Merton Council
Overview and Scrutiny Commission

Date: 14 November 2018
Time: 7.15 pm
Venue: Merton Civic Centre

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This is a public meeting – members of the public are very welcome to attend. The meeting room will be open to members of the public from 7.00 p.m.

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Overview and Scrutiny Commission membership

Councillors:
Peter Southgate (Chair)
Peter McCabe (Vice-Chair)
Laxmi Attawar
John Dehaney
Sally Kenny
Oonagh Moulton
David Williams
Rebecca Lanning
Owen Pritchard
Paul Kohler

Substitute Members:
Dennis Pearce
Eleanor Stringer
Nick McLean
Thomas Barlow
Carl Quilliam
Edward Foley

Co-opted Representatives
Helen Forbes, Parent Governor Representative - Secondary and Special Sector
Emma Lemon, Parent Governor Representative - Primary Sector
Colin Powell, Church of England diocese

Note on declarations of interest

Members are advised to declare any Disclosable Pecuniary Interest in any matter to be considered at the meeting. If a pecuniary interest is declared they should withdraw from the meeting room during the whole of the consideration of that mater and must not participate in any vote on that matter. If members consider they should not participate because of a non-pecuniary interest which may give rise to a perception of bias, they should declare this, .withdraw and not participate in consideration of the item. For further advice please speak with the Assistant Director of Corporate Governance.

What is Overview and Scrutiny?
Overview and Scrutiny describes the way Merton's scrutiny councillors hold the Council's Executive (the Cabinet) to account to make sure that they take the right decisions for the Borough. Scrutiny panels also carry out reviews of Council services or issues to identify ways the Council can improve or develop new policy to meet the needs of local people. From May 2008, the Overview & Scrutiny Commission and Panels have been restructured and the Panels renamed to reflect the Local Area Agreement strategic themes.

Scrutiny's work falls into four broad areas:

⇒ **Call-in**: If three (non-executive) councillors feel that a decision made by the Cabinet is inappropriate they can 'call the decision in' after it has been made to prevent the decision taking immediate effect. They can then interview the Cabinet Member or Council Officers and make recommendations to the decision-maker suggesting improvements.

⇒ **Policy Reviews**: The panels carry out detailed, evidence-based assessments of Council services or issues that affect the lives of local people. At the end of the review the panels issue a report setting out their findings and recommendations for improvement and present it to Cabinet and other partner agencies. During the reviews, panels will gather information, evidence and opinions from Council officers, external bodies and organisations and members of the public to help them understand the key issues relating to the review topic.

⇒ **One-Off Reviews**: Panels often want to have a quick, one-off review of a topic and will ask Council officers to come and speak to them about a particular service or issue before making recommendations to the Cabinet.

⇒ **Scrutiny of Council Documents**: Panels also examine key Council documents, such as the budget, the Business Plan and the Best Value Performance Plan.

Scrutiny panels need the help of local people, partners and community groups to make sure that Merton delivers effective services. If you think there is something that scrutiny should look at, or have views on current reviews being carried out by scrutiny, let us know.

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OVERVIEW AND SCRUTINY COMMISSION
19 SEPTEMBER 2018

(7.15 pm - 9.30 pm)

PRESENT: Councillors Peter Southgate (in the Chair), Peter McCabe, Laxmi Attawar, John Dehaney, Sally Kenny, David Williams, Rebecca Lanning, Owen Pritchard, Paul Kohler and Thomas Barlow

Co-opted Members Helen Forbes and Emma Lemon

ALSO PRESENT: Councillor Edith Macauley MBE (Cabinet Member for Community Safety, Engagement and Equalities)
Chief Superintendent Sally Benatar, BCU Commander

Rachael Wardell (Director, Children, Schools & Families Department), Neil Thurlow (Community Safety Manager), Kim Brown (HR Lead), Steve Langley (Head of Housing Needs and Strategy), Temitayo Oketunji and Julia Regan (Head of Democracy Services)

1 APOLOGIES FOR ABSENCE (Agenda Item 1)

Apologies were received from Councillor Oonagh Moulton (substituted by Councillor Thomas Barlow) and from co-opted member Colin Powell.

2 DECLARATIONS OF PECUNIARY INTEREST (Agenda Item 2)

There were no declarations of pecuniary interest.

3 MINUTES OF THE PREVIOUS MEETING (Agenda Item 3)

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

4 CRIME AND POLICING IN MERTON (Agenda Item 4)

Sally Benatar, the Basic Command Unit Borough Commander introduced the report. The south west London Basic Command Unit (BCU) , comprising Merton, Richmond, Kingston and Wandsworth was the third to go live. The Borough Commander said that across London there had been significant cuts and that there were currently fewer police officers in London than in previous years but that additional funding was anticipated next year which would enable them to recruit more officers.

Since taking up the post the BCU Commander has attended various public and other meetings and was aware that the public's main concerns include increasing the visibility of the police, tackling anti-social behaviour, improving accessibility of the 101 phone service and issues around contact with neighbourhood police officers.

The BCU Commander provided responses to those questions marked as “answer to follow” in the report:

Question 18
The answer is partly provided by the response to Question 14. In addition, the police are carrying out intelligence-led stop and search and are seeking to increase this as a preventative measure. The police also use a wide range of tactics, working in partnership, including covert operations to target gangs and drug dealers, as well as test purchases of knives plus enforcement action, work to remove online content that incites violence and use of automated number plate recognition to target moped enabled crime. The BCU Commander stressed the importance of prevention and early intervention work with schools.

Question 20
The BCU Commander referred to evidence from the College of Policing about the services that have the greatest impact on levels of crime. She added that one of the most significant factors in terms of demand on policing services is mental health.

Question 21
This is a complex area and there is no specific comparative data. Merton’s multi-agency panel is well placed to tackle criminal exploitation of children and young people. There is also lots of preventative work and proactive work on offender management to reduce the level of re-offending.

Question 22
There were no murders in Merton in 2016/17, 3 in 2017/18 and 2 so far this year. Strategic action taken is as described in previous answers.

Question 23
The PSPO has been one factor contributing to a lower level of anti-social behaviour reports this year. Further detail on street drinking and anti-social behaviour is contained in the Safer Merton report elsewhere on this agenda.

The Chair invited members to ask supplementary questions arising from the written responses set out in the agenda pack. The Borough Commander provided additional information in response to these questions:

- Parade sites are the location at which officers start their shifts and receive their briefing. The number of officers at parade sites will vary across shifts and they are allocated as required to answer calls. They may return to the parade site during the shift but were more likely to go to one of the custody suites. Officers have mobile devices so can work from any police building.
- Resource planning provides a minimum of 72 emergency response officers per shift across the four boroughs.
- Data shows calls and crime reports received per borough but not officer time spent in each borough.

- The move to the BCU model of policing has introduced a different way of working whereby officers follow through on crime reports rather than passing to other officers (this bring the BCU in line with other parts of the country)
- Each ward has two dedicated police officers and one PCSO, in line with an undertaking by the Mayor of London. The number is not based on the number of total notifiable offences recorded for each ward.
- Officers within the BCU are moved around to work flexibly and respond to demands as they arise. Additional resources can be drawn in from a central London pool if required, based on the risk posed balanced against demands elsewhere in London.
- Ward officers look at crimes and trends in the local area and put out messages to residents. The BCU Commander undertook to discuss communication issues with Neighbourhood Watch.
- There will be more school police officers in the BCU than previously and more work with primary schools. There are a number of vacancies at present.
- No decision has been made yet on where the bases for the neighbourhood hubs will be located. The BCU Commander undertook to discuss this with Councillor Edith Macauley, Cabinet Member for Community Safety, Engagement and Equalities.

In response to a request for further information, the BCU Commander said that there is a police protocol that sets out powers and procedures in relation to Traveller encampments. Responses are made in partnership with the council. Debriefs are carried out and lessons learned include the importance of clear communication, ensuring response is proportionate and taking account of other responsibilities including safeguarding. Neil Thurlow, the council's Community Safety Manager, added that the council is currently considering the case for taking out a borough wide injunction to protect council-owned land. Members noted that the Commission would receive a report on the Travellers unauthorised encampment protocol at its meeting on 24 April 2019.

There was discussion about the number of parking spaces available at Mitcham Police Station. ACTION: Councillors Owen Pritchard and Paul Kohler agreed to visit to check the actual number.

The BCU Commander invited Commission members to visit the police command control centre at Hendon to see how 999 calls are handled and allocated.

In response to a question about the crime statistics set out in the report the BCU Commander said that the number of offences had increased slightly and the detection rate had decreased slightly. This is the case across the BCU but less so in Merton than elsewhere. The police continue to encourage reporting of domestic abuse and are working to tackle knife crime, which is one of the local priorities.

5 EXECUTIVE RESPONSE AND ACTION PLAN - RECRUITMENT AND RETENTION OF TEACHERS SCRUTINY TASK GROUP (Agenda Item 6)

Members discussed the executive response to recommendations made by the task group. Overall, disappointment was expressed that the responses had not taken on board detailed points made by the task group in its report and that responses to some of the recommendations had not addressed the totality of the recommendation (for example, recommendations 1,2 and 16). The Director for Children Schools and Families, Rachael Wardell, said she would take the Commission's comments into account when bringing the progress update to the Commission on 20 March.

Members made specific comments on a number of recommendations:

<u>Recommendation 3</u>
Members noted that the recommendation had been accepted "in principle" only and were hoping for more enthusiasm to be demonstrated in promoting the teacher apprenticeship scheme.

Rachael Wardell, said that the scheme would be promoted as one of a number of routes into teaching, albeit one for which there is a relatively small pool of potential applicants.

<u>Recommendations 9-12</u>
Members expressed disappointment but not surprise that Cabinet had rejected these recommendations and said although they understood Cabinet's reasons for the rejections, housing remained a significant factor in the recruitment and retention of teachers.

Rachael Wardell said that, in addition to the points made by the Cabinet Member, the lack of housing stock at the disposal of the council and the decreasing number of teachers to be directly employed by the council (rather than by academies for example) would make such an offer impracticable and very costly.

ACTION: The Commission Chair, Councillor Peter Southgate, and co-opted member Helen Forbes will review the executive response and provide detailed comments on where there should be a fuller response in March.

6 SAFER MERTON UPDATE REPORT (Agenda Item 5)

Neil Thurlow, Safer Merton Manager, introduced his colleague Temitayo Oketunji, newly appointed Victims Champion. Neil Thurlow summarised the main points from the report to provide an update on work undertaken by Safer Merton and the Community Safety Partnership over the past 12 months.

Neil Thurlow and Temitayo Oketunji proved additional information in response to questions:

- The majority of anti-social behaviour cases are received via email or from the contact centre and require low level involvement and/or signposting to other agencies
- Ask Angela numbers are not recorded centrally as they are dealt with by the licensed premises that receives the request
- The Victims Champion post has been funded for 3 years by the Mayor of London
- The restorative justice officer works to explain the concept of restorative justice to victims and to engage them in the process to achieve an outcome. The level of uptake has been low locally, in London and nationally. Neil Thurlow advised that this work sits with Roberta Evans, the Youth Offending Team Manager in CSF, and undertook an action to request information on how the work is analysed. ACTION: Safer Merton Manager and Youth Offending Team Manager

In response to a question about problems experienced with the 101 phone number, the BCU Borough Commander, Detective Superintendent Sally Benatar, said that some improvements have been made to the menu of options that have reduced waiting time to an average of 85 seconds this week and that a recruitment campaign for 101 phone line staff would start soon.

Councillor Edith Macauley, Cabinet Member for Community Safety, Engagement and Equalities drew the Commission's attention to the work of the One Stop Shop, which has helped around 2500 people since its inception 8 years ago. She added that a presentation on hate crime work had been well received by the Joint Consultative Committee With Ethnic Minority Organisations.

The Chair thanked Neil Thurlow for his comprehensive report and asked if a short email could be sent to all councillors to set out key messages about phoning the police which could be passed on to residents. ACTION: Safer Merton Manager

7 TASK GROUP TERMS OF REFERENCE - ROAD SAFETY (Agenda Item 7)

RESOLVED:

1. to agree the terms of reference of the road safety around schools task group as set out in the report;
2. to appoint Councillors Rebecca Lanning and Peter Southgate and co-opted member Helen Forbes to the task group. Further members to be sought by the Head of Democracy Services.

ACTION: Head of Democracy Services.

Members asked that the task group assess the viability and contribution of a pedestrian area around schools; and make sure that children and young people wear helmets when cycling and comply with the Highway Code.

8 TASK GROUP TERMS OF REFERENCE - EU RESIDENTS IN MERTON (Agenda Item 8)

RESOLVED to agree the terms of reference with a small change to read:

- To consider what support EU residents and council employees will require to identify their status and rights as Brexit progresses;
- To identify existing support and best practice in other councils, voluntary organisations and in the private sector that could inform the council's approach in providing or signposting to services;
- To make recommendations about how the council could support or signpost EU residents and council employees as Brexit progresses in order to achieve the optimum outcome for that individual, including to secure settled status if desired.

9 MINUTES OF THE FINANCIAL MONITORING TASK GROUP, 30 AUGUST 2018 (Agenda Item 9)

Noted.

10 WORK PROGRAMME (Agenda Item 10)

RESOLVED:

1. To agree the work programme as set out in the report
2. To ask the Director of Corporate Services to use the November Business Plan report as an opportunity to provide the Commission with information on how the large budget gap predicted for 2020/21 will be addressed, what options are available for closing the gap and what are the implications of each option

Committee: Cabinet

Date: 12 November 2018

Wards: All

Subject: Preparing the Council for the UK's exit from the European Union

Lead officer:	Caroline Holland, Director of Corporate Services
Lead member:	Councillor Mark Allison, Deputy Leader & Cabinet Member for Finance
Contact officer:	John Dimmer, Head of Policy, Strategy and Partnerships
	(020 8545 3477 / john.dimmer@merton.go.uk)

Recommendations: That Cabinet:

A. Note the implications for the council and the borough of the issues highlighted in the report and the actions being taken to deal with them;

B. Note the establishment of a corporate task group headed by the Director of Corporate Services, that is looking at the implications of Brexit in more detail and directing actions being taken; and

C. Note the proposed approach for how the council can support EU residents, particularly those in hard to reach and vulnerable groups, with information and support to secure their rights around settled status.

1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

1.1. The purpose of this report is to highlight the ways in which the council and the services it provides will potentially be impacted by the UK's withdrawal from the European Union. It also highlights the implications of Brexit for residents of the borough and the local community.

1.2. The report outlines cross cutting issues that will have an impact on the organisation as a whole, including analysis and commentary from organisations such as the Local Government Association, the Local Government Information Unit, London Councils, CIPFA and the No Recourse to Public Funds Network. It also sets out an early indication of the council's preparations.

1.3. There remains continued uncertainty about what 'kind of Brexit' the country will face, and until the final agreement is known it will be hard to determine its exact impact. However the council will need to be prepared for all eventualities (including a "no deal Brexit") and keep up-to-date with developments, regularly reviewing the areas of highest potential impact. This will enable it to strengthen its resilience and develop contingency plans in key areas such as workforce, regeneration, funding, legislation and community cohesion.

1.4. In response, the Leader of the Council has created a Cabinet role to assess the impact of Brexit and ensure that actions are being taken as appropriate. The Leader has also asked the Director of Corporate Services to establish a task group to look at the implications of Brexit in more detail and direct actions being taken.

1.5. At a meeting on 12 September Council welcomed the news that the Council's Risk Register is being updated with regards to Brexit, and called on Cabinet to ensure the register maintains a robust and up to date account of the risks of the UK leaving the EU with no deal, and to implement any recommended measures as soon as possible.

1.6. Council also expressed its support for the work being carried out through the Scrutiny process into ways for Merton to better support citizens from the EU27 as Brexit progresses, particularly looking at what support can be given as their rights change. Council agreed to support the call for a People's Vote on any final Brexit deal.

1.7. Updates relating to Brexit continues to be released on a regular basis, and announcements and analysis highlighted in this report is subject to frequent change and speculation. Information in this report was accurate and up-to-date as at October 2018.

2 BACKGROUND

2.1. On 23 June 2016 Britain voted to leave the European Union (52 per cent voting to leave). London was the only region within England to vote with a majority to remain in the EU, with 59.9 per cent of the vote (2.26 million votes).

2.2. The government formally triggered the process of the UK's withdrawal from the European Union on 29 March 2017. The terms – which continue to be negotiated – will have a range of significant effects on local government and the communities they serve. Local authorities have a unique and important perspective to bring to the negotiations as community leaders, service providers, employers and shapers of place.

3 DETAILS

3.1. On 12 July the Government published its white paper on the Future Relationship between the United Kingdom and the European Union. The proposals in the white paper are informing the ongoing discussions between Government officials and EU negotiators about the terms of the UK's withdrawal. The withdrawal agreement and the framework for the future relationship will need to be finalised in the autumn to allow time for ratification before the UK leaves the EU on 29 March 2019.

3.2. The key points outlined in the white paper would mean:

- That the UK leaves the single market and the customs union; instead there would be a new free trade area for goods and "new arrangements" for services
- Free movement of people would be ended, replaced by a framework for mobility that would allow UK and EU citizens to travel across each

other's borders without a visa for tourism, temporary business and study

- The creation of new partnerships between the UK and the EU on security and cross cutting issues such as science, research and innovation, culture and education and data and information sharing
- The establishment of institutional mechanisms to govern the new arrangements and resolve disputes

3.3. In the LGiU's view, the white paper provides greater clarity on the government's thinking on some key issues for Local Government. These include the proposals on labour mobility which acknowledges the importance of EU citizens being able to able to come to the UK to work. However it is noted that the white paper appears to focus on those with professional qualifications, rather than lower skilled workers. Further detail is awaited on the Government's future policies on immigration from EU member states.

3.4. Decisions are ongoing about the terms of the 'deal' that the UK will negotiate to exit the EU. There is the potential for the UK to become a '3rd Country', the relationship that currently exists for Norway and Switzerland. In this scenario border checks and customs arrangements would be subject to enhanced controls and processes while freedom of movement would be ended. It is unclear what this would mean for the framework for mobility proposed by the Government's white paper. However, it should be noted that other's '3rd country status' was achieved as a result of negotiating an agreement, and so a 'no deal' Brexit could result in the UK also failing to achieve this status.

3.5. The Government continues to state its intention to negotiate a deal, however, the current impasse to date in negotiations between the EU and UK means that 'no deal' preparations are important and likely to be twin-tracked with negotiations, possibly right up to March 2019. The LGA has produced a 'No Deal' briefing that identifies the key issues for councils and highlight where clarity needs to be provided by Government.

3.6. Over the summer the Government have published a series of technical notices to set out what citizens, businesses and organisations would need to do in a 'no deal' scenario. Three sets of papers have been published to date with at least one more set expected in October. The LGA have analysed them against their headline concerns for local government, with the notices so far dealing with some, but not all, issues. For example, there is advice on future procurement processes, but technical advice on the residency/employment status of non-UK EU workers under a 'no deal' departure has yet to be published.

3.7. In an appendix to their report, the LGA have provided a summary of the issues contained in the 76 Technical Papers published to date, highlighting where there are direct implications for local authority services. The LGA have stated their goal that this can act as an initial checklist for leaders and chief executives of those issues where local government has received advice for 'no deal' planning and local preparations will be expected.

3.8. With the possibility of a ‘no deal’ withdrawal, non-UK EU citizens will be seeking reassurance about their future in the UK. The anticipated reciprocated ‘settled status’ for non UK EU citizens may only be possible under a deal with the EU. The LGA is seeking assurance on employment/residency/access to services and voting/standing rights in a ‘no deal’ scenario, which it is hoped will be addressed in a future technical guidance note.

3.9. Councils’ business continuity and emergency planning duties relating to the impact of ‘no deal’ will need to be considered. There is the need to reassure communities that plans are in place for any immediate community cohesion work. In the short-to medium term, there could be scenarios under ‘no deal’, such as the possible return of large numbers of largely elderly UK citizens from other parts of the EU, the key skills the local workforce will need, and the additional capacity that will be needed if more regulatory checks are required to keep on importing from or exporting to the EU.

3.10. The Cabinet Office’s Civil Contingencies Secretariat and CLG’s Resilience and Emergencies Division have begun discussions with Local Resilience Forums to ensure preparedness for key issues; councils will be contributing to this alongside their own scenario planning that they should be doing. The council has provided information to London Councils who are preparing a high level London local authority overview of the implications of exiting the EU.

EU Funding

3.11. Since the result of the referendum, one of the biggest concerns from councils has been addressing the potential funding gap from no longer having access to EU funding, estimated by the LGA to be up to €10.5 billion (£8.4 billion) UK-wide, unless a viable domestic successor to EU regional aid is put in place. While Merton is not currently in receipt of any EU funding that will need to be replaced, it will no longer have access to put funds for projects such as the regeneration of Morden Town Centre where there may previously have been the opportunity.

3.12. In its 2017 General Election manifesto, the Government pledged to create a UK Shared Prosperity Fund that would replace the money that local areas are currently in receipt of from the EU. Despite the uncertainty over the replacement of EU funding, the LGA has argued that there is the opportunity to give local areas a greater say over how to target regional aid funding for local projects of benefit for local people that can support infrastructure, environment, enterprise and social cohesion.

3.13. The LGA have produced a briefing: 'Beyond Brexit: future of funding currently sourced from the EU' which provides analysis of a number of options aiming to inform the design and delivery of the UK Shared Prosperity Fund.

3.14. ***What the council is doing:*** *a review has been carried out that confirms that the council is not currently in receipt of any EU funding. The task group will continue to review developments around a UK Shared Prosperity Fund to* *ensure that the council is aware of funding that may become available in the future.*

Citizenship and migration

3.15. EU Settled Status is the new indefinite leave to remain status which will protect the rights of non-UK EU citizens when the UK leaves the EU in March 2019. In June 2018 the Home Office launched a Statement of Intent around EU Settled Status with further details on the Scheme. It outlines who will be able to apply, what requirements applicants must meet, how to submit an application and how the process of obtaining status will work practically. The statement clarified some issues for councils, like the waiving of the £32.50 fee for children in care, which has now been agreed.

3.16. Under the scheme EU citizens living in the UK can apply for ‘settled status’ if they want to continue living in the country after June 2021. The scheme will open fully by March 2019. Under the settlement scheme it will be mandatory for EU citizens to have ‘settled’ or ‘pre-settled’ status from 1 July 2021. Applications for settled status can be made once the individual has lived in the UK for five years (unless they were not resident in the UK by 31 December 2020). The deadline for applying will be 30 June 2021. Applications may be made after this date if looking to join a family member already in the UK. The Government has indicated that a person who fails to apply by the end of June 2021 may have no lawful basis to remain in the UK, but it is currently unclear what the consequences of this will be.

3.17. Councils directly or indirectly employ a high proportion of non-UK EU citizens but as the LGA have highlighted, there is also the need for local authorities to consider the scheme as ‘leaders of place’, for example in their role as corporate parents for children in care, but also in supporting hard to reach and vulnerable groups that will require information and support around changes to their status. Local authorities can play a key role in reducing the possible negative impacts on communities that may arise when people are applying for, or in some cases may fail to secure their status.

3.18. The LGA have highlighted that councils should also begin exploring how many children in their care will have to go through the planned EU Settlement Scheme. The No Recourse to Public Funds Network has provided a guide for councils providing more information on the roles and responsibilities of councils in the scheme with a focus on EU children in care and young people leaving care, EU nationals receiving social services’ support and groups at risk of not securing their status.

3.19. London Councils research from August 2017 puts the overall number of EU nationals living in London at 1 million - 12 per cent of the total population. European Economic Area (EEA) employees represent one in eight of all employees in London. The research shows that London is particularly reliant on migrant care workers, with nearly three in five of its social care workforce (59 per cent) born abroad.10.6 per cent of London’s social care workforce were born in the EEA and are without British citizenship.

