Centre - Lighting Upgrade	(1)	90,010				90,010	205,000			(100,000)	105,000	Re-profiled in line with projected spend
Civic Centre - Workplace Design	(1)	759,130				759,130	530,000			(350,000)	180,000	Re-profiled in line with projected spend
Civic Centre - Emergency Control Rm Imps	(1)	0				0	0			27,500	27,500	Cost of H&S works etc. & FM Fees
Civic Centre - CCTV Control Room	(1)	0				0	0			69,000	69,000	Cost of H&S works and Equipment & FM Fees
Total		9,101,210	0	238,230	(526,830)	8,812,610	31,097,080	0	821,310	(12,017,110)	19,901,280	

(1) Requires Cabinet approval

(2) Requires Council Approval

Virement, Re-profiling and New Funding - December 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												
Business Systems - Planning & Public Protection	(1)	0	0	400,000	400,000	0	0	0	0	0	0	Adjustments and Re-profiling in line with projected spend
Business Systems - e Forms	(1)	0	0	230,700	230,700	0	0	0	0	0	0	Adjustments and Re-profiling in line with projected spend
Social Care IT System - Replacement SC System	(1)	0	0	215,740	215,740	0	0	0	0	0	0	Adjustments and Re-profiling in line with projected spend
Social Care IT System - Care Account	(1)	0	0	100,000	100,000	0	0	0	0	0	0	Adjustments and Re-profiling in line with projected spend
Social Care IT System - Mosaic APIs	(1)	0	0	75,000	75,000	0	0	0	0	0	0	Adjustments and Re-profiling in line with projected spend
Multi Function Devices	(1)	0	0	600,000	600,000	0	0	0	0	0	0	Re-profiled in line with projected spend
Planned Replacement Programme	(1)	1,060,000	(50,000)	700,000	1,710,000	970,000		(150,000)		820,000	25-26 - £50k for SAN to be surrendered. 26-27 - £150k for WAN to be surrendered.	
Acquisitions Budget	(1)	0	0	0	0	2,000,000			(640,900)	1,359,100	Reprofiled to 2024-25 Civic Centre Boilers Upgrade	
Capital Bidding Fund	(1)	0	0	0	0	1,000,000			(320,450)	679,550	Reprofiled to 2024-25 Civic Centre Boilers Upgrade	
Corporate Capital Contingency	(1)	0	0	0	0	1,680,940			(538,650)	1,142,290	Reprofiled to 2024-25 Civic Centre Boilers Upgrade	
Compulsory Purchase Orders - CPO Clarion	(1)	0	0	7,000,000	7,000,000	0	0		0	0	0	Latest Forecast from Clarion December 2023
Children, Lifelong Learning & Families												
Perseid Lower - Perseid School Expansion	(1)	0	900,000	1,513,000	2,413,000	0				0	0	Re-profiled in line with projected spend
Mainstream SEN (ARP)	(1)	0	(900,000)	900,000	0	900,000			(900,000)	0	0	Re-profiled and vired in line with projected spend
Mainstream SEN (ARP) - Secondary sch ARP expansion 2	(1)	0		825,970	825,970	0				0	0	Re-profiled in line with projected spend
Mainstream SEN (ARP) - Raynes Pk Sch ARP expansion 1	(1)	0		1,839,340	1,839,340	0				0	0	Re-profiled in line with projected spend
Mainstream SEN (ARP) - Second school ARP expansion 3	(1)	0		508,850	508,850	0			900,000	900,000	0	Re-profiled in line with projected spend
Mainstream SEN (ARP) - Primary school ARP expansion	(1)	0		115,990	115,990	0				0	0	Re-profiled in line with projected spend
Environment, Civic Pride & Climate												
CCTV Investment - CCTV Cameras & Infrastructure	(1)	0		200,000	200,000	0				0	0	Re-profiled in line with projected spend
Mortuary Provision	(1)	0	100,000	100,000	100,000	0				0	0	Multi Authority contribution to Statutory Imps
Recycling and Reuse Schemes - Waste Bins	(1)	0	1,300,000	1,300,000	1,300,000	0		50,000		50,000	0	Possible Glas and Plastic Bins DMR & General Bins
Highways & Footways - Culverts	(1)	0		150,000	150,000	0				0	0	Re-profiled in line with projected spend
Highways & Footways - Walking and Cycling Strategy	(1)	850,000		50,000	900,000	0			400,000	400,000	0	Re-profiled in line with projected spend
Highways & Footways - Pothole Grant	(1)	0	186,000	186,000	186,000	0		186,000		186,000	0	DfT 11 Year Grant Funding for London Potholes
Parks Investment - Bridges and Structures	(1)	80,000		80,000	80,000	80,000			(80,000)	0	0	Re-profiled in line with projected spend
Sports Facilities - Borough of Sport Infrastructure Fd	(1)	500,000		1,000,000	1,500,000	0				0	0	Funding of Volley Ball Court Work
Housing & Sustainable Development												
Disabled Facilities Grants - DiG Minor Works	(1)	0	150,000	150,000	150,000	0		150,000		150,000	0	Minor Works Permissible under latest guidance
Mitcham Area Regeneration - Rowan Pk Comm Fac Match Fndng	(1)	0		150,000	150,000	0				0	0	Re-profiled in line with projected spend
Mitcham Area Regeneration - Pollards Hill Bus Shelter	(1)	50,000		350,000	400,000	0			50,000	50,000	0	Re-profiled in line with projected spend
Wimbledon Area Regeneration - Wimb Vill Heritage Led Public Realm	(1)	0		374,000	374,000	0				0	0	Re-profiled in line with projected spend
Morden Area Regeneration - Morden Town Centre Improvements	(1)	0		50,000	50,000	0				0	0	Re-profiled in line with projected spend
Borough Regeneration - Shop Front Improvements	(1)	650,000		450,000	1,100,000	0				0	0	Re-profiled in line with projected spend
Borough Regeneration - Civic Pride Public Realm	(1)	930,000		450,000	1,380,000	0				0	0	Re-profiled in line with projected spend
Civic Centre - Lighting Upgrade	(1)	0		100,000	100,000	0				0	0	Re-profiled in line with projected spend
Civic Centre - Workplace Design	(1)	0		350,000	350,000	0				0	0	Re-profiled in line with projected spend
Total		4,120,000	0	1,686,000	18,698,590	24,504,590	6,630,940	0	236,000	(1,130,000)	5,736,940	

(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
November 23 Monitoring	13,754	20,163	33,917
Finance and Digital			
Sapian DPIA/IAR Imp	(2)	0	(2)
Customer Contact - Portal	2	0	2
Customer Contact - Complaints	(65)	0	(65)
Customer Contact - Digital Strategy	5	0	5
Customer Contact - Replace TKDialogue	(234)	0	(234)
Customer Contact - Unified Data Model	(123)	0	(123)
Customer Contact - Members Enquiries Solution	(40)	0	(40)
Customer Contact - M365 Tools - PowerBI	(38)	0	(38)
Customer Contact - M365 Tools - Power Automate	(34)	0	(34)
Customer Contact - M365 Tools - Forms	(23)	0	(23)
Customer Contact - Dynamics365 CRM	(107)	0	(107)
Customer Contact - Biztalk Replacement	30	0	30
Customer Contact - CRM Health Check	(60)	0	(60)
Customer Contact - Passenger Transport Management	(11)	0	(11)
Customer Contact - Virtual Desktop	(5)	0	(5)
Customer Contact - Data Security and Control	23	0	23
Customer Contact - Improve End User Devices	0	0	0
Customer Contact - Active Directory	(19)	0	(19)
Customer Contact - Self Service	(5)	0	(5)
Customer Contact - Network Reconfiguration	(13)	0	(13)
Business Systems - EAMs Re-Procurement	(61)	0	(61)
Business Systems - Revs and Bens	75	0	75
Business Systems - Housing System	17	0	17
Business Systems - Planning & Public Protection	(96)	0	(96)
Business Systems - GIS (Spectrum Spatial Analysis)	(60)	0	(60)
Business Systems - e-Forms Platform Transition	15	0	15
Business Systems - Parking System Re-Procurement	190	0	190
Business Systems - Ancillary IT Systems	0	0	0
Social Care IT System - Replacement SC System	(5)	0	(5)
Environment, Civic Pride & Climate			
On Street Parking - ANPR Cameras	0	(0)	(0)
Regulatory Service - Designing Out Crime for ASB	0	(0)	(0)
Regulatory Service - Noise Monitoring Equipment	(7)	0	(7)
Recycling and Reuse Schemes - Waste Bins	0	111	111
Recycling and Reuse Schemes - Vehicles	0	205	205
Cycle Route Improvements - Cycle access/parking	0	(50)	(50)
Sports Facilities - Borough of Sport Infrastructure Fd	92	0	92
Parks Investment - Resurface Tennis Courts (Wimb Pk)	(68)	0	(68)
Parks Investment - Moreton Green Gym	0	(4)	(4)
Mitcham Area Regeneration - North East Mitcham Community Centre	(55)	55	0
Housing and Sustainable Development			
Disabled Facilities Grants - DfG Minor Works	0	150	150
Wimbledon Area Regeneration - Wimb Public Realm Imps	0	(48)	(48)
Wimbledon Area Regeneration - Wimb Vill Heritage Led Public Realm	0	(25)	(25)
December 23 Monitoring	13,073	20,555	33,629