3.20. According to the Census data from the Office of National Statistics, as at 2011 there were 18,690 EU nationals in the borough. This is 9.3% of the borough's population. Of this total number, 7,649 are from EU member states as of 2001, while 11,041 are from the EU Accession countries that became member states between April 2001 and March 2011. Since the last Census, Information from the council's electoral roll shows that the total number of EU residents in the borough has increased to 20,146.

3.21. London Councils estimates that 64 per cent of EEA+ Nationals in the UK arrived at least five years previously and are therefore potentially eligible for "settled status" on this basis. A further 8 per cent were born in the UK but do not report having British citizenship.

3.22. At the time of the London Councils report, data sources were indicating that migrants' intentions to move to or remain in the UK are changing as a result of the economic and social consequences of Brexit. ONS data from August 2018 shows the number of EU citizens moving to the UK has continued to decrease over the last year. EU net migration was 87,000 in the year to the end of March 2018, returning to a level last seen in 2012. Some 226,000 EU citizens came to the UK and 138,000 EU citizens left. Separate data from the Labour Force Survey for April to June 2018, shows there were 86,000 fewer EU nationals working in the UK than a year earlier - the largest annual fall since comparable records began in 1997.

3.23. In September 2018, the Migration Advisory Committee published its final report on the impact of EEA migration in the UK. In the Committee's view, while EEA migration has had impacts, many of them seem to be small in magnitude when set against other changes – e.g. the fall in the value of the Pound after the referendum vote to leave the EU probably raised prices by 1.7 per cent - a larger impact than the effect on wages and employment opportunities of residents from EEA migration since 2004, although over a different time period. Therefore according to the report: "small overall impacts mean that EEA migration as a whole has had neither the large negative effects claimed by some nor the clear benefits claimed by others."

3.24. The report recommends that if the UK is in a position where it is deciding the main features of its immigration policy, then there should be a less restrictive regime for higher-skilled workers than for lower-skilled workers in a system where there is no preference for EEA over non-EEA workers. The report argues that higher-skilled workers tend to have higher earnings so make a more positive contribution to the public finances.

3.25. In the Committee's view any routes into attract low-skilled workers should not be based around sectors. The report states 'serious concern' about social care, but that this sector needs a policy wider than just migration policy to fix its problems and that this is an illustration of a more general point: "that the impacts of migration often depend on other government policies and should not be seen in isolation from the wider context." The report is also clear to not recommend that the public sector should receive special treatment in the migration system.

3.26. In return, just over 4.5 million Britons live abroad, with approximately 1.3 million of them in Europe, according to figures compiled by the United Nations. British in Europe, a group which campaigns for the rights of British citizens who live elsewhere in the EU, said the draft terms of the Brexit transition deal only guarantee the right for Britons on the continent the right to live, work, and receive healthcare and pensions in their current country of residence. That means freedom of movement, the EU policy which gives citizens the rights to work and study anywhere in the continent without applying for a visa was not contained in the provisional transition deal.

3.27. In December 2017 the government reached an agreement with the European Commission on citizens' rights. This aimed to provide a level of certainty to UK nationals in the EU and their families and allows UK nationals in the EU to continue living their lives 'broadly as they do now.' Following the agreement on the Implementation Period, all UK nationals lawfully residing in another EU Member State on 31 December 2020 will be covered by the citizens' rights agreement, meaning they will continue to have the same access as they currently do to healthcare, pensions and other benefits and will be able to leave their Member State of residence for up to 5 years without losing their right to return. The UK and EU Commission have also agreed that EU27 Member States may require UK nationals and their family members covered by the agreement to apply for a residency document or status conferring the right of residence.

3.28. As with other parts of Brexit, there is a continued lack of clarity on the exact position of UK citizens currently living and working in the EU. The fall in the value of the pound means that the cost of living abroad has increased, and with the potential for a diminishment in the level of rights that UK citizens have access to then there is the possibility that some may choose to return to the UK. Large numbers of UK citizens returning home could put pressure on the availability of housing. In addition, with a proportion of those living abroad being older, that moved following retirement, there could be the added impact from those returning on healthcare and older people's services.

3.29. ***What the council is doing:*** *a recommendation has been put forward to Cabinet to agree that the council, as a leader of place, should be supporting EU residents, particularly those in hard to reach and vulnerable groups, with information and support around changes to their status and how to secure their rights under the settlement scheme. It is proposed that the council should develop a communications campaign and publish information online, brief staff working in the customer contact centre, send out information through channels such as MVSC bulletins and work with advice agencies and providers such as Citizens Advice.*

3.30. *At a meeting on 12 September Council expressed its support for the work being carried out through the Scrutiny process into ways for Merton to better support citizens from the EU27 as Brexit progresses, particularly looking at what support can be given as their rights change and the related uncertainty created by that process. All councillors were encouraged to engage with that review.*

Communities

3.31. According to a report put together by London Councils on the implication of exiting the EU, over one third of Londoners were born abroad with migrants being a key part of local communities and the economy. As outlined in the report, councils have an important role to play in promoting integration and community cohesion, especially at a time of significant upheaval and uncertainty.

3.32. Many areas saw a rise in reported hate crime immediately following the referendum result and evidence gathered by London Councils from boroughs shows different European communities expressing concern about their future. As the report emphasises, 'a rise in reported hate crime alone is an imperfect measure of community cohesion and might indicate a positive increase in the rate at which such crimes are reported' however it is clear that councils have a key role to play in building and protecting social integration in their local area as emphasised by the Casey Review into integration.

3.33. Merton launched its Hate Crime Strategy shortly after the EU vote. The strategy references that 74% of Londoners say they are concerned about hate crime and that recorded figures saw an increase after the referendum result, with more than 3000 allegations of hate crime made to UK police in the week before and after the vote on June 23rd. This led the head of the National Police Chiefs' Council to make the following statement: "The referendum debate has led to an increase in reporting of hate crime. It is very clear in the last couple of weeks that more people have been aware of experiencing such incidents than we have had before". It should be noted however that the level of reported instances of hate crime has reduced since this point.

3.34. ***What the council is doing:*** *the council, through Safer Merton will continue to monitor developments within the community and any increases in hate crime linked to Brexit should they arise. An objective is in place in the Hate Crime Strategy Action Plan to reassure the public before, during, and after the process of the UK exiting the EU. Through the communications campaign set out above, to counter any false rumours, 'myth busting', and offer reassurance to Merton's communities about the council's support of a diverse and tolerant borough and zero tolerance approach to hate crime.*

Workforce

3.35. Brexit could have wide ranging implications for the future public sector workforce. It is estimated five per cent of the local government workforce and seven per cent of the social care workforce is from the EU-27 countries. While this is a lower proportion than some sectors, recruitment difficulties resulting from a fall in EU migration are likely to impact on local government via the social care and construction sectors, with the LGiU arguing that workforce issues are inextricably linked to the financial challenges facing local government. The impact that Brexit could have on the wider national workforce that will be vulnerable to reductions in the supply of labour from the EEA, could also have other indirect implications for council services.

3.36. CIPFA's Brexit Advisory Commission for Public Services has published a report which examines options for how the Brexit agreement could protect the needs of UK public services. It advocates that the UK should be looking for a bespoke agreement which allows free movement between the UK and the EU of skilled public sector workers such as doctors, nurses, academics and technicians, alongside a quota system for lower skilled positions in key sectors where there are labour shortages. The report highlights that the public sector will continue to require high skilled and lower skilled staff from the EU, as will other sectors that are important for public services such as construction, IT, engineering and transport.

3.37. The commission proposes that central government and the public sector should do more joint planning and risk assessment on Brexit. Specifically, the issues arising from Brexit should be considered alongside other public sector challenges, rather than being considered in isolation. It also recommended that the Government consider the idea of regional variations in migration policy, so that areas most dependent on EU staff can continue to recruit them, however the Migration Advisory Committee's report on the impact of EEA migration argues the opposite; there should be no regional variation and no special dispensation for the public sector.

3.38. During the 2016-17 parliamentary session the health select committee held an inquiry into the impact of Brexit on health and social care. It published a report on its findings in April, with one of the key impacts likely to be on the social care workforce of the future. An LGiU briefing on the key findings from the select committee enquiry highlights that the UK will continue to need lower skilled workers from overseas, at least in the short-medium term. 'If health and social care providers find it difficult to fill shortages with workers from the EU-27 countries, gaps may open up which could put upward pressure on pay and terms and conditions, raising costs. This could put further stress on local authority budgets.'

3.39. It is estimated that EU-27 workers make up around seven per cent of the adult social care workforce in England, with a further nine per cent from outside the EU. The significant proportion of overseas workforce in social care is driven by low wages and challenging working conditions, which in turn are exacerbated by the squeeze on local authority budgets. This has historically been seen as a reason for carework being a less attractive proposition for British workers.

3.40. ***What the council is doing:*** *HR are looking to review the current workforce and understand the service areas where there might be the most significant implications of a high proportion of EU nationals. In particular this will look at the care sector and the workforce of the council's contractors. As part of this work HR will be looking at the options for supporting staff that may be required to apply for Settled Status.*

Laws, legislation and devolution

3.41. The proposals in the Government's white paper on the Future Relationship between the UK and the EU for a non-regression on environmental standards suggest that there should be little change to environmental law which governs some local authority functions. The white paper also stated the Government's intention to adhere to a common rulebook on procurement and state aid.

3.42. As part of the Brexit negotiations local government leaders are pushing the case for further devolution and public service reform, to ensure that it does not mean a transfer of powers from the EU back to central government.

3.43. EU law and regulation underpins many council services (such as waste and environmental standards). The Withdrawal Act 2018 provided for all EU law to be brought into UK law to ensure that there was legal certainty for businesses and residents. The Withdrawal Act is now law and this legal certainty remains in place under 'No Deal'. However, many UK laws refer to EU regulations or to EU agencies. The Withdrawal Act gives ministers the ability to amend such laws where EU institutions or processes are mentioned. The Government has said that it is working to assure people of continuity (at least in short-medium term) that it will name UK successor agencies to EU regulators.

3.44. As EU law is incorporated into the domestic statute, local government has a central role to play in deciding which should be kept, amended or scrapped. For example, there are many EU-origin laws which commentators highlight could be improved through amendment; including public procurement, state aid rules and new approaches to waste, recycling and landfill. Equally there are a number of areas where it is helpful for EU-origin laws to remain, including air quality, transport, consumer rights laws and the provision of service regulations.

3.45. ***What the council is doing:*** *the task group, which will have a representative from Legal Services, will regularly be reviewing policy developments relating to Brexit and the implications this could have. DMTs will be reviewing legislation and technical guidance updates as it relates to the specific service areas within their departments and reporting this information to the task group.*

Regeneration, house building, skills and the high street

3.46. Councils with house building plans and development programmes will need to ensure that their plans are sustainable given the potential impact on infrastructure funds and the loss of housing loans from the European Investment Bank. Rising build costs will affect the financial viability of schemes and could result in stalled development. A loss of labour from the EU national could also impact on the construction sector and skills shortages.

3.47. The construction industry is significantly dependent on EU migrant workers, both for skilled and non-skilled roles. A shortage of workers could therefore lead to higher project costs or as a consequence building schemes having to either be reduced in scale or scrapped altogether. This could have a significant impact for the council's regeneration schemes such as that for Morden Town Centre and on the Council's Housing Company and the program of construction outlined in its establishment.

3.48. In a post-Brexit environment, where demand outstrips supply, it could lead to UK workers demanding higher wages to work the jobs where shortages have emerged. This could have a significant impact on the ability of the government to achieve their objective to build one million new homes, as well as locally the Mayor of London's ambitious housing targets.

3.49. Alongside the workforce issues, research suggests that approximately two-thirds of construction materials for house building and other schemes are imported directly from the EU. This could have two issues; a weaker pound will lead to rising costs for imported materials, while at the same time the UK risks losing its tariff-free access to the single market, as well as facing the imposition of duties and limits on quantities, exacerbated in a 'No Deal' withdrawal.

3.50. It is widely accepted that the UK has a significant skills gap. If bridging the gap in the skills that public services need can no longer be met through migration (EU or non-EU) then there will have to be a drive to improving the skills of UK workers. In the LGA's view, the workforce challenges of Brexit needs to be a catalyst for a fundamental rethink of skills development in the UK. In CIPFA's view migration policy should be integrated with greater local control over skills and aligned with the UK Shared Prosperity Fund (the proposed successor to European Structural and Investment Funds).

3.51. A London Councils briefing on the impact Brexit could have on London's skills challenge notes that London's economic success has been driven by being a leader in financial, professional and technical services, creating a strong demand for highly skilled, highly productive labour. A skilled workforce is vital if London's economy is to continue to grow. In the briefing it is argued that to meet the challenges in London of high levels of youth unemployment, a rapidly growing population and a number of key sectors that are heavily reliant on migrant labour, London needs an efficient skills system that is responsive to business need and supports learner progression.

3.52. Since Brexit the fall in the pound has contributed to inflation rising to over 3% - significantly above the Bank of England's 2% target. This has made imported goods more expensive, with costs in many instances passed on to consumers. This come at the same time as wages rising at a slower pace than inflation meaning shoppers have less disposable income to spend in stores and restaurants. There are a number of wider reasons behind the continued decline in many high streets, such as the rise of online shopping, but Brexit is predicted to increase the pressures on many businesses and retailers and could lead to a further downturn. This will have a direct impact on the council in terms of the level of business rates it collects, but also more widely, there is the negative impact for the community if high streets and town centres in the borough are struggling.

3.53. ***What the council is doing:*** *we are assessing the impact on planned and future regeneration activities, particularly the Estates Regeneration Plan. We continue to regularly liaise with business organisations via the Chamber of Commerce. We will also monitor any changes to business rate income.*

4 ALTERNATIVE OPTIONS

4.1. The council could chose not to do any preparatory work or analysis on the potential impacts of Brexit, choosing to wait until there is more clarity or certainty from the government on the terms of the 'deal' to exit or future relationship between the UK and the EU. However this will leave the council ill prepared to deal with any changes to the way it delivers its services that will come about as a result of exiting the EU and a likely growing uncertainty amongst members of the community and the workforce that are EU residents.

5 CONSULTATION UNDERTAKEN OR PROPOSED

5.1. A business continuity planning session on the impacts of Brexit, led by the Director of Environment and Regeneration was held at the Collective DMT session on 25 September 2018.

5.2. The report was presented to Corporate Services DMT on 26 September 2018 for comments and feedback.

5.3. The report was agreed by CMT on 2 October 2018.

6 TIMETABLE

6.1. December 13 -14 2018: the last European Council of 2018 seen as the last practical date for withdrawal agreement to be signed.

6.2. January-February 2019 (at the latest): Commons approval. The House of Commons must approve the agreed deal and Parliament must pass an Implementation and Withdrawal Bill that sets out the terms of Brexit in fuller detail.

6.3. The Settled Status scheme will open fully by March 2019.

6.4. The UK will leave the EU on the 29 March 2019.

6.5. After March 30th, 2019: Trade talks can begin between the UK and the EU. While Britain remained a member state, such talks were not permitted under EU law. Under the deal reached in principle in 2018, this is when the 21-month transition period begins. During this time most aspects of UK membership of the EU will remain in place, including free movement across borders and membership of the customs union and single market. But Britain will no longer have a vote.

6.6. The closing deadline for applications to be submitted for settled status will be 30 June 2021.

7 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

7.1. There continues to be uncertainty about what 'kind of Brexit' the country will face, and until the final agreement is known it will be hard to determine its exact impact. However the council will need to be prepared for all eventualities, including a 'no deal Brexit', all of which are likely to have a significant financial impact on the economy, and subsequently the level of funding for public services.

7.2. Brexit could have wide ranging implications for the future public sector workforce. Recruitment difficulties resulting from a fall in EU migration are likely to impact on local government via the social care and construction sectors. The costs of employing workers in these sectors is likely to increase as a way of attracting workers to fill the resulting vacancies. To cover workforce shortages there may be a greater need to use agency staff with the attached costs that this will bring. Agencies themselves may also suffer from shortages in the availability of staff on their books as a result of a fall in EU migration.

7.3. It is predicted by some economic models that Brexit could see a fall in the value of the pound which will have an impact on the costs and availability of goods and services, particularly those manufactured by, or provided by countries from within the EU. The introduction of trade tariffs could also result in an increase in costs for the council.

7.4. There is a potential funding gap for councils from no longer having access to EU funding, estimated by the LGA to be up to €10.5 billion (£8.4 billion) UK-wide if not replaced. In its 2017 General Election manifesto, the Government pledged to create a UK Shared Prosperity Fund that would replace the money that local areas are currently in receipt of from the EU, however further information and confirmation of this has yet to be provided.

7.5. Benefit entitlement for EU nationals and their family members is currently linked to a person's activities in the UK, for example, employment or having a right of permanent residence. It is still unclear what the consequence will be for those that don't meet settled status so there may become a larger number of EU nationals who have no recourse to public funds (NRPF). According to the No Recourse to Public Funds Network local authorities currently spend at least £43.5m per year funding accommodation and financial support for destitute migrants with NRPF to safeguard the welfare of children within families, adults with care needs and young people leaving care.

7.6. There could be financial implications related to the council having to bring in specialist advice to understand the potential changes to regulations and legislation.

7.7. There could be financial implications for the council in having to administer another General Election should the decision be made to call one as a result of a deadlock in negotiations between the UK and the EU on the terms of the exit.

8 LEGAL AND STATUTORY IMPLICATIONS

8.1. Over the period of membership, a number of EU laws have been incorporated as part of domestic statute and there is not yet a definitive position on which laws will be kept, amended or repealed. There are a number of pieces of EU legislation that currently impacts on the way the council delivers its services including those linked to procurement, waste, recycling, air quality, transport, consumer rights laws and the provision of service regulations.

8.2. There are a number of areas where it is likely to be decided that it is essential or helpful for EU-origin laws to remain and that the council will need to continue to adhere to. However local government leaders continue to push the case as part of the negotiations for leaving for further devolution and public service reform and have highlighted the opportunity that EU-origin laws could be improved through amendment.

8.3. The far-reaching implications of Brexit have been addressed in this report and as well potential amendments and repeals of legislation; there is the practical impact with regards the fall out of a no deal (or a hard Brexit). There is the effect this will have on the economy and in particular exchange rates and the impact on the contractors/suppliers that the Council is in contract with. In the short term it might be prudent for the council to carry out a due diligence exercise on the financial viability of suppliers/contractors with regards contracts which are high risk or high value. This is also the time to consider contingency plans with regards this area of concern, as well as those areas where EU nationals are directly and indirectly employed and the other areas identified in this report.

9 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

9.1. The Human Rights Act was passed into UK law in 1998. The human rights contained within this law are based on the articles of the European Convention on Human Rights. The Act 'gives further effect' to rights and freedoms guaranteed under the European Convention. As outlined under the legal and statutory implications section, it remains unclear which EU-origin laws and regulation that the UK will continue to adhere to or seek to repeal.

9.2. Many areas saw a rise in reported hate crime immediately following the referendum result and there is evidence, collected both locally as well as regionally and nationally that shows different European communities expressing concern about the future. In the lead up to, and following the date of the exit of the UK from the EU there could be implications for community cohesion within the borough and the potential for instances of hate crime.

10 CRIME AND DISORDER IMPLICATIONS

10.1. As set out under the community cohesion implications, there is the potential for the UK's exit from the EU to lead to a rise in community tensions and a rise in the number of instances of Hate Crime. Figures showed 3000 allegations of hate crime made to UK police in the week before and after the referendum vote on June 23rd.

11 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

11.1. The impact of the UK's exit from the EU has been identified as a key corporate risk in the Key Strategic Risk Register. A 'no deal Brexit' could have significant negative effects on a wide range of council services and businesses as a result of uncertainty and the failure to secure a smooth transition from EU membership.

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

None

13 BACKGROUND PAPERS

13.1. There are a number of articles, briefings and reports that have been used to put together this report, which are hyperlinked to in the document where relevant

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Committee: **Overview and Scrutiny Commission**

Date:

Wards: All

Subject: **Target Operating Models (TOMs)**

Lead officer: Sophie Ellis, Assistant Director of Business Improvement

Lead member: Cllr Mark Allison, Deputy Leader and Cabinet Member for Finance

Contact officer: Edmund Wildish, Head of Continuous Improvement

Recommendations:

1. The Commission are asked to discuss and comment on the Target Operating Model planning process and methodology.

1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

1.1. This report describes Merton's Target Operating Model (TOM) process; the method by which the council undertakes long term strategic planning. It places the TOMs in context with other business planning activities (in particular the Medium Term Financial Strategy). It also gives an overview of some of the main themes emerging from the TOMs.

2 TARGET OPERATING MODELS IN METON

2.1. A Target Operating Model (TOM) is a high level description of a future operating state. It provides a framework for future planning in that it requires a service or process lead to think about how their service will operate in the future so that they can then plan for any necessary change to achieve that state.

2.2. Merton has been using TOMs to underpin strategic business planning since 2009. Each service is required to set out their TOM against a five-year horizon and refresh these biennially. This refresh is undertaken as a pan-organisation exercise. The current set of TOMs cover the period 2018-23 were refreshed between December 2017 and August 2018.

2.3. Each department is responsible for developing its own TOM(s). Children, Schools & Families and Community & Housing have both developed a single overarching TOM that covers their individual departments. Corporate Service have developed a TOM to covers its internal-facing services (e.g. HR, Legal, and IT) and a TOM to cover its external-facing services (e.g. Revenues & Benefits and Registrars). Environment & Regeneration have developed ten TOMs that focus on its individual business areas. The process deliberately provides space for each department to structure their approach to best suit their suite of services.

2.4. Directors and their Departmental Management Teams (DMTs) are responsible for monitoring the delivery of TOM action plans. Regular reports on progress are considered by the Merton Improvement Board (which reports to Corporate Management Team (CMT)) to assure delivery.

2.5. To ensure that each service develops a TOM that takes account of all relevant factors, the authors are required to address nine different questions. Their consideration of these is set out in a separate chapter (sometimes referred to as a layer) for each. These are as follows:

Layer	Description
Customers	Who are our customers now and in the future, and what outcomes do they want?
Channels	How do our customers contact us and access services and how might this change in the future?
Services	What services do we currently provide and what will we provide in the future?
Organisation	What is the current and future delivery model? What does this mean for the way we organise and structure our business – for example a shared or commissioned service?
Processes	What business processes support our service delivery and are they fit for purpose? Could they be made more efficient?
Information	What information and data do we hold and what do you need? Is it accurate, available when needed and shared appropriately? Are retention arrangements right?
Technology	What technology, support and devices do we need to succeed?
Physical location	Which locations are services delivered from and might this change in the future?
People	Do we have adequate and appropriately skilled staff to deliver our services? If not, what do we need to do in terms of training or recruitment?

2.6. For each layer, the service is asked to set out:

(i) What is the current operating model (COM)?

(ii) What will the target operating model (TOM) look like?

(iii) How are we going to get from the COM to the TOM?

2.7. Approaching the TOM in this way ensures that it provides a comprehensive planning process.

2.8. Whilst the methodology is designed to allow professional heads of service to bring to the planning process their expertise and experience and take responsibility for the future of their service, it is important that this takes place within the organisation’s wider strategic context. To facilitate this, a professional lead is assigned to each layer – usually the officer with responsibility for the relevant corporate strategy. These are known as layer leads and they provide advice and guidance to TOM Authors throughout the process.

2.9. The layer leads also use the process to refresh their own corporate strategies. The discussions they have with authors through this process informs the ways in which these strategies flex to enable the ambitions of the organization to be achieved.