Capital Programme Funding Summary 2024/25

	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
November 23 Monitoring	25,178	34,608	59,786
Finance and Digital			
Customer Contact - Robotics Process Automation	32	0	32
Customer Contact - Complaints	66	0	66
Customer Contact - Digital Strategy	(5)	0	(5)
Customer Contact - Replace TKDialogue	240	0	240
Customer Contact - Unified Data Model	123	0	123
Customer Contact - Members Enquiries Solution	50	0	50
Customer Contact - Chatbots Implementation	150	0	150
Customer Contact - Dynamics365 CRM	(85)	0	(85)
Customer Contact - Biztalk Replacement	22	0	22
Customer Contact - Waste & Cleansing Services	150	0	150
Customer Contact - Passenger Transport Management	16	0	16
Business Systems - EAMs Re-Procurement	67	0	67
Business Systems - Revs and Bens	(75)	0	(75)
Business Systems - Housing System	21	0	21
Business Systems - ePayments Project	81	0	81
Business Systems - Children's Safeguarding	(125)	0	(125)
Business Systems - Planning & Public Protection	(296)	0	(296)
Business Systems - GIS (Spectrum Spatial Analysis)	105	0	105
Business Systems - e-Forms Platform Transition	(101)	0	(101)
Business Systems - Parking System Re-Procurement	(186)	0	(186)
Business Systems - Safer Merton Case Management	(60)	0	(60)
Business Systems - Exacom	(40)	0	(40)
Social Care IT System - Replacement SC System	(637)	0	(637)
Social Care IT System - EHCP Hub	(34)	0	(34)
Social Care IT System - Care Account	100	0	100
Social Care IT System - Shared Care Record	20	0	20
Social Care IT System - Early Years Single Recording	20	0	20
Social Care IT System - Integrated Front Door	20	0	20
Social Care IT System - Integration with Health	50	0	50
Social Care IT System - Mosaic APIs	75	0	75
Planned Replacement Programme- project General	(1,300)	0	(1,300)
Multi Function Devices	(600)	0	(600)
Compulsory Purchase Orders - CPO Clarion	0	(2,254)	(2,254)
Children, Lifelong Learning & Families			
Perseid Lower - Perseid School Expansion	0	(1,513)	(1,513)
Mainstream SEN (ARP)	0	0	0
Mainstream SEN (ARP) - Secondary sch ARP expansion 2	0	(826)	(826)
Mainstream SEN (ARP) - Raynes Pk Sch ARP expansion 1	0	(1,839)	(1,839)
Mainstream SEN (ARP) - Second school ARP expansion 4	0	(730)	(730)
Mainstream SEN (ARP) - Liberty ARP expansion	0	730	730
Mainstream SEN (ARP) - Second school ARP expansion 3	0	(1,409)	(1,409)
Mainstream SEN (ARP) - Primary school ARP expansion	0	(116)	(116)
CSF Safeguarding - Care Leavers Living Accom	60	0	60

Capital Programme Funding Summary 2024/25 continued.....

	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
Environment, Civic Pride & Climate			
CCTV Investment - CCTV Cameras & Infrastructure	(50)	(150)	(200)
Recycling and Reuse Schemes - Waste Bins	50	0	50
Highways & Footways - Culverts	0	(150)	(150)
Highways & Footways - Walking and Cycling Strategy	(450)	0	(450)
Highways & Footways - Pothole Grant	0	372	372
Highways & Footways - Abbotsbury Child Friendly Zone	0	30	30
Cycle Route Improvements - Cycle access/parking	0	50	50
Sports Facilities - Borough of Sport Infrastructure Fd	(92)	(1,000)	(1,092)
Parks Investment - Resurface Tennis Courts (Wimb Pk)	68	0	68
Parks Investment - Bridges and Structures	80	0	80
Parks Investment - Youth Sports Arena	0	60	60
Parks Investment - Cannizaro Flood Management	0	30	30
Parks Investment - Morden Rec Access, Leisure & Health	0	80	80
Parks Investment - Basketball Court & Outdoor Gym	0	70	70
Housing and Sustainable Development			
Disabled Facilities Grants - DfG Minor Works	0	150	150
Mitcham Area Regeneration - Rowan Pk Comm Fac Match Fndng	0	(150)	(150)
Mitcham Area Regeneration - Pollards Hill Bus Shelter	0	(400)	(400)
Mitcham Area Regeneration - New Horizon Centre	10	40	50
Mitcham Area Regeneration - 23rd Mitcham Scouthall	0	14	14
Mitcham Area Regeneration - Figges Marsh Park Improvements	0	42	42
Mitcham Area Regeneration - Commonsides Improved Community Facilities	0	71	71
Mitcham Area Regeneration - Hadley Road Community Allotments	6	24	30
Wimbledon Area Regeneration - Wimb Public Realm Imps	0	48	48
Wimbledon Area Regeneration - Wimb Vill Heritage Led Public Realm	0	(349)	(349)
Wimbledon Area Regeneration - Polka Theatre	0	29	29
Morden Area Regeneration - Morden Town Centre Improvements	0	0	0
Morden Area Regeneration - Kenilworth Park	0	65	65
Morden Area Regeneration - Morden Town Centre Improvements	0	(50)	(50)
Borough Regeneration - Shop Front Improvements	(450)	0	(450)
Borough Regeneration - Civic Pride Public Realm	0	(450)	(450)
Borough Regeneration - Schools Living Walls	9	35	43
Civic Centre - Boiler Upgrade	1,500	0	1,500
Civic Centre - Lighting Upgrade	(100)	0	(100)
Civic Centre - Workplace Design	(350)	0	(350)
Civic Centre - Emergency Control Rm Imps	28	0	28
Civic Centre - CCTV Control Room	69	0	69
December 23 Monitoring	23,429	25,161	48,590