3 THE STRATEGIC CONTEXT

3.1. The TOMs are one part of the overarching planning process for the council. They sit in the context of the Medium Term Financial Strategy, the corporate Plan and individual Service Plans.

3.2. Appendix A depicts how the TOMs fit within this and their relationship to these strategies and plans.

3.3. The council's strategic priorities are set out in the **Business Plan**. The Business Plan is refreshed annually. The Business Plan contains two elements: the **Corporate Plan** and the **Medium Term Financial Plan**.

3.3.1 The **Corporate Plan** sets out the main priorities for the council over the next four years and detailed objectives, indicators and targets that will measure progress. The key drivers for the Corporate Plan are the manifesto commitments of the incoming administration and the Community Plan. The Community Plan is drawn up by the Merton Partnership and sets out the long-term ten year vision for Merton as a place. The Corporate Plan is also informed by central government legislation e.g. statutory duties we must deliver.

3.3.2 The objectives set out in the Business Plan must be realistic and affordable within the council's financial remit. Resources available to the council, particularly via central government grant, have reduced significantly over the past few years and further reductions are planned. That is why the Business Plan also sets out the **Medium Term Financial Strategy (MTFS).** Operating over a four-year horizon, it shows how the Council will fund its commitments right down to detailed operational budgets.

3.4. With the strategic direction set out in the Business Plan, each of the council's main service delivery areas then set out their operational plan / blueprint for how they will deliver these priorities in their **Target Operating Model (TOM)**. The TOMs are, therefore, informed and shaped by the MTFS; although they also inform and feed into the MTFS in that the operational changes that they set out underpin budgetary planning.

3.5. Departmental and corporate strategies sit between the Business Plan and the TOMs, providing a council-wide framework and guiding principles through which priorities can be delivered. These individual strategies have their own specific time horizons and refresh periods, and both inform and are informed by the TOMs. For example, a TOM might set out how a service will deliver the Local Plan, or Children & Young People's Plan; or the IT Strategy might be updated as a result of requests coming out of the TOMs.

3.6. Expanding on the TOMs, every year each service within the council produces a **service plan** which set out in detail how the service will be delivered, managed, measured and funded. At the most granular level of detail, staff objectives and annual **appraisals** set out how the annual service plans will be delivered in practice.

4 EMERGING THEMES FROM THE TOMS

4.1. The Commission has asked for an update on the emerging themes from the recent TOM refresh exercise.

4.2. The content of the individual TOMs are best understood through discussions with relevant Directors and authors since they relate very specifically to the service under consideration. At an aggregated level, however, some common themes can be identified as follows.

- *The need to manage and influence demand to protect services for the most in need*, for example through early intervention and prevention and encouraging self-sufficiency and self-service
- *The importance of working closely with partners and other sectors to deliver better value,* for example through physical co-location and multipurpose buildings, and joint commissioning and joint delivery
- *A business-like approach to providing services and focus on generating income wherever it makes sense to offset the cost of service provision,* for example through maximising income from physical assets and exploring new models of delivery
- *A commitment to adapting our organisation to equip and support a modern workforce*, for example through ensuring IT gives people the tools they need to do their job, and a strategic focus on learning and development
- *An ambition to bridge the gap and build a better, fairer Merton*, for example through regeneration, social care, housing and the physical environment.

5 ALTERNATIVE OPTIONS

5.1. Not undertake the TOM process.

6 CONSULTATION UNDERTAKEN OR PROPOSED

6.1. Cabinet Leads have been engaged in the process of developing the TOMs.

7 TIMETABLE

7.1. The TOM process commenced in December 2017. First drafts were received in April 2018, second drafts in July 2018, and final drafts in August 2018.

8 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

8.1. The TOMs are high level documents that set out the strategic direction that departments will take, and as such broadly cover finance, resources and property issues.

8.2. Detailed implications and appropriate actions will be considered through appropriate channels as any elements of work are taken forward.

9 LEGAL AND STATUTORY IMPLICATIONS

9.1. The TOMs are high level documents that set out the strategic direction that departments will take, and as such broadly cover legal and statutory issues.

9.2. Detailed implications and appropriate actions will be considered through appropriate channels as any elements of work are taken forward.

10 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

10.1. The TOMs are high level documents that set out the strategic direction that departments will take, and as such broadly cover equalities and community cohesion issues.

10.2. Detailed implications and appropriate actions will be considered through appropriate channels as any elements of work are taken forward.

11 CRIME AND DISORDER IMPLICATIONS

11.1. The TOMs are high level documents that set out the strategic direction that departments will take, and as such broadly cover crime and disorder issues.

11.2. Detailed implications and appropriate actions will be considered through appropriate channels as any elements of work are taken forward.

12 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

12.1. The TOMs are high level documents that set out the strategic direction that departments will take, and as such broadly cover risk management and health and safety issues.

12.2. Detailed implications and appropriate actions will be considered through appropriate channels as any elements of work are taken forward.

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

- Appendix A: Merton Golden Thread

14 BACKGROUND PAPERS

14.1. Executive Summaries of all TOMs can be found on the intranet pages, at https://sharepoint.merton.gov.uk/teams/ci/TOM/Pages/default.aspx.

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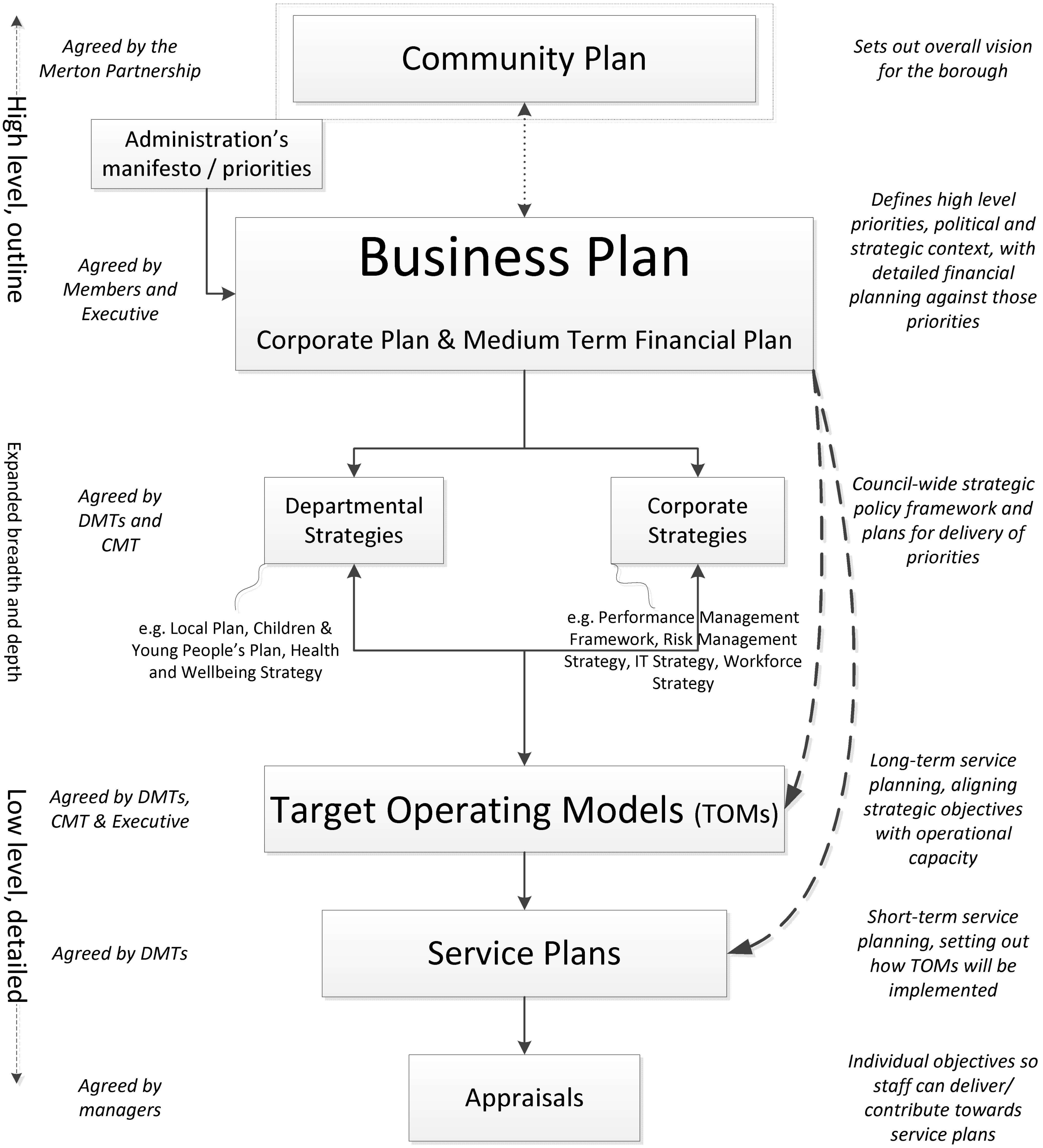
Merton's Golden Thread



Current planning cycle

Strategy	Refreshed every	Horizon
Community Plan	5 years	10 years
Manifesto	4 years	4 years
Corporate Plan	1 year	4 years
MTFP	1 year	4 years
Departmental / Corporate Strategies	various	various
TOMs	2-3 years	5 years
Service Plans	1 year	1 year
Appraisals	1 year	1 year

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OVERVIEW AND SCRUTINY COMMISSION

Date: 14 November 2018

Subject: London Pilot of Business Rates Retention

Lead officer: Caroline Holland – Director of Corporate Services

Lead member: Councillor Mark Allison – Deputy Leader and Cabinet Member for Finance

Contact Officer: Roger Kershaw

Recommendations:

1. That the Overview and Scrutiny Commission discusses and comments upon the details provided on the London Business Rates Pilot Pool and Merton's participation in it.

1. Purpose of report and executive summary

1.1 This report sets out details relating to the London Business Rates Pilot Pool and Merton's participation in it. It discusses the basis on which the pool operates and provides an update on how the pilot is progressing in 2018/19.

1.3 It provides the latest information available regarding the potential continuation of the pool in 2019/20 and sets out the possible implications for Merton's Medium Term Financial Strategy.

Details

2. Background

2.1 At the meeting on 17 July 2018, Overview and Scrutiny Commission agreed its work programme for 2018/19 and this included a report updating Members on the London wide Business Rate Retention pilot including the financial implications for the Council's medium term financial strategy.

2.2 The report sets out the reasons why the London business rates pilot pool was formed in the first place (past), the details relating to the current pilot pool (present) and how the pilot pool might develop in the next year and beyond (future).

3. How the London Pilot Pool originated

3.1 The London Business Rates Pilot pool was approved by all London boroughs, the GLA, and central government and announced in the Provisional Local Government Finance Settlement 2018/19 in December 2017.

3.2 The origins of the pool date back a number of years when the Government published its formal proposals for business rates retention in December 2011 following wide consultation. Prior to introducing the scheme the Government worked extensively with the local government sector in order to design the new business rates retention scheme and produce the 2013-14 local government finance settlement.

3.3 Since 2013/14, business rate retention has been the subject of various changes, and has also been hampered by lack of clarity regarding future proposals to move to 100% Business Rates Retention.

3.4 The GLA partially piloted 100% retention in 2017-18, including the rolling-in of RSG and the former TfL capital investment grant. This meant that London local government retained 67% of its business rates income in 2017/18, consisting of a 30% local share for London billing authorities, a 37% share for the GLA, and a 33% central share. The 2017-18 retention scheme is therefore referred to as the “67% scheme”.

3.5 Details of how Business Rates retention has evolved to where it is now are set out in Appendix 1.

4. Current London Business Rates Pilot Pool 2018/19

4.1 The Government formally confirmed its commitment to establishing a 100% business rate retention pilot in London for the 2018/19 financial year in the Autumn 2017 Budget. This was agreed by a memorandum of understanding (MOU) signed by the Chair of London Councils, the Mayor of London, the Minister for London and the Secretary of State for Communities and Local Government. The principles between the Government and London Government under which the Pilot Pool is operating are set out in Appendix 2.

4.2 In addition, there is a separate MOU between the 34 London pooling authorities (32 London boroughs, City of London Corporation, and the GLA) that sets out the key principles that underpin the London pooling agreement. These are set out in Appendix 3.

4.3 <u>Why join the pool? The benefits of pooling</u>
The net financial benefit of pooling consists of retaining 100% of growth (rather than the “67% scheme” that applied in 2017/18), and in not paying a levy on that growth (which tariff authorities and tariff pools currently pay). The principle means that any aggregate growth in the pool overall because of the increased retention level will generate additional resources to share, with each pooling member benefitting to some extent.
In return, London boroughs will receive no Revenue Support Grant and for Merton, the level of Revenue Support Grant forecast in 2018/19 as part of the four year Settlement was £10.1m.

At the time the decision to enter the pool was made, the net financial benefit to participating in the pool in 2018-19 was estimated to be in the region of £240 million, based on London Councils’ modelling using boroughs’ own forecasts. Merton’s share of this was estimated to be £3m.

Basis of Distribution
Both the pooling agreement and the pilot MOU set out how the pool members have agreed to redistribute any net collective benefit from the pool, above what each pool member would have received under the existing scheme.

The pooling agreement sets out the principles and method for distributing any net financial benefits that may be generated. The principles are based on four objectives agreed by Council Leaders and the Mayor:

- incentivising growth (by allowing those boroughs where growth occurs to keep some proportion of the additional resources retained as a result of the pool)
- recognising the contribution of all boroughs (through a per capita allocation)
- recognising need (through the needs assessment formula); and
- facilitating collective investment (through an investment pot designed to promote economic growth and lever additional investment funding from other sources).

The basis of distribution is that:-

a. 15% of any net financial benefit will be set aside as a "Strategic Investment Pot";
b. the remaining 85% net financial benefit not top-sliced for the investment pot will be shared between the GLA and the 33 billing authorities (the 32 boroughs and the Corporation of London) in the ratio 36:64. Boroughs' shares will be distributed based on shares of three further pots representing different priorities, using the following weightings of the overall total
- Incentives pot (15%)
- SFA (needs based) pot (35%)
- Population pot (35%).

4.4 In summary, what will be retained by each authority in 2018-19 is:

a. the calculated amount that they would have received including levy or safety net payments and any section 31 grants under the 67% scheme;

plus

b. their estimated share of the net financial benefit as a result of pooling.

4.5 Cabinet on 11 December 2017 agreed that Merton should participate in the London Business Rates Pilot Pool for 2018/19 and at that time it was estimated that (b) would provide Merton with £2.4m as its estimated share of the net financial benefit as a result of pooling

4.6 The calculation of (b), the estimated share of the net financial benefit as a result of pooling is done in five steps and the details of this calculation are set out in Appendix 4.

4.7 As with other existing pools, it is a statutory requirement that a Lead Authority acts as the accountable body to government and is responsible for the administration of the pooled fund. The City of London is the lead authority for the London business rates pool in 2018/19. The standard responsibilities of the lead authority are set out in the Memorandum of Understanding (Appendix 3).

4.8 A chart outlining the main cash flows arising from operation of the pool is provided in Appendix 5.

5. Estimating, Monitoring and Reconciling Business Rates Cash Flows

5.1 NNDR1

Before the creation of the London Pilot Pool Merton, along with other local authorities estimated its annual yield from Business Rates using the Government Return “NNDR1”. The NNDR1 is a budget based return and collects information on the Council’s estimated business rates for the forthcoming year and this also includes all relevant details such as transitional protection, costs of collection, mandatory and discretionary reliefs. The form also includes a review of the year in progress and estimates a surplus or deficit anticipated at year end. The form calculated amounts of Section 31 grant due and determined the business rates allocations between the Government, GLA and the Council using the agreed proportions. This form remains in use for the pilot pool but the forms for each authority are aggregated to produce estimated allocations as discussed in Section 4.

5.2 NNDR3

Following the closure of accounts for the year in question the NNDR3 form collects information on actual business rates collected, taking into account transitional protection, costs of collection, mandatory and discretionary reliefs etc. The NNDR3 refers to the entire historic rating liability and reflects corrections to the amounts provided for in the estimates (NNDR1) process. They are audited as part of each Council’s final accounts procedures. The year on year differences between estimate and actual are accounted for via the Council’s Collection Fund Account. This form remains in use for the pilot pool but the forms for each authority will be aggregated to produce final allocations as discussed in Section 4 and will produce a balance on the Pilot’s Pooling Account which will need to be fully reallocated when the Pool is eventually wound up.

5.3 NNDR2

The forecast is based on estimates and the final actual amount will not be known until after NNDR3 forms for 2018-19 are collected and audited. As the impact of changes can be significant, especially for the sums available in the Strategic Investment Pot, intermediate “NNDR2” forms have been issued 2018 to keep an accurate and updated view.

Monitoring has been identified as an important requirement and the NNDR2 has been issued to provide the leading authority with a mechanism to achieve it. The London pilot pool is of unprecedented size and is also complex in nature, having: 33 billing authorities, a complex mechanism for the distribution of pooling gains including a no detriment guarantee, and a Strategic Investment Pot (SIP).

The NNDR2 form has been designed to collect monitoring information across two time periods:

- “Year to date” showing the actual position to date, and
- “Forecast year end” showing the forecast at 31 March 2019.

6. Merton’s Potential income from the London Pilot Pool 2018/19

6.1 Given the uncertainty and level of complexity surrounding the London Pilot Pool figures when the Budget for 2018/19 was being set, it was decided that it would be prudent to budget for Business Rates income at the “No worse off” level. Merton’s budget for 2018/18 for Business Rates is £47.611m

6.2 The latest estimate from the leading authority for Merton’s potential share of net benefit from participation in the pool is as follows:-

	£m
Net retained rates under existing "67%" system	36.7
RSG rolled-in	10.1
S.31 grants not built into net retained rates above	0.8
"No worse off" level	**47.6**
Share of total net benefit to the pool	**3.3**
Retained income under pool in 2018-19	**50.9**

6.3 In addition to the above, 15% of the growth has been set aside for the Strategic Investment Pot (SIP) and Merton will benefit from this. The SIP is discussed in more detail in Section 7.

6.4 As indicated in Section 5, the final position for 2018/19 will not be known until mid-2019 once all London Boroughs, the City of London and the GLA have submitted audited NNDR3 forms to the Government and leading authority, and the final allocations calculated. Any remaining balance on the pooling account will be distributed in the event that the London pool is discontinued or carried forward if the pool continues.

6.5 As part of the Business Planning process for 2019/20, there will be regular updates on the financial implications arising from the London Business Rates pilot pool and the outturn for 2018/19 will be reported as part of Merton's final accounts procedures.

7. Strategic Investment Pot (SIP)

7.1 As indicated in Section 4, 15% of any financial benefit arising from the London Pilot pool will be set aside in 2018/19 for Strategic Investment. The aim of the SIP is that individual pool members do not receive a direct share of this pot: instead it will be spent collectively on projects that will contribute to the sustainable growth of London's economy and lead to an increase in London's overall business rate income.

7.2 Details on the consultation process, lead by the City of London as leading authority, and initial allocations of the SIP were reported to Cabinet on 17 September 2018. At that meeting it was resolved that:-

"Cabinet agrees the information regarding the London Business Rates Pool - Strategic Investment Pot set out in Appendix 3 and agrees to delegate future action regarding the London Business Rates Pool to the Director of Corporate Services in collaboration with the Deputy Leader and Cabinet Member for Finance."

7.3 The expected value of SIP funds available is £52m, though this is subject to the final outturn on business rates in 2018/19. The Panel recommend that 90% of this amount is allocated (£46.83m) to a package of bids which, within the resources available, seek to balance the objectives of the fund and support projects, namely:

- contribute to the sustainable growth of London's economy and an increase in business rates income either directly or as a result of the wider economic benefits anticipated;
- leverage additional investment funding from other private or public sources; and
- have broad support across London government in accordance with the agreed governance process.

7.4 22 SIP bids were received from 15 accountable boroughs for a total of £123.4m. All London authorities were represented on at least one bid and a maximum of seven; and bids were received from all sub-regions. A SIP Panel of senior finance and regeneration leads from the London authorities, the GLA and London Councils was convened to advise and assist the Lead Authority in review and evaluation of the bids. The consultation report containing their analysis and recommendations was provided with the report to Cabinet in September.

7.5 The SIP report is attached as Appendix 9.

7.6 London boroughs are divided into a number of sub-regional blocks to aid the decision making process in respect of the SIP and a map illustrating these groupings is provided in Appendix 6. Merton is in the South London Partnership group which includes Croydon, Kingston, Merton, Richmond and Sutton.

8. The future of the London Business Rates Pilot Pool – 2019/20 onwards

8.1 Despite previous indications that 100% Business Rates Retention was to be introduced and the operation of some 100% pilots such as the London pilot, in December 2017, the government announced the aim of increasing the level of business rates retained by local government from the current 50% to the equivalent of 75% in April 2020.

8.2 In July 2018, the Government invited local authorities in England to apply to become 75% business rates retention pilots in 2019/20 in order to test increased business rates retention and to aid understanding of how to transition into a reformed business rates retention system in April 2020. The aim is to focus on the learning necessary for transition to the proposed new scheme in 2020/21, allowing the Government to test business rates retention at 75% in line with proposed level of retention for 2020/21 and resulting in a smoother transition to full implementation.

8.3 As part of the move towards a reformed business rates retention system in 2020/21, the government intends to devolve Revenue Support Grant (RSG), Rural Services Delivery Grant (RSDG), the Greater London Authority (GLA) Transport Grant and the Public Health Grant (PHG) to local government when the new system commences. The government also intends to use the intervening period to develop a set of measures that support a smooth transition of funding for public health services from grant funding to retained business rates.

8.4 To ensure that piloting in 2019/20 closely reflects the government's proposals to date for a reformed business rates retention system, authorities selected as pilots in 2019/20 will be expected to forego Revenue Support Grant (RSG) and Rural Services Delivery Grant (RSDG).

8.5 New 75% retention pilots in 2019/20 will provide the opportunity to test and gather information on the design of the new business rates retention system in preparation for 2020/21. The pilots will test authorities' administration, technical planning for implementation, and look at system maintenance; how the accounting, data collection and IT systems will work. They will also aid the Government understanding of how it can transition into and operationalise the proposed 75% business rates retention system from 2020 onwards.

8.6 The value of grants devolved as part of business rates pilots will be taken into account when revised tariffs and top-ups for the piloting authorities are set up.

This is to ensure that pilots are fiscally neutral against business rates baselines, and only benefit financially if actual revenues exceed baselines.

8.7 Pilot areas will be expected to operate under the arrangements that currently determine safety net payments for pools. Each 'pool' will have a single safety net threshold determined on the basis of the pool's overall baseline funding level and business rates baseline. However, the pool's safety net threshold will be set at 95% of its baseline funding level, instead of 92.5%, to reflect the additional risk of 75% retention. Pilots will operate with a 'zero levy', as is the case for the current 2018/19 pilot areas.

8.8 As the pilots are testing the pooled authorities' approach to risk, the government has agreed that a 'no detriment' clause will not be applied to the 2019/20 pilots. Instead, selected areas will test a 95% safety net to reflect increased risk in the proposed increased business rates retention system. Applying a 'no detriment' clause to the pilots would not be reflective of the reformed business rates retention system that the government aims to introduce in 2020/21.

8.9 The invitation is addressed to all authorities in England, excluding those with ongoing business rates retention pilots in devolution deal areas and London. Separate discussions are being held between the local authorities concerned and the MHCLG. It is not known at this stage if the pilots could continue under current arrangements (i.e. 100% retention) but it is expected that details will be announced as part of the Provisional Local Government Finance Settlement 2019-20 in December 2018. It has, however, been confirmed that Public Health Grant will not be rolled into the Business Rates for 2019/20.

8.10 Funding from Business Rates in Merton's draft MTFS 2019-23 currently assumes that Merton is not in a pilot and funding is based on the four year offer agreed with the Government for 2016-20. In this case Merton will receive Revenue Support Grant in 2019/20 and a smaller proportion of its business rates as per the 67% scheme discussed earlier in this report.

9. An independent view

9.1 The Institute of Fiscal studies (IFS) has produced a report "100% business rate retention pilots: what can be learnt and at what cost?".

9.2 The IFS estimate that pilot areas will see a financial benefit in 2018–19 of around £870 million in total, calculated based on councils' revenue forecasts. This is equivalent to 3.6% of pilot councils' core spending power, or almost 2% of the spending power of all councils. This financial benefit represents a cost to central government, to which this revenue would otherwise have flowed. This revenue could have been used to reduce the budget deficit, or fund tax cuts or higher central government spending. There is therefore an 'opportunity cost' to the 100% business rates retention pilots."

"One alternative option for using this money would have been to have increased grant funding for all English councils instead. £870 million, equivalent to 2% of councils' core spending power, would have enabled an increase in grants of £16 per person, on average. If this had been allocated according to official assessments of spending needs, one-in-ten areas would have seen spending power that was £16.80 per person or 2.1% higher than is currently planned for 2018–19. But most – although not all – pilot areas would have received less funding, as they gain more from pilot status than they would have gained from needs-based grants."

9.3 The main conclusions included in the IFS report are set out in Appendix 7.

9.4 The Office for Budget Responsibility (OBR) has recently responded to the IFS report in its Economic and Fiscal Outlook (EFO) which was published on 29 October 2018. In the EFO it stated

"The Government has been piloting full business rates retention since 2017-18. These pilots have featured in our forecasts since March 2017, but were incorrectly incorporated as being fiscally neutral by definition, as they straightforwardly transferred spending from central government to local authorities. A reduction in central government DEL grants was assumed to offset an equivalent amount of locally retained business rates that financed higher local authority self-financed expenditure (LASFE). A paper published in April by the Institute for Fiscal Studies (IFS) argued that the pilot schemes would in fact not be spending- or borrowing-neutral, but would instead result in a financial gain to local authorities and higher public sector net borrowing.

In light of this, we engaged with the Ministry of Housing, Communities and Local Government (MHCLG) and the Treasury to understand the significant differences between its conclusions and the estimates we had used in our forecasts. We established that the information that we had been provided regarding the way the pilots would operate and their potential fiscal effects was incomplete and in part incorrect. As a result, the fiscal costs of the pilots have been re-estimated and included in this forecast.

The overwhelming majority of pilot authorities are expected to receive a net financial gain. Relative to a situation in which they had continued to retain 50 per cent of business rates, we expect pilot authorities to gain £0.8 billion in 2018-19, which aligns to the IFS estimate."

10. Budget 2018 and Office for Budget Responsibility Economic and Fiscal Outlook – October 2018

Budget 2018

10.1 The Chancellor of the Exchequer presented the Budget 2018 to Parliament on 29 October 2018 and on the same day the Office for Budget Responsibility (OBR) published its "Economic and fiscal outlook - October 2018"

10.2 In respect of Business Rates, the Budget 2018 included the following:-

"To provide upfront support through the business rates system, the government is cutting bills by one-third for retail properties with a rateable value below £51,000, benefiting up to 90% of retail properties, for 2 years from April 2019".

10.3 The national cost of this small business rate relief is estimated to be £900m and local authorities will be fully compensated for this, probably via Section 31 grant as is the current practice.

Office for Budget Responsibility Economic and Fiscal Outlook – October 2018

10.4 The OBR's outlook report included a number of references to Business Rates including in respect of the pilots programme.

10.5 However, there remains a lack of clarity in the information currently available. In particular, the OBR does not refer to the Government's move towards 75% rates retention and states that:-

"In October 2015 the Government pledged that "by the end of the Parliament, local government should retain all taxes raised locally, including 100% of locally collected business rates". This ambition was restated in the 2019-20 local government finance settlement technical consultation, but the precise timetable remains unclear. The Government has been running pilot schemes in selected authorities since 2017-18, with further extensions announced since March…… the Government has extended the first wave of business rate pilots to 2019-20. As local authorities retain growth in business rates revenues beyond a specified baseline, this boosts local authorities' self-financed spending beyond the amount foregone in central government grants".

10.6 A summary of information relating to Business Rates Retention included in the Budget 2018 and the OBR's Economic and Fiscal Outlook – October 2018 is provided in Appendix 8.

11. Alternative Options

11.1 It is possible that the Government and all London local authorities will agree to a new pilot for 2019/20 either continuing at 100% or reduced to 75%. Alternatively, one or more London local authorities may decide not to continue in a pilot for 2019/20, in which event it is expected that local authorities in London will revert to funding agreed as part of the four year offer.

12. **Consultation Undertaken or Proposed**

12.1 Details of any updates/proposals regarding the current London Business Rates Pilot pool and the terms of any new proposals for a London pilot are circulated by the City of London Corporation as leading authority. Officers will liaise with groups such as London Councils and the Society of London Treasurers to identify the implications for London as a whole and each individual London Council and report back as appropriate

13. Timetable

13.1 In accordance with the Business Planning timetable approved by Cabinet in September 2018.

13.2 It is expected that an announcement about possible terms for continuation of the London pilot pool in 2019/20 will be included in the Provisional Local Government Finance Settlement 2019-20 in December 2018.

14. Financial, resource and property implications

14.1 As contained in the body of the report.

15. Legal and statutory implications

15.1 As outlined in the report.

16. Human rights, equalities and community cohesion implications

16.1 None for the purposes of this report.

17. Crime and Disorder Implications

17.1 None for the purposes of this report.

18. Risk Management and health and safety implications

18.1 None for the purposes of this report.

19. Appendices – The following documents are to be published with this Report and form part of the Report.

Appendix 1 – The evolution of Business Rates Retention Pilots
Appendix 2 – MEMORANDUM OF UNDERSTANDING (MOU) between London Government and the Government
Appendix 3 - MEMORANDUM OF UNDERSTANDING (MOU) between London Authorities in the London Pilot Pool

Appendix 4 - Calculating the Estimated share of Net Financial Benefit as a result of Pooling
Appendix 5 - London 2018-19 Business Rates pool – in-year cash flow summary

Appendix 6 – Sub-regional groupings for the Strategic Investment Pot

Appendix 7 - Institute of Fiscal studies (IFS) report "100% business rate retention pilots: what can be learnt and at what cost?"

Appendix 8 – Budget 2018 and OBR's Economic and Fiscal Outlook – October 2018 – Business Rates Retention issues

Appendix 9 - Strategic Investment Pot – Consultation Report

20. Background Papers

20.1 The following documents have been relied on in drawing up this report but do not form part of the report:

Papers relating to the London Business Rates Pilot Pool
MTFS working papers

21. REPORT AUTHOR

- Name: Andrew Wood
- Tel: 020 8545 3492
email: **andrew.wood@merton.gov.uk**

APPENDIX 1

KEY DATES IN THE EVOLUTION OF BUSINESS RATES RETENTION PILOTS

2011/12 and 2012/13

The Government published its formal proposals for business rates retention in December 2011 following wide consultation. This was undertaken alongside the introduction of the Local Government Finance Bill, which became an Act in November 2012 and, with the secondary legislation, gave effect to the reforms.

Prior to introducing the scheme the Government worked extensively with the local government sector in order to design the new business rates retention scheme.

In May 2012, the Government announced that local government would be able to keep 50% of locally collected business rates, and therefore also 50% of any growth, with the other 50% being paid to central government. These shares are called the local share and the central share. The local share constitutes the funding within the business rates retention scheme.

2013-14 local government finance settlement

From April 2013, the Government changed the way in which local government is funded through the introduction of the business rates retention scheme. Previously all business rates collected were paid to central government, in the form of the national NNDR pool. The government then redistributed the nationally collected amount to local authorities according to a very complicated formula for spending need.
The 2013/14 local government finance settlement was the first under the new scheme. It provided each local authority with its starting position under the business rates retention scheme and included the following calculations

- Individual authority start-up funding assessment
- Baseline funding level
- Individual authority business rates baseline
- Tariffs and top-ups (uprated annually by RPI)
- Levy ratio
- Safety net guarantee funding level

These will be fixed until the first reset takes place in 2020:

Some of the services in London are provided by the Greater London Authority (GLA) and therefore in 2013/14 Merton’s share was 30% and the GLA’s was 20%.

The concept of “Pooling” was introduced

Following introduction of the business rates retention scheme, local authorities were able to come together, on a voluntary basis, to pool their business rates, giving them scope to generate additional growth through collaborative effort and to smooth the impact of volatility in rates income across a wider economic area. In 2014/15, there was a total of18 pools, comprising 111 different authorities. Some of these were continuing pools having been designated in 2013-14. For the purposes of the business rates retention system, pools are treated as a single local authority.

The Government believes that pooling can deliver a range of benefits for local authorities.
At a time when authorities are faced with tight public expenditure settlements and scrutiny of their spending from local ratepayers, collaboration over service delivery can help secure improved value for money. The act of setting up pools can help further the process of joint working and could result in wider benefits that go well beyond pooling. Moreover, pooling the rates income from growth across a wider and economically coherent area ensures that all authorities can benefit from economic growth across the wider area. This can mean that the strategic decisions that are needed about infrastructure investment are easier to make.
Furthermore, by pooling their rates retention resources, pool authorities can help manage the inherent risk caused by natural volatility in rates income. Variations in annual rates income are normal, reflecting the nature of the rating system and, particularly, the risk of rating appeals. By pooling their rates retention resources, authorities can collectively manage these variations by balancing gains and losses across the pooled area.

2014/15 and 2015/16

The Department for Communities and Local Government's (DCLG) Pooling Prospectus for 2015/16 was published in July 2014, and any proposals for new pools had to be submitted by 31 October 2014.

In October 2015 the government committed that local government should retain 100% of taxes raised locally. Subject to Parliamentary approval the aim was to introduce 100% retention by the financial year 2019/20.
The government introduced into Parliament, primary legislation that is intended to provide the framework for the reformed 100% business rates retention system. In order to ensure that the reforms were fiscally neutral, the main local government grants would be phased out and additional responsibilities devolved to local authorities.

2016/17 and 2017/18

<u>The introduction of Pilots</u>
Following the announcement that, local authorities would be allowed to keep 100% of locally-collected business rates before the end of the Parliament, the Government then announced that a number of devolution-deal areas would pilot 100% rates retention from 1 April 2017.
The announcement, at Budget 2016, confirmed that local authorities in Greater Manchester and Liverpool City Region had agreed to be pilots. It also confirmed that from 2017-18, the Greater London Authority (GLA) would take on responsibility for

funding TfL's investment grant in return for a higher share of local business rates; and invited other devolution deal areas to come forward if they too wanted to pilot 100% rates retention. Discussions were held and successfully concluded with authorities in the West of England Combined Authority area, the West Midlands and Cornwall.

On 1 April 2017 the government launched five initial 100% business rates retention pilots1 in devolution deal areas. These pilots were continued into 2018/19.

On 1 April 2017 the Government also transferred the responsibility for funding TfL investment grant to the Greater London Authority (GLA).

In all the pilot areas, authorities agreed to forego other funding streams in return for higher shares of business rates. For example. In London, the GLA did not receive any Revenue Support Grant (RSG) from DCLG for 2017-18 but DfT no longer paid TfL's investment grant, which instead was paid by the GLA. In return the GLA received 37% of the business rates collected by London Boroughs and the Government's central share reduced to 33% with 30% still going to individual London Boroughs.

The arrangements for these pilot authorities had no impact on the funding available for other areas.

The DCLG (now the Ministry of Housing, Communities and Local Government (MHCLG)) did not publish a new Pooling Prospectus for 2016/17, 2017/18 or 2018/19. However, in September 2017, the government invited local authorities to pilot 100% business rates retention in 2018/19. The intention is to help the government with the design of future local government finance reforms

<u>Uncertainty over 100% Retention</u>

The London Devolution Memorandum of Understanding, announced by the government in the Spring Budget in March 2017, committed to working with London "to explore options for granting London Government greater powers and flexibilities over the administration of business rates. This includes supporting the voluntary pooling of business rates within London, subject to appropriate governance structures being agreed".

London Councils Leaders' Committee received a report following the Budget in March 2017, which set out the broad rationale and potential financial and strategic benefits of partaking in a pilot as then envisaged. In the event that such a pilot pool were available, it could bring both a financial incentive – through the early reduction of levy payments and access to 100% retained growth – and provide a limited opportunity to address some policy issues.

A pilot on the lines of those currently operating in other areas would not in itself address the full range of powers outlined in London's joint business rates proposition to Government, but participating in a pilot could also enhance Government's view of London's willingness and capacity to take on broader devolution of fiscal and service responsibilities.

The Queen's Speech delivered on 21 June 2017 made no mention of the Local Government Finance Bill. However, on 1 September 2017 the Secretary of State for Communities and Local Government announced a new pilots scheme and encouraged Councils "to join forces and put forward proposals to retain the growth in their business rates income." From April 2018, pilots across economic areas were offered the opportunity to be able to retain 100% of the growth in income raised locally through business rates. Findings from this tranche of pilots would inform the business rates retention process going forward. The deadline for submission of proposals was 27 October 2017 and successful pilots were announced in December 2017. The DCLG supported authorities in preparing for implementation in April 2018. Successful pilot local authorities were able to retain 100% of the growth in their business rates income in the year of the pilot (2018 to 2019) meaning that the central government share remained in the local area.

London boroughs submitted a bid to be a pilot pool for 100% retention in 2018/19 and following agreement of all London boroughs, the London Pilot pool was accepted as a 100% pilot pool for 2018/19.

At the 2017 Autumn Budget it was confirmed that London would become a 100% business rates retention pilot for the duration of the 2018/19 financial year. The pilot comprises of the thirty-two London Boroughs, the City of London and the Greater London Authority. The government will continue to have separate discussions with London about their pilot programme.

At the provisional Local Government Finance Settlement in December 2017, the government announced a further ten 100% business rates retention pilots for the duration of the 2018/19 financial year in local authority areas across England. Whilst these pilots are set to end on 31 March 2019, we are inviting the areas involved to apply to become 75% business rates retention pilots in 2019/20.

On 10 October, Leaders' Committee and the Mayor agreed in principle to pool business rates in a London pilot of 100% retention in 2018-19. Leaders' Committee delegated authority to the 5 elected officers of London Councils (the Chair, Deputy Chair, and three Vice Chairs) to take the in principle agreement forward to arrive at a core proposition for the operation of the pool and to continue discussions with both the Mayor and ministers on this.

The elected officers discussed this in October and agreed a final distribution option to take forward with government, on 1 November following discussions via the party groups.

The Chair of London Councils wrote to all Leaders on 10 November confirming the proposal that London Councils and the GLA would take forward to gain agreement with Government.

APPENDIX 2

MEMORANDUM OF UNDERSTANDING (MOU) between London Government and the Government

The MOU between London Government and the Government on the London 100% business rates retention pilot agrees that:

- The 100% business rates retention pilot in London will be voluntary, but will be a pool comprising all 32 London boroughs, the Corporation of the City of London and the Greater London Authority.
- From 1 April 2018 the London authorities will retain 100% of their non-domestic rating income. London will not retain 100% of total rates collected, as it will continue to pay an aggregate tariff to government. The overall level of collected rates that will be retained is around 64% after the tariff is paid.
- London authorities will also receive section 31 grants in respect of Government changes to the business rates system which reduce the level of business rates income. Section 31 grant will amount to 100% of the value of the lost income. Tariffs and top-ups will be adjusted to ensure cost neutrality.
- The London pool will retain 100% of any growth in business rate income above baselines, and will pay no levy on that growth.
- In moving to 100% rates retention, the Department for Communities and Local Government will no longer pay Revenue Support Grant (RSG) to the London authorities in 2018/19. Funding baselines will be increased by the equivalent amount to reflect this transfer of RSG, which overall amounts to £775 million in 2018/19
- London authorities will not be subject to more onerous rules or constraints under the 100% rates retention pilot, than they would have been if they had remained subject to the existing "67% scheme" in place in 2017/18.
- No "new burdens" will be transferred to London and participation in the pilot will not affect the development or implementation of the Fair Funding Review.
- In the event that London's business rates income fell, the pool will have a higher "safety net" threshold – 97% rather than 92.5% of the overall baseline funding level – than in the existing system, reflecting the greater reliance local authorities will have on business rates within the pilot.
- The piloted approach is to be without detriment to the resources that would have been available collectively to the 34 London authorities under the current local government finance regime, over the four year settlement period. This "no detriment" guarantee will ensure that the pool, as a whole, cannot be worse off than the participating authorities would have been collectively if they had not entered the pilot pool. In the unlikely event of this arising (the current forecast is for collected rates to 6% above baselines), the government would intervene to provide additional resources.

APPENDIX 3

MEMORANDUM OF UNDERSTANDING (MOU) between London Authorities in the London Pilot Pool

The key principles that underpin the London pooling agreement are that:

- The pool in 2018-19 would not bind boroughs or the Mayor indefinitely – the founding agreement includes notice provisions for authorities to withdraw provided notice is given by 31 August each year. Were the pool to continue beyond 2018/19, unanimous agreement would be required to reconfirm a pool from 2020/21 onwards (the expected year in which funding baselines will be update as a result of the Fair Funding Review).
- No authority can be worse off as a result of participating - where authorities anticipate a decline in business rates, the first call on any additional resources generated by the pool would be used to ensure each borough and the GLA receives at least the same amount as it would have without entering the pool (this would include the equivalent of a safety net payment were it eligible for one individually under the current 67% system). Where authorities expect to grow, they will continue to retain at least as much of that income as they would under the current system, plus a potential share of the aggregate benefits of pooling assuming the pools grows. Where the pool overall has less income than would have been available collectively under the 67% system, the funding provided by the Government as part of the “no detriment” guarantee would be used to ensure that no individual authority is worse off than it would have been otherwise. Existing Enterprise Zones and “designated areas”, along with other special arrangements, such as the statutory provision to reflect the unique circumstances of the City of London Corporation, will be taken into account in calculating the level of resources below which the guarantee would operate. For boroughs in an existing pool, DCLG have also indicated that the basis of comparison would include the income due from that pool.
- All members will receive some share of any net benefits arising from the pilot pool – recognising that growing London’s economy is a collective endeavour in which all boroughs make some contribution to the success of the whole, all members of the pool will receive at least some financial benefit, were the pool to generate additional resources.

Lead authority

It is a statutory requirement that a “lead authority” acts as the accountable body to government and is responsible for the administration of the pooled fund.

The City of London is the lead authority for the London business rates pool. The lead authority’s standard responsibilities include, but are not be limited, to:

- all accounting for the finances of the pool including payments to and from the Government;
- management of the pool's collection fund;
- all audit requirements in relation to the pool;
- production of an annual report of the pool's activity following final allocation of funds for the year;
- the administration of the dissolution of the pool;
- all communications with the MHCLG including year-end reconciliations; and
- the collation and submission of information required for planning and monitoring purposes.

The Lead Authority for the pool determines the distribution of revenues between members of the pool and also pays the net tariff payment to the Government during the year.

Under a delegation arrangement, the GLA manages treasury management issues and monetary transfers between billing authorities on behalf of the lead authority. This reflects the fact that the GLA already had the systems in place to manage payment flows to and from billing authorities for business rates retention as well as council tax and the BRS.

APPENDIX 4

Calculating the Estimated share of Net Financial Benefit as a result of Pooling
This sets out how the aggregate income generated by the pool in 2018-19 will be calculated and how the figures from the NNDR1 returns will be used to calculate the amounts that will be redistributed to member authorities in 2018-19.
The "retained income" figures on the NNDR1 forms (part 1B, line 14, column 5), do not directly represent what will be redistributed in year on account within the pool: this will be determined by the methodology set out below. Similarly, while the NNDR1 forms calculate the section 31 grants to be paid by MHCLG to individual authorities in 2018-19, the level of section 31 grants that authorities will retain is not what is included on the NNDR1 return. They will be taken into account within the following methodology.

STEP 1: - Calculate "no worse off" Levels
The starting point for every authority is to calculate what its retained business rates income would be under the 2017/18 (existing) retention system in 2018-19 (i.e. if the pilot pool did not go ahead).
This is the retained business rates income each authority would have received under the 67% scheme (using 2018-19 NNDR1 data and the 67% baselines/tariffs and top-ups that would have been applied were the pool not in existence), plus 2018-19 RSG, plus the section 31 grants they would have received based on the 30 per cent billing authority and 37 per cent GLA shares.

Besides using data from local authorities NNDR1 forms, some key figures under the existing 67% scheme are published in the 2018-19 local government finance settlement:-

a. baseline funding,
b. tariff / top-ups (excluding the one-off 2017-18 reconciliation adjustments resulting from the 2017 Revaluation)
c. levy rates
d. safety net threshold.

STEP 2:- Calculate income generated under the 100% retention scheme
This is a calculation of the amounts that would theoretically be retained if each authority were piloting 100% retention individually and uses 2018-19 NNDR1 data and the new 100% baselines/tariffs and top-ups published in the 2018/19 local government finance settlement.

The retained income calculation uses a split of 64% for billing authorities and 36% for the GLA and the tariff/top-ups are those applicable to the 100% pilot scheme.

STEP 3: - Calculate the overall net financial benefit to the pool

At the aggregate level, if the pool grows, there will be a total net financial benefit to the pool by comparing the aggregate figures from steps 1 and 2. If the pool overall is worse off than the sum of the individual authorities' income under the 67% scheme, a no detriment payment is due from the Government and no net benefit will be redistributed.

So this step calculates the overall financial benefit resulting from being in the pilot pool, which results from retaining 100% of growth (rather than 67%), in not paying a levy on that growth, and also includes the net impact of retaining 100% of section 31 grants rather than 67%.
At an aggregate level, the net financial benefit to the pool is the difference between the sum of all 34 authorities' no worse off levels of funding (calculated in step 1) and the sum of all 34 authorities theoretical 100% retained income (calculated in step 2), plus the additional central share section 31 grant not included in the growth calculation.
If the pool overall is worse off, Step 4 does not apply and go straight to Step 5.

STEP 4: - Calculate authority shares of the total net benefit for redistribution

This step determines how much of the total net benefit each authority should receive. The first 15% of the net benefit will be top-sliced to form the joint for the Strategic Investment Pot. Individual pool members will not receive a direct share of this pot: instead it will be spent collectively on projects that will contribute to the sustainable growth of London's economy and lead to an increase in London's overall business rate income.

The remainder of the funding is distributed 36 per cent to the GLA with the remaining 64 per cent allocated to billing authorities according to the agreed formula based on relative shares of the "incentives" pot (i.e. how much each authority contributed to the total net benefit); the SFA pot (each authority's share of SFA in 2018-19); and the population pot (each authority's projected population in 2018).

The incentives pot will constitute 15% of the total net financial benefit to the pool. It is designed to benefit those local authorities that generate the greatest additional growth for the pool. The additional benefit from retaining 100% of S.31 grants rather than 67% at the individual level will not be taken into account within this calculation. This is because the grants are largely driven by the relative business rates bases of each authority rather than levels of underlying growth. Without piloting 100% the additional benefit from the S.31 grants would not be available, and the 100% pilot is only possible because London is pooling. Therefore, the individual levels of S.31 grants are not included when calculating contributions to the pool to determine the incentives pot distribution.

An individual authority's contribution of additional growth to the pool is the difference between its theoretical funding calculated in Step 2 (which excludes S.31 grants) and the sum of its retained income and RSG calculated in Step 1. The incentives pot will therefore be distributed in proportion to each authority's relative share of the additional growth it contributes to the pool excluding S.31 grants outside of the levy/safety net methodology for calculating business rates income. Those local authorities in a position of negative growth for 2018-19 will not receive funding from the incentives pot.