Capital Programme Funding Summary 2025/26

	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
November 23 Monitoring	22,717	18,279	40,996
Finance and Digital			
Business Systems - e-Forms Platform Transition	231	0	231
Business Systems - Planning & Public Protection	400	0	400
Social Care IT System - Replacement SC System	216	0	216
Social Care IT System - Care Account	100	0	100
Social Care IT System - Mosaic APIs	75	0	75
Multi Function Devices	600	0	600
Planned Replacement Programme- project General	650	0	650
Compulsory Purchase Orders - CPO Clarion	0	7,000	7,000
Children, Lifelong Learning & Families			
Perseid Lower - Perseid School Expansion	0	2,413	2,413
Mainstream SEN (ARP) - Secondary sch ARP expansion 2	0	826	826
Mainstream SEN (ARP) - Raynes Pk Sch ARP expansion 1	0	1,839	1,839
Mainstream SEN (ARP) - Second school ARP expansion 3	0	509	509
Mainstream SEN (ARP) - Primary school ARP expansion	0	116	116
Environment, Civic Pride & Climate			
CCTV Investment - CCTV Cameras & Infrastructure	50	150	200
Mortuary Provision	100	0	100
Recycling and Reuse Schemes - Waste Bins	1,300	0	1,300
Highways & Footways - Culverts	0	150	150
Highways & Footways - Walking and Cycling Strategy	50	0	50
Highways & Footways - Pothole Grant	0	186	186
Sports Facilities - Borough of Sport Infrastructure Fd	0	1,000	1,000
Housing and Sustainable Development			
Disabled Facilities Grants - DfG Minor Works	0	150	150
Mitcham Area Regeneration - Rowan Pk Comm Fac Match Fndng	0	150	150
Mitcham Area Regeneration - Pollards Hill Bus Shelter	0	350	350
Wimbledon Area Regeneration - Wimb Vill Heritage Led Public Realm	0	374	374
Morden Area Regeneration - Morden Town Centre Improvements	0	50	50
Borough Regeneration - Shop Front Improvements	450	0	450
Borough Regeneration - Civic Pride Public Realm	0	450	450
Civic Centre - Lighting Upgrade	100	0	100
Civic Centre - Workplace Design	350	0	350
December 23 Monitoring	27,389	33,992	61,380

Capital Programme Funding Summary 2026/27

	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
September 23 Monitoring	24,611	17,257	41,868
Finance & Digital			
Planned Replacement Programme	(150)	0	(150)
Acquisitions Budget	(641)	0	(641)
Capital Bidding Fund	(320)	0	(320)
Corporate Capital Contingency	(539)	0	(539)
Children, Lifelong Learning & Families			
Mainstream SEN (ARP)	0	(900)	(900)
Mainstream SEN (ARP) - Second school ARP expansion 3	0	900	900
Environment, Civic Pride & Climate			
Recycling and Reuse Schemes - Waste Bins	50	0	50
Highways & Footways - Walking and Cycling Strategy	400	0	400
Highways & Footways - Pothole Grant	0	186	186
Parks Investment - Bridges and Structures	(80)	0	(80)
Housing and Sustainable Development			
Disabled Facilities Grants - DfG Minor Works	0	150	150
Mitcham Area Regeneration - Pollards Hill Bus Shelter	0	50	50
December 23 Monitoring	23,331	17,643	40,974

Civic Pride Investing in Neighbourhoods Fund and Community Climate Action Fund Proposed Revenue Allocations