The SFA pot will constitute 35% of the total net financial benefit to the pool in respect of the billing authority share and will be distributed in proportion to each authority's share of the total London level of Settlement Funding Assessment (SFA) in 2018-19, as taken from the 2018-19 local government finance settlement.
The population pot will also constitute 35% of the total net financial benefit to the pool and will be distributed in proportion to each authority's relative population share in 2018 using the 2014-based Sub-National Population Projections published by the Office of National Statistics.

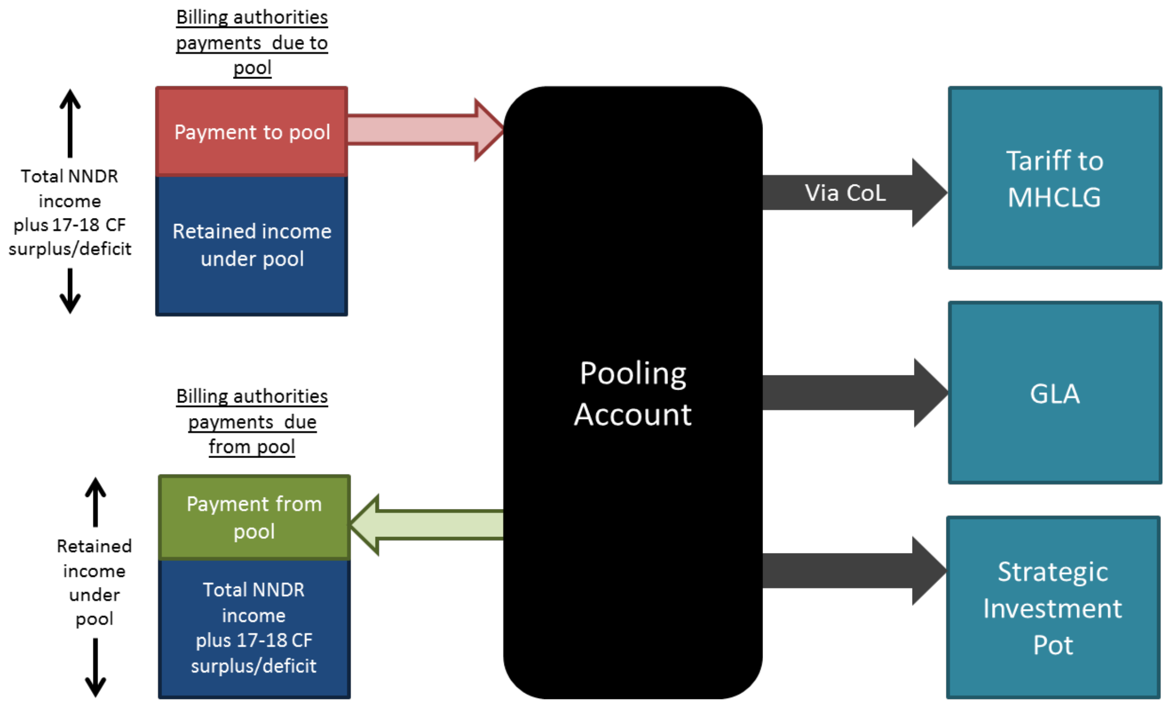
STEP 5: - Calculate retained funding to be distributed in year

Each authority's retained funding to be distributed in 2018-19 will be the sum of its "no worse off" level of funding, plus its combined shares of the Incentives pot; SFA pot and population pot.

If the pool turns out to be worse off than the sum of the individual authorities' positions under the 67% scheme, and therefore a no detriment payment is due to the pool, each authority will simply receive its "no worse off" level of funding.

APPENDIX 5

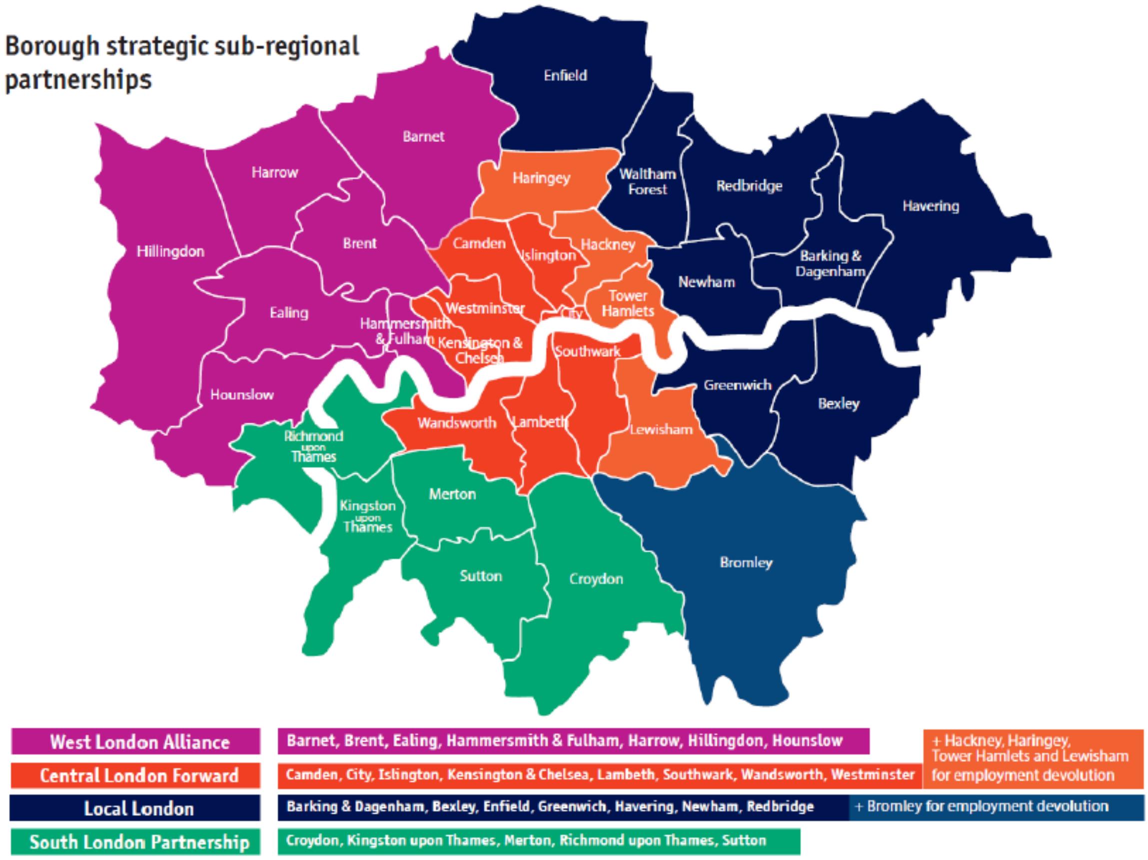
London 2018-19 Business Rates pool – in-year cash flow summary



Source: City of London

APPENDIX 6

Sub-regional groupings for the Strategic Investment Pot



APPENDIX 7

Institute of Fiscal Studies: “100% business rate retention pilots: what can be learnt and at what cost?

Main conclusions

100% business rates retention pilots

a. “risk growing divergences between the funding available to different councils. In just a few years under 100% rates retention those councils which would have seen the biggest increases in their retained business rates revenues were often not the councils that experienced the biggest increases in their relative spending needs, for example, because their population became older, poorer or sicker. This implies that central and local government face a difficult trade off when moving to 75% or 100% rates retention. More frequent and fuller periodic redistributions of revenues could limit the scale of funding divergences. But they would also dampen the incentives for councils to grow revenues and tackle spending needs.”

b. “It is also not clear that the incentives provided by rates retention will translate into faster economic growth. The report finds no relationship between changes in the councils’ business rates tax bases and local economic growth, or indeed employment or earnings growth, in recent years. However, there is a link between changes in the value of business properties when they are re-valued (as in April 2017) and local economic growth. Most of the impact of these valuation changes is stripped out from the revenues actually retained by councils though, meaning little incentive for councils to boost local business property values.”

c. “The IFS estimate that pilot areas will see a financial benefit in 2018–19 of around £870 million in total, calculated based on councils’ revenue forecasts. This is equivalent to 3.6% of pilot councils’ core spending power, or almost 2% of the spending power of all councils. This financial benefit represents a cost to central government, to which this revenue would otherwise have flowed. This revenue could have been used to reduce the budget deficit, or fund tax cuts or higher central government spending. There is therefore an ‘opportunity cost’ to the 100% business rates retention pilots.”

d. “One alternative option for using this money would have been to have increased grant funding for all English councils instead. £870 million, equivalent to 2% of councils’ core spending power, would have enabled an increase in grants of £16 per person, on average. If this had been allocated according to official assessments of spending needs, one-in-ten areas would have seen spending power that was £16.80 per person or 2.1% higher than is currently planned for 2018–19. But most – although not all – pilot areas would have received less funding, as they gain more from pilot status than they would have gained from needs-based grants."

e. "The scope for learning from the pilots is likely to be limited though. The non-random selection of pilot areas means they are unlikely to be representative of all councils"

f. "The 'no detriment' clause means councils are not facing the risks that they would under nationwide 100% retention."

g. "There may, on the other hand, be other benefits to the government of running the pilot schemes. For instance, they may help maintain the momentum of local government finance reform following the setback of the June 2017 election (since which time the legislation to take forward previous plans for a national roll-out of 100% rates retention has not been resurrected)."

APPENDIX 8

Summary of Business Rates Retention issues in Budget 2018 and OBR's Economic and Fiscal Outlook – October 2018

Budget 2018

"Property tax - High streets

To provide upfront support through the business rates system, the government is cutting bills by one-third for retail properties with a rateable value below £51,000, benefiting up to 90% of retail properties, for 2 years from April 2019, subject to state aid limits." **(paragraph 3.33, page 46)**

"Local authorities will be fully compensated for the loss of income as a result of these business rates measures." **(paragraph 3.36, page 46)**

OBR – Economic and Fiscal Outlook – October 2018

Page 98

"Policy risks

4.15 Parliament requires that our forecasts only reflect current Government policy. As such, when the Government or governing party sets out 'ambitions' or 'intentions' we ask the Treasury to confirm whether they represent firm policy. We use that information to determine what should be reflected in our forecast. Where they are not yet firm policy, we note them as a source of risk to our central forecast. Abstracting from the wider policy uncertainty associated with the negotiations on leaving the EU, we note:

- The intention to localise all business rates and to provide some additional discretion to local authorities in setting them, while also shifting some spending responsibilities to local authorities. In October 2015 the Government pledged that "by the end of the Parliament, local government should retain all taxes raised locally, including 100% of locally collected business rates". This ambition was restated in the 2019-20 local government finance settlement technical consultation, but the precise timetable remains unclear. The Government has been running pilot schemes in selected authorities since 2017-18, with further extensions announced since March."

Page 124

"Business rates

4.71 Business rates are calculated by multiplying the rateable value of non-domestic property by the multiplier, which is uprated by inflation. With CPI inflation around 0.1 percentage points a year higher over the forecast period, this pushes up business rates by around £0.2 billion by the end of the forecast period. But the main changes to business rates receipts since March reflect Budget measures.

4.72 The Government has announced a business rates discount of one third for retailers with a rateable property value of less than £51,000 for 2019-20 and 2020-21. This reduces receipts by around £450 million in each of these years. The Government also announced in the Spring Statement that the business rates revaluation would be brought forward a year to 2021. We were informed too late to include this in our forecast then, so have factored it in now. The Government is obliged to design the revaluation and transitional relief to be fiscally neutral. At revaluation, the multiplier is set to include headroom for future changes to the rating list (e.g. from successful appeals) so that the yield remains constant in real terms after the estimated loss of rateable value from these changes. With the revaluation brought forward a year, the initial boost to yield (before appeals erode the yield) occurs a year earlier than in our March forecast. This adds £0.9 billion to receipts in 2021-22.

4.73 We have assumed that the transitional relief scheme for the 2021 revaluation will be fiscally neutral ahead of details of the scheme. Although the aim is always for schemes to be fiscally neutral, the initial evidence from the 2017 scheme suggests that it will produce a surplus, in contrast to the 2010 scheme that produced a deficit. "

Page 163 (Box 4.2)

"Business rates retention pilots

The Government has been piloting full business rates retention since 2017-18. These pilots have featured in our forecasts since March 2017, but were incorrectly incorporated as being fiscally neutral by definition, as they straightforwardly transferred spending from central government to local authorities. A reduction in central government DEL grants was assumed to offset an equivalent amount of locally retained business rates that financed higher LASFE. A paper published in April by the Institute for Fiscal Studies (IFS) argued that the pilot schemes would in fact not be spending- or borrowing-neutral, but would instead result in a financial gain to local authorities and higher public sector net borrowing.

In light of this, we engaged with the Ministry of Housing, Communities and Local Government (MHCLG) and the Treasury to understand the significant differences between its conclusions and the estimates we had used in our forecasts. We established that the information that we had been provided regarding the way the pilots would operate and their potential fiscal effects was incomplete and in part incorrect. As a result, the fiscal costs of the pilots have been re-estimated and included in this forecast.

The overwhelming majority of pilot authorities are expected to receive a net financial gain. Relative to a situation in which they had continued to retain 50 per cent of business rates, we expect pilot authorities to gain £0.8 billion in 2018-19, which aligns to the IFS estimate."

Page 228

"Business rates revaluation:

- the rateable value of business properties is usually reassessed by the Valuation Office Agency every five years, with the most recent taking place in 2017. At Spring Statement 2018 the Government announced that the next revaluation would be brought forward a year to 2021, and reduced the standard interval to three years. We were informed too late to include this in our March forecast. The Government is obliged to design the revaluation and transitional relief to be fiscally neutral. At revaluation, the multiplier is set to include headroom for future changes to the rating list (e.g. from successful appeals). With the revaluation brought forward a year, the initial boost to yield (before it is eroded by appeals) occurs a year earlier than in our March forecast. This adds £0.9 billion to receipts in 2021-22. "

"Business rates: extension to pilots:

- the Government has extended the first wave of business rate pilots to 2019-20. As local authorities retain growth in business rates revenues beyond a specified baseline, this boosts local authorities' self-financed spending beyond the amount foregone in central government grants."

London Business Rates 2018/19 100% Pilot Pool

Strategic Investment Pot (SIP) Consultation Report

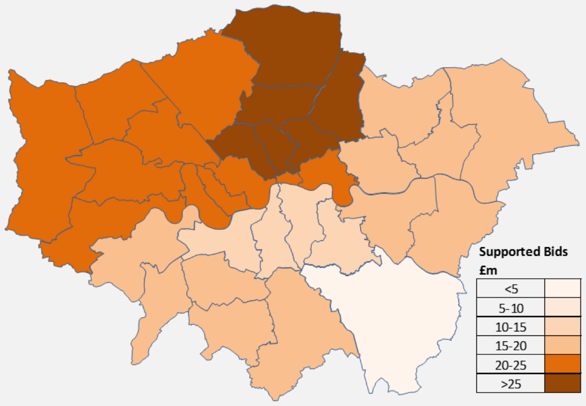
Report of the SIP Panel:

Peter Kane, Chamberlain, City of London Corporation
Guy Ware, Director Finance, Performance & Procurement, London Councils
Andy Donald, Chief Executive, Redbridge
Shifa Mustafa, Executive Director Place, Croydon
James Rolfe, Executive Director Finance, Resources & Customer Services, Enfield
Amar Dave, Strategic Director Regeneration & Environment, Brent
Debbie Jackson, Assistant Director Regeneration and Economic Development, GLA
Richard Simpson, Executive Director Resources, Croydon
Duncan Whitfield, Strategic Director Finance & Governance, Southwark
Gerald Almeroth, Strategic Director Resources, Sutton

Bids Received

This info-graphic shows a summary of key information from all of the bids submitted: geography, types and amounts of funding, expected project outputs.

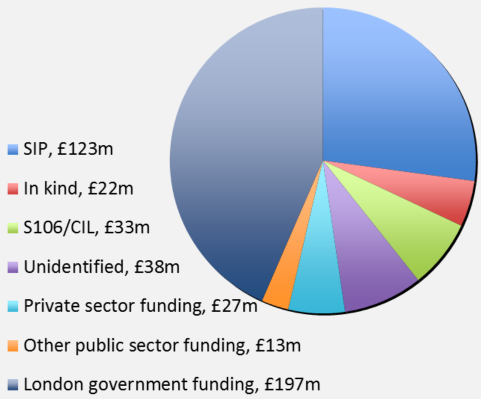
Bids were submitted from across London



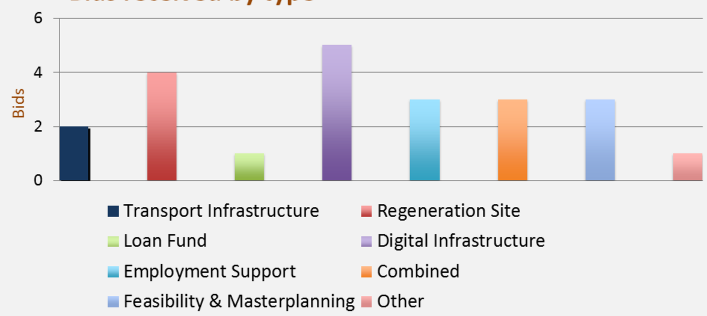
Project funding identified, £m

Project sizes have been estimated using the total match funds available where not specified in bids.

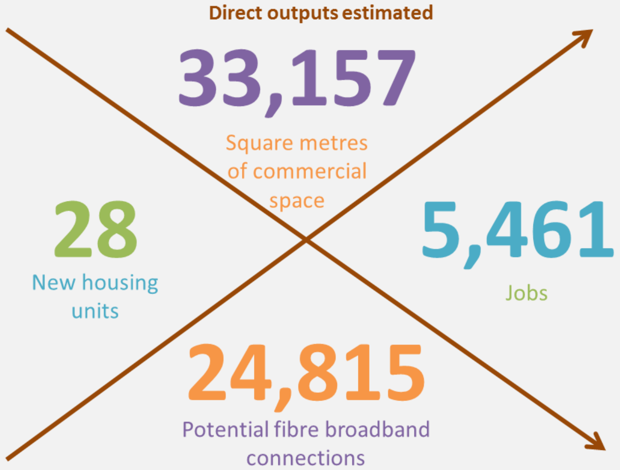
In-kind match funds identified included the market value of assets used in projects or secured through S106, and staff time.



Bids received by type



Direct outputs estimated



£52m
Expected SIP fund

£123m
Total SIP Bids Received

The executive summary

For 2018/19, the GLA and the 33 London billing authorities are piloting 100% business rates retention. This allows London to retain an estimated £349m of extra funding. Of this, approximately 50% will be used for strategic investment: 15% (c.£52m, Strategic Investment Pot) to be allocated by the agreement of London government, and the balance (the GLA share of total benefit) for allocation by the Mayor of London.

The aim for the SIP funds is to:

- contribute to the sustainable growth of London's economy and an increase in business rates income either directly or as a result of the wider economic benefits anticipated;
- leverage additional investment funding from other private or public sources; and
- have broad support across London government in accordance with the agreed governance process.

There is not currently a mechanism for joint decision-making by London government, therefore the formal decision must be taken by the Members of the Lead Authority (City of London Corporation), subject to consultation with all participating authorities. This is the consultation report, to which authorities are asked to respond according to their own decision-making processes. The consultation requirements are that:

- the Mayor of London and two-thirds of the 33 billing authorities agree to recommend project approval; and
- if all the authorities in a given sub-region (as defined in the pooling agreement) do not recommend the project, it shall not be agreed.

Bids were invited in April 2018 with a deadline at the end of May. 22 bids were received for a total of £123.4m. A summary of the bids received is shown in the info-graphic (left). The overall quality of bids was high, bearing in mind the timescale. Some were well developed with a clear delivery plan and estimates of impact; others will benefit from further development and reconsideration in future rounds.

The City of London Corporation, the Lead Authority for the pooling arrangement, has led the evaluation process, convening a Panel of senior finance, regeneration, and service directors from the London authorities, the GLA, and London Councils to carry it out. This approach was designed to ensure that appropriate expertise and pan-London engagement was obtained for the evaluation. This report is issued by the Panel and provides:

- an overview of the pilot scheme,
- information about the bidding and evaluation process,
- an overview of bids,
- the recommended package of bids to be funded, and
- an appendix with a summary of each of the bids.

The recommendation

The Panel has considered the bids and recommends that the following SIP funds are awarded because they provide the best way to balance the objectives of the fund within the resources available. The Mayor and the 33 London authorities are asked to use their own decision-making processes to confirm their support for each.

	£m
• South Dock Bridge	7.00
• Productive Valley:	5.75
○ South Tottenham Employment Area	
○ Investment Fund	
○ Rigg Approach	
• South London Innovation Corridor	8.00
• Open Data Standard for Planning	0.25
• Euston Recruitment Hub	3.00
• West London Alliance:	11.13
○ Skills & Productivity	
○ Investment in Digital	
• Local London Investment in Fibre	7.70
• South London Multi-Purpose Internet of Things Platform	4.00
Total Recommended Package	**46.83**

A summary of the bids in the recommended package is shown in the info-graphic (right). The package includes bids which will directly grow London's business rates by providing new or refurbished commercial space, as well as ones which will indirectly generate growth by providing transport and digital infrastructure, supporting employment and businesses, and creating frameworks for development. A mixture of bids is included to achieve a balanced package: some are focused on a single, specific site and some have a much wider focus and potential impact.

A successful allocation of funds will allow the various strategic investment projects to begin, demonstrate to Government that London government can cooperate and work together, and provide a sound basis for the Government evaluation of the pilot which is expected in the Autumn.

The precise amount of funds will be confirmed once the 2018/19 accounts are closed, and will be rolled into the 2019/20 SIP if the pilot is extended or allocated in another round if not.

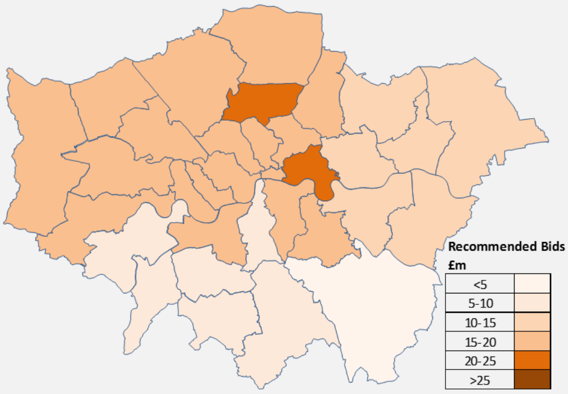
The Lead Authority will make arrangements for funding agreements, including application of funding conditions relating to the outputs and match funding in the bid once the consultation and decision-making process is complete.

APPENDIX 9

Recommended Package

This info-graphic shows a summary of key information from the recommended package: geography, types and amounts of funding, expected project outputs.

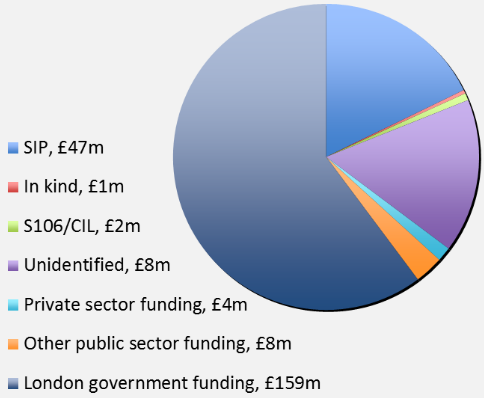
Bids are recommended from across London



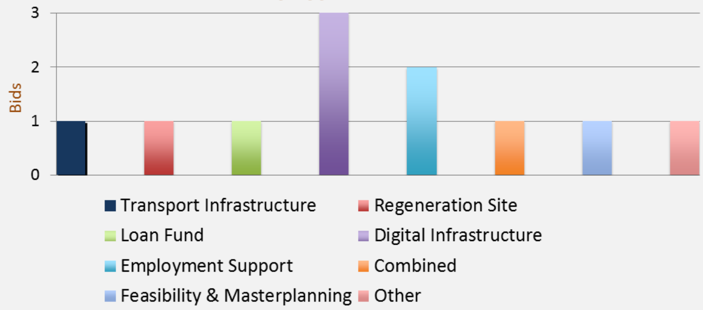
Project funding identified, £m

Bidders identified a range of different sources of funding. The Panel assessed these carefully and considered the extent to which they were reasonable claims.

In-kind match funds identified included the market value of assets used in projects or secured through S106, and staff time.



Bids recommended by type



Direct outputs estimated

15,320 Square metres of commercial space

33 Authorities supporting at least one bid

4,020 Jobs

19,955 Potential fibre broadband connections

£52m Expected SIP fund

£46.83m Total SIP Bids Recommended

The 100% pilot scheme and SIP

This is the second year that London has piloted additional business rates retention. In 2017/18, the GLA's Revenue Support Grant (RSG) and funding for TfL capital was replaced by additional rates, meaning London retained a total of 67% of business rates (adjusted for redistributive measures and a 50% levy on growth over baselines set in 2013-14).

For 2018/19, all 33 London billing authorities and the GLA have come together to pilot 100% retention, reaching agreement with Government at the Autumn Budget 2017. The operating principles of the pilot pool were subsequently agreed, via a Memorandum of Understanding (MoU), by the 32 London Boroughs, the City of London Corporation and the GLA in January 2018.

The pilot replaces RSG for the 33 London billing authorities with retained business rates. Government also agreed an enhanced safety net threshold of 97% (compared with 92.5% under the previous scheme), meaning that London, as a whole, cannot lose more than 3% of its baseline funding level. An additional safeguard has been agreed between the London authorities that no authority will be worse off than under the pilot than the previous arrangements.

The pilot allows London to retain 100% of any growth (rather than 67% that would have been the case otherwise) over the baseline levels set in 2013/14. The 2018/19 pilot also removes the 50% levy on that growth. Following analysis of all London borough business rates forecasts submitted to the Government in January, the overall forecast net additional benefit to London is estimated to be approximately £349m. However, the final figure will not be known until after the financial year has ended and accounts have been audited.

Under the agreed terms of the London pilot, 15% of the net financial benefit of pooling – budgeted at approximately £52m – is reserved for the Strategic Investment Pot, to be spent on projects that:

- contribute to the sustainable growth of London's economy and an increase in business rates income either directly or as a result of the wider economic benefits anticipated;
- leverage additional investment funding from other private or public sources; and
- have broad support across London government in accordance with the agreed governance process.

The final amount of SIP funds available is subject to the final amount collected in year. The budgeted amount is based on authorities' estimates in January 2018, with a recommended allocation of £46.83m (90%).

The process agreed in establishing the pilot pool reflects the absence of a statutorily recognisable mechanism for joint decision-making by the 33 billing authorities and the Mayor of London. The formal decision must therefore be taken by the Members of the Lead Authority (the City of London Corporation), subject to consultation with all participating authorities. This is the consultation report, to which authorities are asked to respond, according to their own decision-making processes. The consultation requirements are that:

- the Mayor of London and the majority (two-thirds) of the 33 billing authorities agree to recommend approval of the project; and
- if all the authorities in a given sub-region (as defined by the MoU) do not recommend the project, it shall not be agreed.

This report provides information about the pilot scheme, the bidding and evaluation process, an overview of the bids received, the recommended package of bids for funding, and an appendix with a summary of all bids.

In addition, the Mayor of London has committed to spending the GLA's share of the additional net financial benefit from the pilot on strategic investment priorities. The allocation process for this, separate, fund (estimated at £112m) is currently underway, the Mayor is expected to make decisions shortly, and announcements on each project will follow afterwards.

The bidding and evaluation process

The Lead Authority is responsible for the operation of the SIP, and has made arrangements for inviting bids, evaluation, and the preparation of this recommendation report. The call for bids was issued in April 2018 to the Leaders of the 33 London billing authorities, this included a bid form and bidding guidance. The deadline for submissions was the end of May 2018.

The bidding guidance explained the Lead Authority's intention that the evaluation would be carried out by a Panel of senior finance, regeneration, and service directors from the London authorities and GLA, and London Councils. This approach was designed to ensure that appropriate expertise and pan-London engagement was obtained for the evaluation method. This report is issued by the Panel and provides its recommended package of bids to be funded.

The criteria considered were those included in the bidding guidance, namely:

- **Contribution of anticipated outputs to key economic growth priorities**: e.g. housing and planning; transport and infrastructure (including digital infrastructure); skills, employment and business support. This could be evidenced, for example, by quantification of anticipated outputs (increase in homes, commercial floor space, jobs, etc.) and by alignment with existing regional, sub-regional and local strategies.
- **The anticipated scale of economic benefit**, both in absolute terms and, where appropriate, expressed as a ratio of anticipated return to investment required.
- **The breadth of geographic impact** – with a presumption that the broader the area of impact the better. Whilst strong local bids will be considered under other criteria, there will be a preference for joint proposals, including but not necessarily limited to those from existing sub-regional partnerships, or which apply to the whole of London.
- **The scale of match funding**, both in absolute terms and expressed as a ratio of funding from other public or private sources to SIP investment required. The presumption will be that – all other things being equal – proposals that command a greater level of match funding will be preferred.
- **Delivery timescales**: No strict cut-off point is defined; however delivery timescales will be considered within the overall evaluation, with a presumption in favour of earlier completion (and therefore earlier economic returns), but ensuring an appropriate mix of recommended proposals between 'oven-ready' schemes and longer-term investment projects.

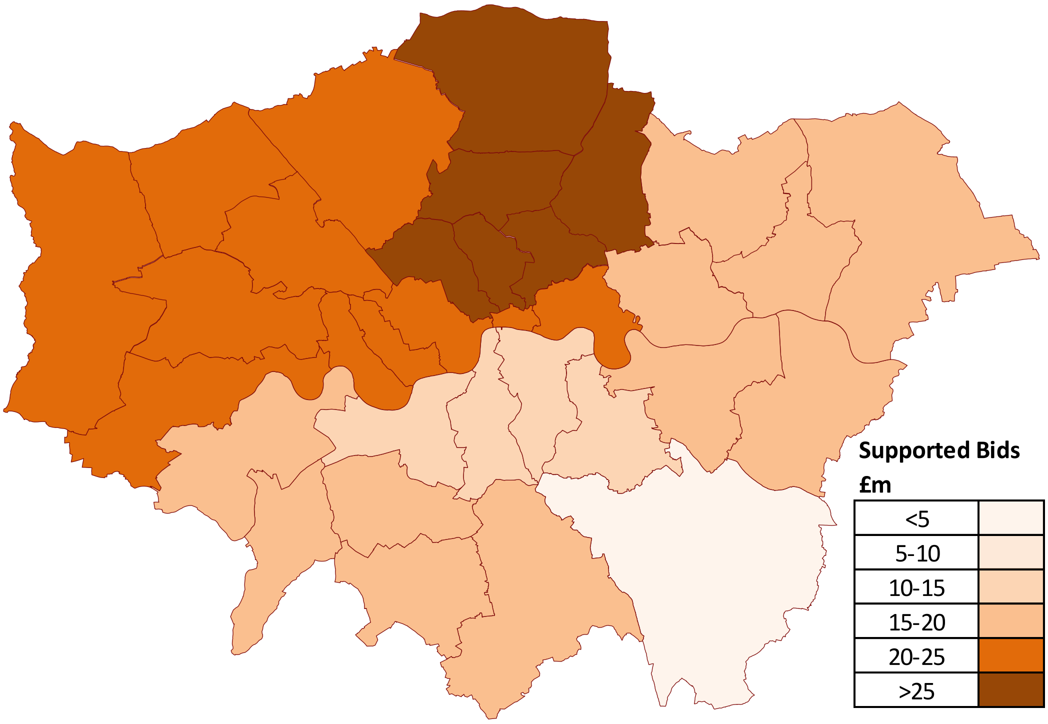
The bidding guidance made clear that, though the criteria were chosen in part because they were capable of objective evaluation, there would also be a degree of judgment and interpretation required. There would also be a need to assess the robustness and credibility of the estimates included in the bids. By way of specific consideration of the matters of judgement and interpretation which could not be objectively summarised from the bids, four areas were considered:

- **Deliverability** – an assessment of the likelihood of delivering the project (and any sub-projects) referred to in the bid, and doing so within the timeframe and resource base described in the bid documentation.
- **Economic impact** – an assessment of the expected level of impact of the bid; considering, in particular, the two key aims of the SIP which were to directly increase business rates income and to increase business rates income indirectly as a result of wider economic benefits.
- **Geographical impact** – a consideration of whether the bid would impact directly in just a specific locale, across a borough, a sub-region, or even more widely.
- **Additionality of match funding** – an assessment of the extent to which the bid leveraged truly additional investment funding, or whether it referred only to funding already accessible to bidders.

These four areas and the objective and comparative details of the bids were all considered and discussed by the Panel in forming its recommended package of bids.

The bids received

The expected value of SIP funds is £52m, subject to the final outturn on business rates. Following the invitation to bid in April, by the deadline at the end of May, 22 SIP bids were received from 15 accountable boroughs for a total of £123.4m. All authorities supported at least one bid, and the majority supported bids of at least £5m, the total value of bids supported by each authority is shown on the map:

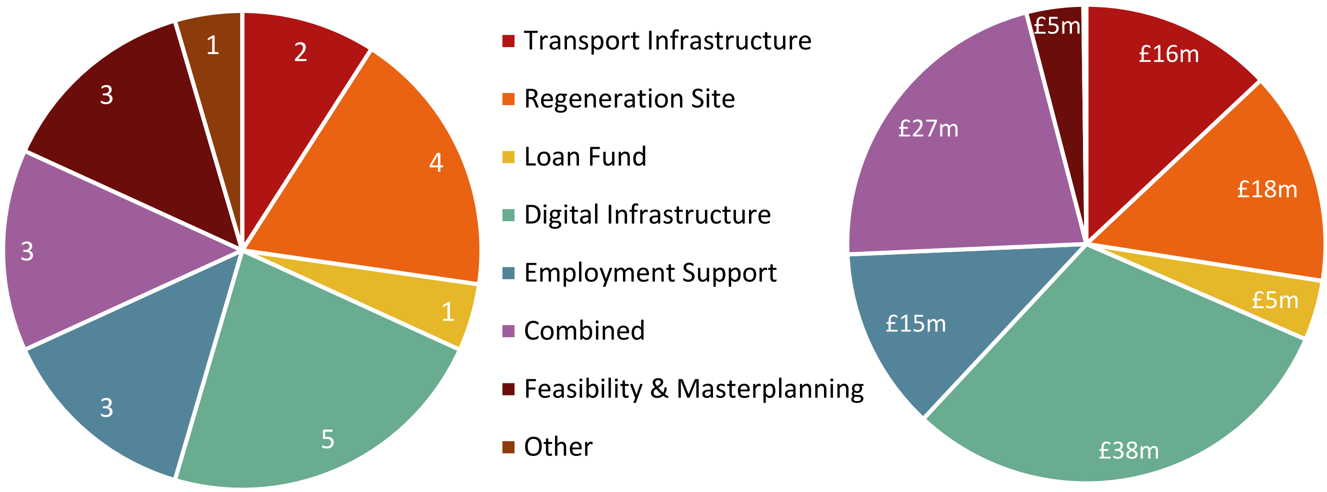


The bids were categorised to allow comparison between them, and to aid in the identification of a balanced package of bids. However, the Panel were conscious that the categorisation had been retrospectively applied, and it was kept under review throughout the evaluation process; no 'quota' was applied, and there was no specific aim relating to categorisation in the Panel's approach to identifying a recommended package. The final categories used were as follows:

- **Transport infrastructure bids** which supported projects such as bus lanes, bridges, public realm or cycling improvements.
- **Digital infrastructure bids** for projects such as fibre networks, CCTV and 'Internet of Things' installations.
- **Regeneration site bids** contributing to regeneration of particular sites, including at least one phase of construction and delivery.
- **Feasibility & masterplanning bids** supporting the initial or planning phases of a regeneration scheme or infrastructure project, and in general delivering business cases, master plans or feasibility studies rather than completed projects or works. However, some included initial enabling works or funded some land assembly.
- **Employment support bids** providing intervention or facilities to support people into work or improve their skills.
- **Loan fund bids** aimed at setting up a local investment fund for projects, on a repayment and interest bearing basis.

- **Combined bids** are those combine a number of these types, generally by seeking an allocation of funds to be used in a locality for a number of sub-projects.
- **Other bids** which did not fit into any of the other categories.

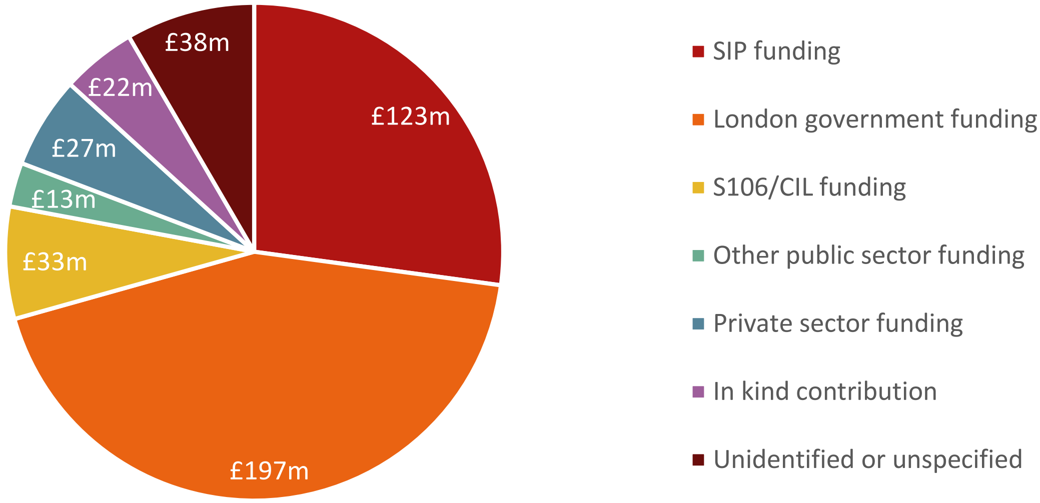
The graphs show the total bid amount and number of bids received in each category:



The bids were for projects with a range of different sizes, some specified the total size of the project and others just provided a total amount of match funding (so in this case the total of the match funding was used to estimate the project size). The average bid size was £5.6m, with a minimum of £0.25m and a maximum of £15m, and the SIP funding proportion was from 5% to 85%. The bidders identified a wide range of different sources of match funding, which have been organised into a number of categories:

- **SIP funding** is the bid amount.
- **London government funding** is other funding committed, requested, or to be requested by the boroughs, GLA, and TfL as part of their project. This generally related to capital resources (including right to buy receipts) or grant funding (such as the Mayor's Construction Academy, for which one bidder has applied).
- **S106/CIL funding** is the use of contributions made by developers to the localities surrounding their developments. These funds are within the control of the local authority, subject to some restrictions depending on the nature of some S106 agreements. Some bids identified expected additional contributions that would be secured as a result of additional development following the proposed SIP funded project.
- **Other public sector funding** is most commonly government grant.
- **Private sector funding** is expected contributions from the private sector, which might, for example, be through sponsorship or joint venture agreements.
- **In kind contributions** were from a variety of different potential sources, including staff time in the authority which was bidding or to manage the project, but in some cases included the market value of existing assets or assets secured through S106 agreements with developers.
- **Unidentified or unspecified** funds, in one case referred to proposed borrowing, but this category also used where bids were unclear or uncertain as to the expected funding source.

The Panel considered the additionality of match funding (as described above under 'The bidding and evaluation process') offered by bidders and the quantum of match funding to inform their recommendation. The graph shows the total (estimated) project costs and funding sources, over all the bids received:



The recommended package

The Panel recommend that Members fund a balanced package of bids, which combines a range of different projects. The bids included in the package, and the reasons why are detailed in this section. They are presented in no specific order.

South Dock Bridge

<table>
<tr><td>Bid size</td><td>£7m</td><td rowspan="7">South Dock Bridge is a proposed new footbridge to provide a fully accessible link to South Quay within the private Canary Wharf estate, near its new Elizabeth and Jubilee line stations. The bid will unlock delivery of new housing and commercial development and links residential and commercial districts to the south of the Isle of Dogs to the Canary Wharf commercial district.

The Bidder expects this to unlock development on the Isle of Dogs, and to relieve congestion on nearby public transport.</td></tr>
<tr><td>Estimated total project cost</td><td>£12m</td></tr>
<tr><td>Estimated SIP proportion</td><td>58%</td></tr>
<tr><td colspan="2">Match Funding</td></tr>
<tr><td>CIL & S106</td><td>£1.5m</td></tr>
<tr><td>Unidentified (likely CIL, though some sponsorship potential)</td><td>£3.5m</td></tr>
<tr><td>Project timeframe</td><td>1.5-3 Years</td></tr>
</table>

The Panel conclude that this bid would bring forward the provision of the proposed infrastructure, and are confident that this will unlock earlier development in the area. The importance of the borough to London and the wider UK economy is a factor in recommending this bid. Supporting this bid will deliver a particular, discrete piece of transport infrastructure and clearly demonstrate to Government the impact of SIP funding.

Productive Valley:

- South Tottenham Employment Area
- Investment Fund
- Rigg Approach

The Productive Valley study provides a clear rationale for intervention in this area, and of the four initiatives proposed, the Panel concluded that three should be recommended for funding.

Bid size	£2m
Estimated total project cost	£2.5m
Estimated SIP proportion	80%
Match Funding	
Public sector funding	£0.2m
In-kind (staff time)	£0.3m
Project timeframe	3-5 Years

The South Tottenham Employment Area bid is for delivery of 7,776m^2 of good quality employment space through a mix of refurbishment, extension and redevelopment of existing premises in the South Tottenham Employment Area.

The Bidder expects this to redevelop the site, which they consider underutilised. In addition to new space, this will also provide 2,029m^2 of refurbished space. They expect an uplift of c.£0.32m of rates income and 320 new jobs.

The South Tottenham Employment Area initiative is considered deliverable by the Panel because the building involved is already in the ownership of the bidding authority. The Panel also understood from the bid that there was a much larger scheme in mind which funding this first phase will 'kick off'. Supporting this bid will deliver regeneration on a specific site and increase the business rates base through additional commercial space.

Bid size	£5m
Estimated total project cost	£6.5m
Estimated SIP proportion	77%
Match Funding	
In-kind (officer time)	£0.3m
Unidentified (would ask for match)	£1.2m
Project timeframe	3-5 Years

The Productive Valley Investment Fund would be a valley-wide loan fund, modelled on the existing Opportunity Investment Fund which provides unsecured loans at 6-8% to local businesses, with an initial repayment holiday. The fund would help support businesses, enabling them to grow and attracting others into the area. They plan to budget for 70% repayment to allow for some failures, though the existing fund has so far had no write-offs.

The Bidder expects this to directly support at least 32 businesses over three years.

Whilst the lack of specific projects identified and approved for funding means that the Panel identify a possible risk to the delivery of these projects and some potential for delay. The repayment nature of this fund means that it is expected to have a wide and longer term impact than simply offering grant funding. However, given the limited amount of SIP funds available, the Panel consider that a lower award than the £5m bid of £3m is reasonable and recommend funding at this level. Where part funding is recommended, the balance is moved to unidentified in the Executive Summary infographic, which also includes the bid outputs unadjusted.

<table>
<tr><td>Bid size</td><td>£2m</td><td rowspan="7">Rigg Approach is a 5ha area of land identified as a Strategic Industrial Location (SIL) that forms the Lea Bridge gateway to Waltham Forest. This bid is for SIP funding to be used to: establish formal partnerships with businesses, landowners, interested developers and strategic parties; prepare an agreed masterplan, overarching outline and phase one planning applications; develop strategies and business cases for securing investment and the first phases of work. Funding will also be retained to kick-start the initial phase of development.

The Bidder expects this to complete masterplanning, identify land assembly and phasing strategies and assess delivery routes/more detailed business cases for a programme of regeneration of 5ha to 2028. Total GDV c.£250m, 11,000-22,000m² industrial. They expect 100%+ growth in rates for area.</td></tr>
<tr><td>Estimated total project cost</td><td>£3m</td></tr>
<tr><td>Estimated SIP proportion</td><td>67%</td></tr>
<tr><td colspan="2">Match Funding</td></tr>
<tr><td>In-kind (spend to date)</td><td>£0.15m</td></tr>
<tr><td>To be identified – Council funding and officer time</td><td>£0.85m</td></tr>
<tr><td>Project timeframe</td><td>1.5-3 Years</td></tr>
</table>

The Rigg Approach initiative covers a large site, and the bid aims to increase density and intensify activity in the area. This has a good strategic fit and meets a specific policy objective to improve the performance of industrial land and investigate multi-level industrial use. Supporting this bid will contribute to a clear strategy to grow business rates in London's limited land resource over the longer term, and could also free up land for housing where there is not additional business demand. The Panel note that 25% of the £2m bid is intended to support the first phase of development which has not been guaranteed, leaving a balance of £1.5m for the master-planning exercise. The Panel view £1.5m as a very significant amount to spend on an initial project, and considering the size of the SIP fund, recommend a smaller award of £0.75m to produce a focused piece of work.

South London Innovation Corridor

<table>
<tr><td>Bid size</td><td>£11.33m</td><td rowspan="7">This project proposes strategic investments into central (South Bank; Vauxhall Nine Elms Battersea) and local growth clusters (Brixton; New Cross; Old Kent Road; Peckham; Camberwell; and Wandsworth) on Workspace (capital investment into affordable workspace and incubators projects, delivering substantial new commercial floorspace), Business support (cross-borough networking; accelerators and support for creative and digital start-ups supporting substantial job creation), and Talent development (cross-borough creative and digital employment initiatives focussed on enabling disadvantaged groups to access employment and support career progression).

The Bidder expects this to deliver £1.5m business rates income, 400 pre-apprenticeships, 200 work experience placements, 200 apprenticeships, and 1,700 jobs. 750 businesses will be supported, beneficiaries will be 50% BAME.</td></tr>
<tr><td>Estimated total project cost</td><td>£26.33m</td></tr>
<tr><td>Estimated SIP proportion</td><td>43%</td></tr>
<tr><td colspan="2">Match Funding</td></tr>
<tr><td>Unidentified (bid describes as 'cash match')</td><td>£15m</td></tr>
<tr><td>Project timeframe</td><td>1.5-3 Years</td></tr>
</table>

The Panel considered this bid to be imaginative and wide ranging covering workspace, talent development, and business support. The bidder expected in particular that it would produce a significant amount of commercial space. Supporting this bid therefore is expected to grow business rates through both direct and indirect means. The Panel discussed the level of management fees, but concluded that these were reasonable given the number of sub-projects described. The Panel considered reducing the amount to be awarded in the case of this type of bid and concluded that this could be expected to increase the focus and assist bidders in ensuring that prioritisation takes place and only the most effective sub-projects are funded. The Panel consider that £8m is a reasonable level, and recommend an award at that level.