Bid ID	Project name	Council Plan Primary Priority	Nhd	Recommended Total Amount £	Recommended Neighbourhood CIL £	Recommended Carbon Offset s106 £	Recommended Climate £	Total Funding for Scheme £	Capital Budget 2023-24 £	Capital Budget 2024-25 £	Revenue Budget 2023-24 £	Revenue Budget 2024-25 £	Total budget for scheme £
1	Shine Saturday School	1	Mitcham	30,000	30,000	0	0	30,000	0	0	0	30,000	30,000
3	Youth Sports Arena	3	Mitcham	60,000	60,000	0	0	60,000	0	60,000	0	0	60,000
4	Living green walls in local schools	2	Various	43,118	34,597	0	8,521	43,118	0	43,120	0	0	43,120
5	Cannizaro Park flood management project	2	Wimbledon	30,000	30,000	0	0	30,000	0	30,000	0	0	30,000
6	Retrofit the 23rd Mitcham Scout Hall with external insulation	2	Mitcham	13,740	0	13,740	0	13,740	0	13,740	0	0	13,740
9	Polish Family Climate Action	2	All	41,000	0	0	41,000	41,000	0	0	0	41,000	41,000
10	Morden Rec – Access, Leisure and Health	2	Morden	80,000	80,000	0	0	80,000	0	80,000	0	0	80,000
11	Safety and energy efficiency improvements – Polka Theatre	2	Wimbledon	29,347	29,347	0	0	29,347	0	29,350	0	0	29,350
12	Friends of Raynes Park Station (FORPS)	1	Raynes Park	4,500	4,500	0	0	4,500	0	0	0	4,500	4,500
16	New Horizon Courtyard Raingarden	2	Mitcham	50,000	40,119	0	9,881	50,000	0	50,000	0	0	50,000
18	Figge's Marsh park improvements	2	Mitcham	42,132	42,132	0	0	42,132	0	42,140	0	0	42,140
19	Improved community facilities at Commonsidge	1	Mitcham	70,620	70,620	0	0	70,620	0	70,620	0	0	70,620
20	Whorley Hall, community centre improvements (NEMCA)*	1	Mitcham	55,000	55,000	0	0	55,000	55,000	0	0	0	55,000
21	The Wheel	2	All	30,884	0	0	30,884	30,884	0	0	0	30,884	30,884
22	Preloved Studio	2	All	36,554	25,718	0	10,836	36,554	0	0	0	36,554	36,554
23	Actively Merton" exercise opportunities for those aged 50+	3	All	63,200	63,200	0	0	63,200	0	0	0	63,200	63,200
24	BAME Community Climate Action	2	Various	41,308	0	0	41,308	41,308	0	0	0	41,308	41,308
25	Library in the Park 2024	1	Mitcham	5,000	5,000	0	0	5,000	0	0	0	5,000	5,000
27	Hadley Road Community Allotment Hub	2	Mitcham	30,151	24,192	0	5,959	30,151	0	30,160	0	0	30,160
28	TET Creative	1	All	112,860	112,860	0	0	112,860	0	0	0	112,860	112,860
32	Basketball Court resurfacing and marking and outdoor gym	3	Morden	69,850	69,850	0	0	69,850	0	69,850	0	0	69,850
33	Merton Garden Streets 2024	2	All	34,613	24,353	0	10,260	34,613	0	0	0	34,613	34,613
36	Make Merton Merry	1	Various	25,000	25,000	0	0	25,000	0	0	0	25,000	25,000
38	May Project Gardens Eco System	2	Morden	30,360	23,009	0	7,351	30,360	0	0	0	30,360	30,360
39	Abbotsbury Child friendly Zone	1	Morden	30,000	30,000	0	0	30,000	0	30,000	0	0	30,000
Top-up	St Mary's Churchyard Heritage Wall repair	1	Morden	1,822	1,822	0	0	1,822	0	0	1,822	0	1,822
Top-up	Small Quarter Phase 1	2	Mitcham	891	891	0	0	891	0	0	891	0	891
	Sub-total bids and top-ups			1,061,950	882,210	13,740	166,000	1,061,950	55,000	548,980	2,713	455,279	1,061,972
	Ward Allocation Scheme	1/2/3	All	370,000	370,000	0	0	370,000	0	0	0	370,000	370,000
	Total All Projects			1,431,950	1,252,210	13,740	166,000	1,431,950	55,000	548,980	2,713	825,279	1,431,972

Summary of Bidding Outcomes

Capital			603,958	565,857	13,740	24,361	603,958	55,000	548,980	0	0	603,980
Revenue			827,992	686,353	0	141,639	827,992	0	0	2,713	825,279	827,992
Total All Projects			1,431,950	1,252,210	13,740	166,000	1,431,950	55,000	548,980	2,713	825,279	1,431,972

* Please note already in the capital programme funded by Merton - scheme is "Mitcham Area Regeneration - North East Community Centre"

Corporate Priority

- 1 Nurturing Civic Pride – is about the relationship that people and communities have with a place this includes their physical surroundings and feelings of identity and belonging.
- 2 Building a Sustainable Future - Working towards a greener, more sustainable, and resilient future for the borough means better housing, action on climate change and supporting the health and wellbeing of our local communities.
- 3 Creating a Borough of Sport - From internationally renowned organisations like the All-England Club to grassroots clubs and organisations like Tooting and Mitcham FC, we want to strengthen our partnerships with sports clubs, organisations and businesses across the borough and promote increased participation in sports and activity.
- 4 Corporate Change Programme - comprising Customer and Digital (including the Digital Strategy), Financial Sustainability, People and Culture and Story and Reputation
- 5 Corporate Budgets