Open Data Standard for Planning

<table>
<tr><td>Bid size</td><td>£0.25m</td><td rowspan="7">This bid is for development of an open data standard for planning applications to transform the quality of strategic planning and administration of planning permission. Planning data needs to be in a format that's consistent across boroughs, regardless of the particular software tools or policies of individual boroughs. This bid would provide a single end to end data solution, which no providers in the market currently provide. This bid could benefit all London Boroughs and any planning authority, provided their software vendor adopts the data standard

The Bidder expects this to offer significant benefits, in line with other open data projects (overall potential of open data estimated at £6-7bn, TfL data at £130m/annum). They expect improved access to faster, more efficient planning services.</td></tr>
<tr><td>Estimated total project cost</td><td>£0.75m</td></tr>
<tr><td>Estimated SIP proportion</td><td>33%</td></tr>
<tr><td colspan="2">Match Funding</td></tr>
<tr><td>MHCLG grant</td><td>£0.25m</td></tr>
<tr><td>Borough funding</td><td>£0.25m</td></tr>
<tr><td>Project timeframe</td><td>Within 18 months</td></tr>
</table>

This bid is highly rated, and the Panel feels that it clearly has the greatest potential for a wide geographical impact given the number of planning authorities throughout England. Initially, the Panel wondered about the link between this project and business rates, but concluded that there is significant potential: firstly, relating to business premises themselves which must get planning permission, with clear timing benefits from improved access; secondly, relating to potential savings for local authorities, which could free resources for further investment in the many areas of local authority activity which develop the economy; and thirdly in relation to the potential to assist SME developers in identifying smaller in-fill type sites. The Panel also note the potential impact on housing. The Panel recommend that a funding condition specifies an open source standard. Subject to this condition, the Panel recommend this bid for funding.

Euston Recruitment Hub

<table>
<tr><td>Bid size</td><td>£3m</td><td rowspan="8">The proposal is seeking funding to build a Euston Construction Skills Centre to deliver bespoke construction skills for key construction companies. The centre will also provide skills needed for construction in general, including housing, plus skills needed for transportation, with rail/engineering opportunities through HS2. The Centre will also provide STEM skills training and will pilot new building methods/technologies (off-site manufacturing). The centre will build up from over previous experience from the successful King’s Cross Construction Skills Centre currently delivering short courses, apprenticeships and job starts.

The Bidder expects this to lead to more than 200 job starts and 150 apprenticeships per annum. The centre will run short courses and adult education.</td></tr>
<tr><td>Estimated total project cost</td><td>£9m</td></tr>
<tr><td>Estimated SIP proportion</td><td>33%</td></tr>
<tr><td colspan="2">Match Funding</td></tr>
<tr><td>CIL & S106</td><td>£0.4m</td></tr>
<tr><td>HS2 Grant Funding</td><td>£4.1m</td></tr>
<tr><td>Mayor’s Construction Academy</td><td>£1.5m</td></tr>
<tr><td>Project timeframe</td><td>5+ Years</td></tr>
</table>

This scheme was recognised by the Panel as having identified significant match funding, and offering a specific business rates outcome (by way of the centre) as well as the indirect growth in rates expected through its supporting employment. The long term nature and wider geographical focus of this scheme was also considered positive. The construction theme is well-aligned strategically with the SIP as this industry in particular will be required to increase business rates. The expected effect of leaving the EU on this sector and forthcoming significant London developments requiring these skills (e.g. Crossrail 2) also make this timely and relevant. The Panel therefore recommend this bid for funding.

West London Alliance:

- Skills & Productivity
- Investment in Digital

The West London Alliance is well established and has a clear governance arrangement in place to manage the projects which might be recommended for funding by the SIP Panel. Of the three initiatives proposed, two are recommended for funding, in full or in part.

<table>
<tr><td>Bid size</td><td>£3.43m</td><td rowspan="6">The bid would fund delivery of an evidence-based productivity and skills programme for West London to support individuals and businesses.

The Bidder expects this to support 4,925 residents and 595 employers. There are various schemes: one pilot suggests potential £6.9m total annual salary growth for participants; apprenticeship programmes deliver £25-52k per person in 3 year cost savings.</td></tr>
<tr><td>Estimated total project cost</td><td>£5.42m</td></tr>
<tr><td>Estimated SIP proportion</td><td>63%</td></tr>
<tr><td colspan="2">Match Funding</td></tr>
<tr><td>Public sector match (unspecified)</td><td>£1.99m</td></tr>
<tr><td>Project timeframe</td><td>3-5 Years</td></tr>
</table>

The Skills & Productivity initiative appeared to be a well-planned scheme with a clear strategic aim. Whilst the Panel note an apparent optimism bias in this scheme between the detailed appendices and the outputs shown on the bid form, the Panel are supportive of this bid and the expected impacts on business in the area. The Panel note that there is adult education funding and funding for English as a Second or Other Language (ESOL) available, but expect that this project will help residents access these.

<table>
<tr><td>Bid size</td><td>£7.7m</td><td rowspan="7">The West London Alliance proposes a major extension of the high-speed fibre network to large areas of West London covering seven boroughs, particularly targeting areas affected by persistently slow internet speeds – so-called ‘not-spots’ - that are also located in mandated growth and regeneration areas. Libraries, schools, public and council offices located in ‘not-spots’ would be connected directly to the super-fast fibre network from their local TfL station and private providers will then be able to connect business properties within 250m of the public building. Also, a 'broadband fighting fund' is proposed to support fibre installation that would otherwise be commercially unviable.

The Bidder expects this to cover public buildings, but potentially enable access to 18,900 businesses and 41,950 households.</td></tr>
<tr><td>Estimated total project cost</td><td>£10.3m</td></tr>
<tr><td>Estimated SIP proportion</td><td>75%</td></tr>
<tr><td colspan="2">Match Funding</td></tr>
<tr><td>Estimated DCMS Vouchers</td><td>£2.6m</td></tr>
<tr><td colspan="2">The bid also claims to leverage £150m TfL investment in the roll-out of fibre to tube stations.</td></tr>
<tr><td>Project timeframe</td><td>Within 18 months</td></tr>
</table>

The Investment in Digital initiative is a well-developed scheme, with delivery arrangements in place via an agreement with TfL which will add the work to its existing programme. The timescale reported is ambitious, which will allow the impact of the SIP to be quickly demonstrated to Government.

Local London Investment in Fibre

Bid size	£15m
Estimated total project cost	£20m
Estimated SIP proportion	75%
Match Funding	
DCMS vouchers estimated	£5m
Project timeframe	1.5-3 Years

Eight Local London Partnership boroughs and Haringey propose investment to undertake Full Fibre upgrade to key public sector sites that will anchor fibre investment by the commercial sector. The chosen sites will be those where there will be significant improvement in public sector service delivery and where the commercial sector will be motivated to invest in key development zones and address areas of digital exclusion.

The Bidder expects this to provide connectivity in 15 strategic investment locations, providing an increase in penetration by 10%. Additional private sector investment is expected to be leveraged through public investment.

The Panel considered this bid to be relatively similar to the bid for West London: Investment in Digital, and is expected to provide similar benefits to local residents and businesses. However, the size of the bid, at £15m, is considerably greater. In order to allow for a balanced and affordable overall package, the Panel recommends funding both projects at £7.7m each.

South London: Multi-Purpose Internet of Things Platform

Bid size	£12.25m
Estimated total project cost	£17.95m
Estimated SIP proportion	68%
Match Funding	
Borough capital funding	£5.2m
In kind	£0.5m
Project timeframe	1.5-3 Years

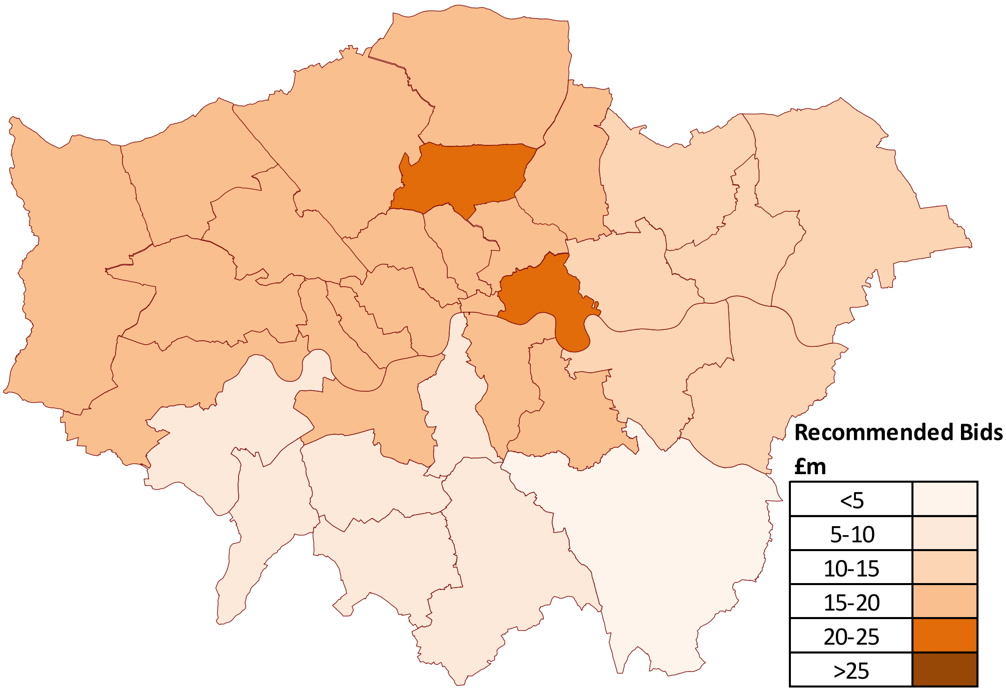
This proposal is for establishment of a sustainable, region-wide, multipurpose 'Internet of Things' (IoT) platform connecting various IoT enabled sensors across Council boundaries to gather data about, for example, air quality, footfall, flood risks, traffic, road surface temperature, and parking space availability. Data would be made available to local and national government through the London Data Store.

The Bidder expects this to improve access to and increase use of town centres, to reduce emissions and improve logistics, and to reduce costs for council services.

The Panel agree that this is an innovative project and that it will have an impact on local services for the bidders. Smart City initiatives have been successful elsewhere, and the Panel feel that this should be considered in more detail. In particular, the approach to the data and whether it is open or commercialised, and the scope for making this project self-funding through commercialisation. There is debate about the effects of the transport aspects of this bid, and the Panel acknowledge that it will be difficult to predict the impact of parking sensors on traffic levels (which is a key consideration in relation to assessing the strategic alignment of this project). Given the need to ensure that SIP funds are focused on enabling economic growth, the Panel consider that funding of £4m should be awarded to carry out further detailed study and pilot work on this project.

Conclusion

The expected value of SIP funds is £52m. The Panel recommend awards of £46.83m at this time, which represents 90% of the budgeted amount. The total amount of funds available will not be finally confirmed until the 2018/19 accounts are closed, so it is important to under-commit this fund in case there is an unfavourable variance at the end of the year. The map shows the amount of funding each authority is supporting in the recommended package:



Once the consultation and decision-making process is complete, the Lead Authority will make arrangements for funding agreements. These will include application of funding conditions relating to the outputs and match funding in the bid, as well as any other specific points required (e.g. the open source requirement on the planning open data standard). The balance of funds will be confirmed once the 2018/19 accounts are closed, and, along with any under-spends, will be rolled into the 2019/20 SIP if the pilot is extended or allocated in another round if not.

Appendix: Detailed bid information

This section provides an overview of each of the bids received, shown in the categories described in the overview. This includes, for ease of reference, the recommended package. This summarises the objectively measurable areas that the Panel considered when coming to their recommended package.

Transport infrastructure bids

South Dock Bridge		
Bid size	£7m	South Dock Bridge is a proposed new footbridge to provide a fully accessible link to South Quay within the private Canary Wharf estate, near its new Elizabeth and Jubilee line stations. The bid will unlock delivery of new housing and commercial development and links residential and commercial districts to the south of the Isle of Dogs to the Canary Wharf commercial district. The Bidder expects this to unlock development on the Isle of Dogs, and to relieve congestion on nearby public transport.
Estimated total project cost	£12m	
Estimated SIP proportion	58%	
Match Funding		
CIL & S106	£1.5m	
Unidentified (likely CIL, though some sponsorship potential)	£3.5m	
Project timeframe	1.5-3 Years	

Seven Sisters Road / Woodberry Down		
Bid Size	£9.05m	A bid to provide additional funding for improvements to streets and connectivity in Woodberry Down and on Seven Sisters Road to create a Healthy Streets environment and support new homes and jobs. The Bidder expects this to increase footfall and reduce town centre retail vacancy rates, increase walking and cycling, improve air quality, and increase visitor numbers and spend.
Estimated total project cost	£36.55m	
Estimated SIP Proportion	25%	
Match Funding		
CIL & S106	£0.5m	
Public Sector match funding	£27m	
Project timeframe	1.5-3 Years	

Loan fund bids

Productive Valley: Investment Fund		
Bid size	£5m	The Productive Valley Investment Fund would be a valley-wide loan fund, modelled on the existing Opportunity Investment Fund which provides unsecured loans at 6-8% to local businesses, with an initial repayment holiday. The fund would help support businesses, enabling them to grow and attracting others into the area. They plan to budget for 70% repayment to allow for some failures, though the existing fund has so far had no write-offs. The Bidder expects this to directly support at least 32 businesses over three years.
Estimated total project cost	£6.5m	
Estimated SIP proportion	77%	
Match Funding		
In-kind (officer time)	£0.3m	
Unidentified (would ask for match)	£1.2m	
Project timeframe	3-5 Years	

Digital infrastructure bids

Shoreditch Fibre & CCTV	
Bid Size	£1m
Estimated total project cost	£3.7m
Estimated SIP Proportion	27%
Match Funding	
Borough Capital	£2.7m
Project timeframe	3-5 Years

This bid is for a mix of digital CCTV provision to support the night time economy and improve safety, and enhancing broadband coverage, free and low cost Wi-Fi and 5G connectivity through the use of enhanced council-owned fibre network assets.

The Bidder expects this to support wider strategy.

South London: Multi-Purpose Internet of Things Platform	
Bid size	£12.25m
Estimated total project cost	£17.95m
Estimated SIP proportion	68%
Match Funding	
Borough capital funding	£5.2m
In kind	£0.5m
Project timeframe	1.5-3 Years

This proposal is for establishment of a sustainable, region-wide, multipurpose 'Internet of Things' (IoT) platform connecting various IoT enabled sensors across Council boundaries to gather data about, for example, air quality, footfall, flood risks, traffic, road surface temperature, and parking space availability. Data would be made available to local and national government through the London Data Store.

The Bidder expects this to improve access to and increase use of town centres, to reduce emissions and improve logistics, and to reduce costs for council services.

Local London: Investment in Fibre	
Bid size	£15m
Estimated total project cost	£20m
Estimated SIP proportion	75%
Match Funding	
DCMS vouchers estimated	£5m
Project timeframe	1.5-3 Years

Eight Local London Partnership boroughs and Haringey propose investment to undertake Full Fibre upgrade to key public sector sites that will anchor fibre investment by the commercial sector. The chosen sites will be those where there will be significant improvement in public sector service delivery and where the commercial sector will be motivated to invest in key development zones and address areas of digital exclusion.

The Bidder expects this to provide connectivity in 15 strategic investment locations, providing an increase in penetration by 10%. Additional private sector investment is expected to be leveraged through public investment.

<table>
<tr><th colspan="3">Gigabit Network</th><th></th></tr>
<tr><td colspan="2">Bid Size</td><td>£1.6m</td><td rowspan="8">Bromley's Digital ICT strategy would be supported by this bid, which if successful will contribute to extending an existing council-owned dark fibre network by 12.3 km to cover two of the borough strategic growth areas: the Cray Valley Strategic SIL; and Biggin Hill Strategic Outer London Development Centre.

The Bidder expects this to enable access to 1,200 business and 15,000 residential addresses.</td></tr>
<tr><td colspan="2">Estimated total project cost</td><td>£7.6m</td></tr>
<tr><td colspan="2">Estimated SIP Proportion</td><td>21%</td></tr>
<tr><td colspan="3">Match Funding</td></tr>
<tr><td colspan="2">CIL & S106</td><td>£2.8m</td></tr>
<tr><td colspan="2">In kind (value of borough network)</td><td>£3m</td></tr>
<tr><td colspan="2">Estimated DCMS vouchers</td><td>£0.2m</td></tr>
<tr><td>Project timeframe</td><td colspan="2">1.5-3 Years</td></tr>
</table>

<table>
<tr><th colspan="3">West London Alliance: Investment in Digital</th><th></th></tr>
<tr><td colspan="2">Bid size</td><td>£7.7m</td><td rowspan="8">The West London Alliance proposes a major extension of the high-speed fibre network to large areas of West London covering seven boroughs, particularly targeting areas affected by persistently slow internet speeds – so-called ‘not-spots’ - that are also located in mandated growth and regeneration areas. Libraries, schools, public and council offices located in ‘not-spots’ would be connected directly to the super-fast fibre network from their local TfL station and private providers will then be able to connect business properties within 250m of the public building. Also, a 'broadband fighting fund' is proposed to support fibre installation that would otherwise be commercially unviable.

The Bidder expects this to cover public buildings, but potentially enable access to 18,900 businesses and 41,950 households.</td></tr>
<tr><td colspan="2">Estimated total project cost</td><td>£10.3m</td></tr>
<tr><td colspan="2">Estimated SIP proportion</td><td>75%</td></tr>
<tr><td colspan="3">Match Funding</td></tr>
<tr><td colspan="2">Estimated DCMS Vouchers</td><td>£2.6m</td></tr>
<tr><td colspan="3">The bid also claims to leverage £150m TfL investment in the roll-out of fibre to tube stations.</td></tr>
<tr><td>Project timeframe</td><td colspan="2">Within 18 months</td></tr>
</table>

Regeneration site bids

<table>
<tr><th colspan="3">Productive Valley: South Tottenham Employment Area</th><th></th></tr>
<tr><td colspan="2">Bid Size</td><td>£2m</td><td rowspan="7">The South Tottenham Employment Area bid is for delivery of 7,776m² of good quality employment space through a mix of refurbishment, extension and redevelopment of existing premises in the South Tottenham Employment Area.

The Bidder expects this to redevelop the site, which they consider underutilised. In addition to new space, this will also provide 2,029m² of refurbished space. They expect an uplift of c.£0.32m of rates income and 320 new jobs.</td></tr>
<tr><td colspan="2">Estimated total project cost</td><td>£2.5m</td></tr>
<tr><td colspan="2">Estimated SIP Proportion</td><td>80%</td></tr>
<tr><td colspan="3">Match Funding</td></tr>
<tr><td colspan="2">Public sector funding</td><td>£0.2m</td></tr>
<tr><td colspan="2">In-kind (staff time)</td><td>£0.3m</td></tr>
<tr><td>Project timeframe</td><td colspan="2">3-5 Years</td></tr>
</table>

Creative Industries Cluster			
Bid Size		£4m	A request for funding to deliver an ambitious proposal for a Creative Industries Cluster at Bretons House in Havering incorporating music, gaming, film, theatre, design, fashion, music, arts, architecture, advertising and marketing, to nurture and upskill young people. The cluster will attract new creatives into the borough and offer workspace and studios which would generate business rates over the longer term as well as enhance the local economy. The Bidder expects this to restore an 'at risk', grade II* listed heritage building, and generate a significant reach (100,000 visitors). They expect to provide 20 artist studios and 50 creative enterprise workspaces.
Estimated total project cost		£23m	
Estimated SIP Proportion		17%	
Match Funding			
GLA grant (unconfirmed)		£2m	
In-kind (private sector sponsorship)		£1m	
Other Grant Funding (FA, HLF, Veolia)		£5.1m	
Borrowing		£10.9m	
Project timeframe	3-5 Years		

Marian Court			
Bid Size		£1.85m	This bid is for funding towards the fit out costs of the 1069.1m^2 commercial and community space at the ground floor of Marian Court, one of Hackney Council's estate regeneration schemes. Bid will directly support affordable workspace, making its provision cost neutral for Hackney. The Bidder expects this to allow cost neutral delivery of affordable workspace alongside wider regeneration project.
Estimated total project cost		£5m	
Estimated SIP Proportion		37%	
Match Funding			
Public Sector funding		£3.15m	
Project timeframe	3-5 Years		

Clerkenwell Fire Station			
Bid Size		£10m	An investment to fund the purchase of the fire station to allow 28 new 2-bedroom homes (50% affordable) and 700m^2 of affordable creative workspace, supporting the proposed Hatton Gardens Creative Enterprise Zone. The Bidder expects this to deliver 100 jobs, £0.2m business rates, £0.03m council tax, and £0.7m CIL.
Estimated total project cost		£17.8m	
Estimated SIP Proportion		56%	
Match Funding			
Right to Buy receipts		£0.8m	
Market value of other commercial space secured as affordable via S106		£7m	
Project timeframe	1.5-3 Years		

Feasibility & masterplanning bids

<table>
<tr><th colspan="4">Old Street Tech City Feasibility</th></tr>
<tr><td colspan="2">Bid Size</td><td>£0.75m</td><td rowspan="8">This bid is for a feasibility and financial viability study to investigate purchase (free- or lease-hold) of a landmark building to act as the focal point for Tech City. This would strengthen the network of affordable workspaces and provide other support for micro and small businesses in the tech sector, and ultimately provide opportunities for disadvantaged local people in terms of jobs, training and apprenticeships in the tech sector.

The Bidder expects this to prepare a business case for a regeneration project and identify a site to be purchased.</td></tr>
<tr><td colspan="2">Estimated total project cost</td><td>£11.75m</td></tr>
<tr><td colspan="2">Estimated SIP Proportion</td><td>6%</td></tr>
<tr><td colspan="3">Match Funding</td></tr>
<tr><td colspan="2">CIL & S106</td><td>£1m</td></tr>
<tr><td colspan="2">In kind (market value of office space secured via S106 for affordable use)</td><td>£10m</td></tr>
<tr><td>Project timeframe</td><td colspan="2">Within 18 months</td></tr>
</table>

<table>
<tr><th colspan="4">Productive Valley: Montagu Industrial Estate Redevelopment</th></tr>
<tr><td colspan="2">Bid size</td><td>£2m</td><td rowspan="7">This bid is to support the creation of a site development plan master-plan and CPO for the redevelopment of the Montagu Industrial Estate.

The Bidder expects this to support the existing project, which is in progress with JV partner procured for a 20 year deal.</td></tr>
<tr><td colspan="2">Estimated total project cost</td><td>£40.8m</td></tr>
<tr><td colspan="2">Estimated SIP proportion</td><td>5%</td></tr>
<tr><td colspan="3">Match Funding</td></tr>
<tr><td colspan="2">Public sector investment in joint venture</td><td>£16.3m</td></tr>
<tr><td colspan="2">Private sector investment in joint venture</td><td>£22.5m</td></tr>
<tr><td>Project timeframe</td><td colspan="2">1.5-3 Years</td></tr>
</table>

<table>
<tr><th colspan="4">Productive Valley: Rigg Approach</th></tr>
<tr><td colspan="2">Bid size</td><td>£2m</td><td rowspan="7">Rigg Approach is a 5ha area of land identified as a Strategic Industrial Location (SIL) that forms the Lea Bridge gateway to Waltham Forest. This bid is for SIP funding to be used to: establish formal partnerships with businesses, landowners, interested developers and strategic parties; prepare an agreed masterplan, overarching outline and phase one planning applications; develop strategies and business cases for securing investment and the first phases of work. Funding will also be retained to kick-start the initial phase of development.

The Bidder expects this to complete masterplanning, identify land assembly and phasing strategies and assess delivery routes/more detailed business cases for a programme of regeneration of 5ha to 2028. Total GDV c.£250m, 11,000-22,000m² industrial. They expect 100%+ growth in rates for area.</td></tr>
<tr><td colspan="2">Estimated total project cost</td><td>£3m</td></tr>
<tr><td colspan="2">Estimated SIP proportion</td><td>67%</td></tr>
<tr><td colspan="3">Match Funding</td></tr>
<tr><td colspan="2">In-kind (spend to date)</td><td>£0.15m</td></tr>
<tr><td colspan="2">To be identified – Council funding and officer time</td><td>£0.85m</td></tr>
<tr><td>Project timeframe</td><td colspan="2">1.5-3 Years</td></tr>
</table>

Employment support bids

<table>
<tr><th colspan="4">Cross River Partnership: Employment Support Programme</th></tr>
<tr><td colspan="2">Bid Size</td><td>£8.82m</td><td rowspan="8">The proposed programme is to re-skill and prepare people not currently participating in the workforce so that employers in central London have access to a pipeline of employees, particularly in the retail and hospitality sectors.

The Bidder expects this to support 3,375 people, of these 1,441 are expected to move into work, and 864 to remain in work for 6 months. They expect £4m in welfare savings, £3.5m in other public sector savings, £4m general economic benefits, and £3.1m distributional benefits.</td></tr>
<tr><td colspan="2">Estimated total project cost</td><td>£10.32m</td></tr>
<tr><td colspan="2">Estimated SIP Proportion</td><td>85%</td></tr>
<tr><td colspan="3">Match Funding</td></tr>
<tr><td colspan="2">Public sector funding</td><td>£1.4m</td></tr>
<tr><td colspan="2">BID Match funding (subject to ballot)</td><td>£0.1m</td></tr>
<tr><td>Project timeframe</td><td colspan="2">3 Years</td></tr>
</table>

<table>
<tr><th colspan="4">Euston Recruitment Hub</th></tr>
<tr><td colspan="2">Bid size</td><td>£3m</td><td rowspan="9">The proposal is seeking funding to build a Euston Construction Skills Centre to deliver bespoke construction skills for key construction companies. The centre will also provide skills needed for construction in general, including housing, plus skills needed for transportation, with rail/engineering opportunities through HS2. The Centre will also provide STEM skills training and will pilot new building methods/technologies (off-site manufacturing). The centre will build up from over previous experience from the successful King's Cross Construction Skills Centre currently delivering short courses, apprenticeships and job starts.

The Bidder expects this to lead to more than 200 job starts and 150 apprenticeships per annum. The centre will run short courses and adult education.</td></tr>
<tr><td colspan="2">Estimated total project cost</td><td>£9m</td></tr>
<tr><td colspan="2">Estimated SIP proportion</td><td>33%</td></tr>
<tr><td colspan="3">Match Funding</td></tr>
<tr><td colspan="2">CIL & S106</td><td>£0.4m</td></tr>
<tr><td colspan="2">HS2 Grant Funding</td><td>£4.1m</td></tr>
<tr><td colspan="2">Mayor's Construction Academy</td><td>£1.5m</td></tr>
<tr><td>Project timeframe</td><td colspan="2">5+ Years</td></tr>
</table>

<table>
<tr><th colspan="4">West London Alliance: Skills & Productivity</th></tr>
<tr><td colspan="2">Bid size</td><td>£3.43m</td><td rowspan="6">The bid would fund delivery of an evidence-based productivity and skills programme for West London to support individuals and businesses.

The Bidder expects this to support 4,925 residents and 595 employers. There are various schemes: one pilot suggests potential £6.9m total annual salary growth for participants; apprenticeship programmes deliver £25-52k per person in 3 year cost savings.</td></tr>
<tr><td colspan="2">Estimated total project cost</td><td>£5.42m</td></tr>
<tr><td colspan="2">Estimated SIP proportion</td><td>63%</td></tr>
<tr><td colspan="3">Match Funding</td></tr>
<tr><td colspan="2">Public sector match (unspecified)</td><td>£1.99m</td></tr>
<tr><td>Project timeframe</td><td colspan="2">3-5 Years</td></tr>
</table>

Combined bids

South London Innovation Corridor			
Bid size		£11.33m	This project proposes strategic investments into central (South Bank; Vauxhall Nine Elms Battersea) and local growth clusters (Brixton; New Cross; Old Kent Road; Peckham; Camberwell; and Wandsworth) on Workspace (capital investment into affordable workspace and incubators projects, delivering substantial new commercial floorspace), Business support (cross-borough networking; accelerators and support for creative and digital start-ups supporting substantial job creation), and Talent development (cross-borough creative and digital employment initiatives focussed on enabling disadvantaged groups to access employment and support career progression). The Bidder expects this to deliver £1.5m business rates income, 400 pre-apprenticeships, 200 work experience placements, 200 apprenticeships, and 1,700 jobs. 750 businesses will be supported, beneficiaries will be 50% BAME.
Estimated total project cost		£26.33m	
Estimated SIP proportion		43%	
Match Funding			
Unidentified (bid describes as 'cash match')		£15m	
Project timeframe	1.5-3 Years		

South London Workspace Investment Fund			
Bid Size		£6.5m	A bid to set up a fund to enable the delivery of workspace solutions that meet an identified market gap – primarily lack of flexible and affordable open workspace solutions in key locations and/or growth sectors. This will be a passive fund and project proposals will need to make applications to the fund, meeting certain criteria. The fund will award grants for schemes, there will be no repayment. The Bidder expects this fund to support 5-8 projects, and around 300 businesses.
Estimated total project cost		£13m	
Estimated SIP Proportion		50%	
Match Funding			
Unidentified (would seek match funding, though this could include S106/CIL and in-kind)		£6.5m	
Project timeframe	1.5-3 Years		

West London Alliance: Orbital Rail Enabling Measures			
Bid Size		£8.87m	Integration of the proposed West London Orbital railway line into the string of existing and new communities that lie along its length, through a wide range of physical and enabling works, detailed design and master planning projects, and land safeguarding activity, which would be supported by this bid. The Bidder expects this to make the best of the potential, but currently unfunded railway scheme.
Estimated total project cost		£20.47m	
Estimated SIP Proportion		43%	
Match Funding			
Borough Funding		£10.6m	
TfL funding		£1m	
Project timeframe	Over 5 years		

Other bids

<table>
<tr><th colspan="3">Open Data Standard for Planning</th></tr>
<tr><td>Bid size</td><td>£0.25m</td><td rowspan="8">This bid is for development of an open data standard for planning applications to transform the quality of strategic planning and administration of planning permission. Planning data needs to be in a format that's consistent across boroughs, regardless of the particular software tools or policies of individual boroughs. This bid would provide a single end to end data solution, which no providers in the market currently provide. This bid could benefit all London Boroughs and any planning authority, provided their software vendor adopts the data standard

The Bidder expects this to offer significant benefits, in line with other open data projects (overall potential of open data estimated at £6-7bn, TfL data at £130m/annum). They expect improved access to faster, more efficient planning services.</td></tr>
<tr><td>Estimated total project cost</td><td>£0.75m</td></tr>
<tr><td>Estimated SIP proportion</td><td>33%</td></tr>
<tr><td colspan="2">Match Funding</td></tr>
<tr><td>MHCLG grant</td><td>£0.25m</td></tr>
<tr><td>Borough funding</td><td>£0.25m</td></tr>
<tr><td>Project timeframe</td><td>Within 18 months</td></tr>
</table>

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Committee: Sustainable Communities Overview and Scrutiny Panel

1 November 2018

Healthier Communities & Older People Overview and Scrutiny Panel

6 November 2018

Children and Young People Overview and Scrutiny Panel

7 November 2018

Overview and Scrutiny Commission

14 November 2018

Agenda item:

Wards:

Subject: Business Plan Update 2019-2023

Lead officer: Caroline Holland

Lead member: Councillor Mark Allison

Contact officer: Roger Kershaw

Forward Plan reference number:

Recommendations:

1. That the Panel considers the proposed amendments to savings, new savings for 2019-23 set out in Appendix 2 and Appendix 3 of the attached report on the Business Plan 2019-2023 and associated equalities analysis where applicable, which it is proposed are incorporated into the draft MTFS 2018-22.
2. That the Panel considers the draft capital programme 2019-23 and indicative programme for 2023-28 set out in Appendix 3 of the attached report on the Business Plan
3. That the Overview and Scrutiny Commission considers the comments of the Panels on the Business Plan 2019-2023 and provides a response to Cabinet when it meets on the 10 December 2018.

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1. Purpose of report and executive summary

1.1 This report requests Scrutiny Panels to consider the latest information in respect of the Business Plan and Budget 2019-23, including proposed amendments to savings previously agreed by Council, and new savings for 2019-23. This report also includes associated equalities assessments for proposed savings where applicable. The panel are also asked to consider the draft capital programme 2019-23. Panels are requested to feedback any comments to the Overview and Scrutiny Commission.

1.2 The Overview and Scrutiny Commission will consider the comments of the Panels and provide a response on the Business Plan 2019-23 to Cabinet when it meets on the 10 December 2018.

2. **Details - Revenue**

2.1 The Cabinet of 15 October 2018 received a report on the business plan for 2019-23.

2.2 At the meeting Cabinet

RESOLVED:

1. That Cabinet considered and noted the draft savings/income proposals (Appendix 3) put forward by officers and referred them to Overview and Scrutiny panels and Commission in November 2018 for consideration and comment.
2. That Cabinet noted the proposed amendments to savings set out in Appendix 2 and incorporated the financial implications into the draft MTFS 2019-23.
3. That Cabinet noted the latest draft Capital Programme 2019-23 detailed In Appendix 4 for consideration by Scrutiny in November and noted the indicative programme for 2023-28.

3. **Alternative Options**

3.1 It is a requirement that the Council sets a balanced budget. The Cabinet report on 15 October 2018 sets out the progress made towards setting a balanced budget. This identified the current budget position that needs to be addressed between now and the report to Cabinet on 10 December 2018, with further reports to Cabinet on 14 January 2019 and 18 February 2019, prior to Council on 6 March 2019, agreeing the Budget and Council Tax for 2019/20 and the Business Plan 2019-23, including the MTFS and Capital Programme 2019-23.

4. **Capital Programme 2019-23**

4.1 Details of the draft Capital Programme 2019-23 were noted by Cabinet on 15 October 2018 in the attached report for consideration by Overview and Scrutiny panels and Commission.

5. **Consultation undertaken or proposed**

5.1 Further work will be undertaken as the process develops.

6. **Timetable**

6.1 The timetable for the Business Plan 2019-23 including the revenue budget 2019/20, the MTFS 2018-22 and the Capital Programme for 2019-23 was agreed by Cabinet on 17 September 2018.

7. **Financial, resource and property implications**

7.1 These are set out in the Cabinet report for 15 October 2018. (Appendix 1)

8. **Legal and statutory implications**

8.1 All relevant implications have been addressed in the Cabinet reports. Further work will be carried out as the budget and planning proceeds and will be included in the budget report to Cabinet on the 10 December 2018.

8.2 Detailed legal advice will be provided throughout the budget setting process further to any proposals identified and prior to any final decisions.

9. **Human Rights, Equalities and Community Cohesion Implications**

9.1 All relevant implications will be addressed in Cabinet reports on the business planning process.

9.2 A draft equalities assessment has been carried out with respect to the proposed replacement savings and new saving where applicable and is included as Appendix 4 to the Business Plan report (Appendix1).

10. **Crime and Disorder implications**

10.1 All relevant implications will be addressed in Cabinet reports on the business planning process.

11. **Risk Management and Health and Safety Implications**

11.1 All relevant implications will be addressed in Cabinet reports on the business planning process.

Appendices – the following documents are to be published with this report and form part of the report

Appendix 1: Cabinet report 15 October 2018: Draft Business Plan 2019-23

BACKGROUND PAPERS

12.1 The following documents have been relied on in drawing up this report but do not form part of the report:

Budget files held in the Corporate Services department.

2018/19 Budgetary Control and 2017/18 Final Accounts Working Papers in the Corporate Services Department.
Budget Monitoring working papers
MTFS working papers

13. **REPORT AUTHOR**

– Name: Roger Kershaw
– Tel: 020 8545 3458

email: roger.kershaw@merton.gov.uk

CABINET

Date: 15 October 2018

Subject: Draft Business Plan 2019-23

Lead officer: Caroline Holland – Director of Corporate Services

Lead member: Councillor Mark Allison – Deputy Leader and Cabinet Member for Finance

Contact Officer: Roger Kershaw

Urgent report:
Reason for urgency: The chairman has approved the submission of this report as a matter of urgency as it provides the latest available information on the Business Plan and Budget 2019/20 and requires consideration of issues relating to the Budget process and Medium Term Financial Strategy 2019-2023. It is important that this consideration is not delayed in order that the Council can work towards a balanced budget at its meeting on 6 March 2019 and set a Council Tax as appropriate for 2019/20.

Recommendations:

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1. That Cabinet considers and agrees the draft savings/income proposals (Appendix 3) and associated draft equalities analyses (Appendix 5 – TO FOLLOW) put forward by officers and refers them to the Overview and Scrutiny panels and Commission in November 2018 for consideration and comment.
2. That Cabinet agree the proposed amendments to savings set out in Appendix 2 and incorporate the financial implications into the draft MTFS 2019-23.
3. That Cabinet agrees the latest draft Capital Programme 2019-23 detailed in Appendix 4 for consideration by scrutiny in November and notes the indicative programme for 2023-28.

---

1. **Purpose of report and executive summary**

1.1 This report provides an update on progress towards preparing the Business Plan 2019-23 and requests Cabinet to consider and agree new savings proposals for 2019-23. Cabinet are also asked to consider and agree some proposed amendments to savings, including replacement savings, which have been approved previously and are incorporated into the current MTFS.

1.3 The report also provides details of the latest capital programme, including new bids for 2022/23 and an indicative programme for 2023- 2028.

Details

2. Medium Term Financial Strategy 2019-23

2.1 At its meeting on 17 September 2018 Cabinet considered a report which updated the Business Plan 2019-23. At the meeting it was resolved by Cabinet:-

RESOLVED:

1. That the rolled forward MTFS for 2019 – 23 be noted.
2. That the latest position with regards to savings already in the MTFS be confirmed.
3. That the approach to setting a balanced budget using the unmet balance of last year's savings targets as the basis for the setting of targets for 2019-23 be agreed.
4. That the proposed savings targets be agreed.
5. That the timetable for the Business Plan 2019-23 including the revenue budget 2019/20, the MTFS 2019-23 and the Capital Programme for 2019-23 be agreed.
6. That the process for the Service Plan 2019-23 and the progress made so far be noted.
7. That the information regarding the London Business Rates Pool - Strategic Investment Pot set out in Appendix 3 be noted and authority be delegated for future action regarding the London Business Rates Pool to the Director of Corporate Services in collaboration with the Deputy Leader and Cabinet Member for Finance.

2.2 In the September Cabinet report, the following budget gap in the MTFS was identified before identifying any new savings and income proposals:-

	2019/20 £000	**2020/21 £000**	**2021/22 £000**	**2022/23 £000**
Budget Gap	791	13,731	2,433	1,774
Budget Gap (Cumulative)	791	14,522	16,955	18,729

These figures assume that there is no loss of Adult Social Care grant funding, net of Adult Social Care Council Tax hypothecation of 2% in 2019/20. If this is not the case, the budget gap is estimated to rise to £20.204m by 2022/23.

	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
Budget Gap	791	15,207	2,433	1,773
Budget Gap (Cumulative)	791	15,998	18,431	20,204

2.3 Assuming the worst case scenario to include a potential shortfall in Adult Social Care funding , the targets to balance the MTFS at this stage for each department are as follows:-

Savings Targets	**2019/20 £000**	**2020/21 £000**	**2021/22 £000**	**2022/23 £000**	**Total £000**
Corporate Services	138	2,650	426	379	3,593
Children, Schools & Families	143	2,740	438	299	3,620
Environment & Regeneration	263	5,066	807	495	6,631
Community & Housing	247	4,751	762	600	6,360
Total	791	15,207	2,433	1,773	20,204
Net Cumulative total	791	15,998	18,431	20,204	

2.4 In accordance with the Business Planning timetable agreed by Cabinet on 17 September 2018, service departments have been reviewing their budgets and formulating proposals to address their targets. The progress made to date is set out in this report.

2.5 The proposals submitted to this meeting by each department are summarised in the following table and set out in detail in Appendix 3. E&R will be bringing forward savings proposals to December Cabinet and January Scrutiny . Work is underway on these and in particular sustainable transport plans that will inevitably have revenue consequences . It is preferable for all of these E&R proposals to be considered together and since they are not complete yet they will be brought to the next round of the budget consideration process.

SUMMARY (cumulative)	**2019/20 £000**	**2020/21 £000**	**2021/22 £000**	**2022/23 £000**	**Total £000**
Corporate Services	75	15	0	0	90
Children, Schools & Families	0	550	0	0	550
Environment & Regeneration	0	0	0	0	0
Community & Housing	0	100	0	0	100
Total	75	665	0	0	740
Net Cumulative total	75	740	740	740	

2.6 Draft Equalities Assessments where applicable are included in Appendix 5 (To follow).

3. **Proposed Amendments to Previously Agreed Savings**

3.1 In recent years, the introduction of multi-year financial planning has resulted in savings agreed in a particular financial year having an impact on future years. These have been incorporated into the Council's Medium Term Financial Strategy. The full year effect of savings in the current MTFS from 2019/20 onwards is shown in the following table:-

	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	Total £000
Corporate Services	1,418	261	40	0	1,719
Children, Schools & Families	429	150	0	0	579
Environment & Regeneration	1,230	95	75	0	1,400
Community & Housing	1,387	1,100	0	0	2,487
Total	**4,464**	**1,606**	**115**	**0**	**6,185**
Cumulative total	**4,464**	**6,070**	**6,185**	**6,185**	

3.2 Monitoring of the delivery of savings is important and it is essential to recognise as quickly as possible where circumstances change and savings previously agreed are either not achievable in full or in part or are delayed. Progress on delivering savings that have been agreed by Council as part of the budget is reported to Cabinet as part of monthly monitoring. In some cases the circumstances change in relation to specific savings which mean that it is no longer possible to deliver the saving either in full or in part.
In order to ensure that a balanced budget is still achieved and that it is not necessary to undertake unplanned use of reserves which puts pressure on future budget planning, departments are required to identify alternative savings proposals (replacement savings) to substitute for savings which are deemed to be unachievable. Budget management such as this is an important part of the Business Planning process.

The following changes to agreed savings are proposed in this report:-

3.2.1 <u>Children, Schools and Families</u>
Savings totalling £0.429m which are in the MTFS are not going to be achieved. Replacement savings totalling £0.329m are proposed, leaving a net shortfall of £0.100m for which replacement savings will be identified in a future report.

Draft Equalities Assessments will be included in the report to Cabinet where applicable.

3.2.2 Further details of the proposed amendments to previously agreed savings are provided in Appendix 2.

3.3 Summary
The overall effect of the proposed amendments is set out in the following table:-

	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	Total £000
Corporate Services	0	0	0	0	0
Children, Schools & Families	(100)	0	0	0	(100)
Environment & Regeneration	0	0	0	0	0
Community & Housing	0	0	0	0	0
Total	**(100)**	**0**	**0**	**0**	**(100)**
Cumulative total	**(100)**	**(100)**	**(100)**	**(100)**	

4. Treasury Management: Capital Financing Costs and Investment income

4.1 The report to Cabinet in September 2018 provided information on the capital financing costs of the Capital Programme based on the June monitoring position.

4.2 Investment Income
There are two key factors that impact on the level of investment income that the Council can generate:-

- The amount invested
- The interest rate that is achieved

Based on latest information, the projected levels of investment income over the period of the MTFS have been revised. The following table show the latest projections compared with the amounts included in the MTFS approved by Cabinet in September 2018:-

Investment Income	**2019/20 £'000**	**2020/21 £'000**	**2021/22 £'000**	**2022/23 £'000**
MTFS (Cabinet September 2018)	**(584)**	**(449)**	**(395)**	***(1,386)**
Latest projections	**(619)**	**(463)**	**(395)**	***(1,383)**
Change	**(35)**	**(14)**	**0**	**3**

* Includes interest on Property Company loan which is subject to review.

4.3 **Capital Programme for 2019-23**

This report includes the latest information on the draft Capital Programme 2019-23 based on August monitoring information including the addition of new schemes commencing in 2022/23. An indicative programme for 2023-28 is also provided. The draft programme is set out in Appendix 4.

4.4 The bidding process for 2022/23 was launched on 25 June 2018.

4.5 The current capital provision and associated revenue implications in the currently approved capital programme, based on August 2018 monitoring information, are as follows:-

	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Capital Programme	38,134	24,640	19,800	13,677
Revenue Implications (net of investment income)	10,125	11,438	12,814	12,933

4.6 The change in the capital programme since that reported to Cabinet on 17 September 2018, which was based on June 2017 monitoring information, is summarised in the following table:-

	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
Capital Programme: - Cabinet 17 September 2018 - Revised Position with Slippage revisions and new schemes commencing in 2022/23	 37,247 38,134	 24,378 24,640	 19,808 19,800	 11,743 13,677
Change	887	262	8	1,934
<u>Borrowing Costs</u> Cabinet 17 September 2018 Revised	 10,872 10,745	 11,900 11,894	 13,062 13,193	 14,118 14,300
Change	(127)	(6)	131	182

4.6 The programme has been rigorously reviewed and reduced where appropriate. The changes made to the programme are detailed within Appendix 4, along with movements when compared to the current programme. This review is continuing and it is envisaged that further information will be presented to December 2018 Cabinet.

5. Update to MTFS 2019-23

5.1 If the changes outlined in this report are agreed the forecast budget gap over the MTFS period, assuming loss of Adult Social Care Funding is:-

	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
Budget Gap	653	14,692	2,593	1,828
Budget Gap (Cumulative)	653	15,345	17,938	19,766

5.2 A more detailed MTFS is included as Appendix 1.

5.3 It is anticipated that new revenue savings/income proposals and revisions to the capital programme will continue to be identified during the business planning process and these will be included in future reports to Cabinet in accordance with the agreed timetable and these will go onto Overview and Scrutiny Panels and the Commission in January 2018.

6. Business Rates Retention in 2019/20

6.1 In 2018/19, along with all other London boroughs, Merton was part of the London Business Rates Pilot Pool which was trialling 100% Business Rates Retention. In return for a greater share of the Business Rates generated, Revenue Support Grant was foregone.

6.2 In the MTFS 2018-22 agreed by Council in February 2018, it was assumed that the pilot would only operate in 2018/19 and Merton would revert back to its previous funding basis whereby Revenue Support Grant would be received in accordance with the four-year funding guarantee set out in the Local Government Funding settlement 2016-17. On this basis the draft MTFS 2019-23 includes the following:-

DRAFT MTS 2019-23	**2019/20 £000**	**2020/21 £000**	**2021/22 £000**	**2022/23 £000**
Revenue Support Grant	(5,076)	0	0	0
Business Rates (inc. Section 31 grant)	(35,360)	(37,726)	(38,286)	(38,501)
PFI Grant	(4,797)	(4,797)	(4,797)	(4,797)
New Homes Bonus	(2,028)	(1,304)	(1,008)	(800)
Corporate Government Grant in the MTFS	(47,261)	(43,827)	(44,091)	(44,098)

6.3 In December 2017, the government announced the aim of increasing the level of business rates retained by local government from the current 50% to the equivalent of 75% in April 2020. This is less than the 100% currently being piloted by some authorities, including the London pool.

6.4 On 18 September 2018, the Ministry of Housing, Communities and Local Government (MHCLG) published its latest guidance on Business Rates Retention pilots. In respect of the ten 100% business rates retention pilots (excluding London) that were agreed for 2018/19, the guidance states that:-

"Whilst these pilots are set to end on 31 March 2019, we are inviting the areas involved to apply to become 75% business rates retention pilots in 2019/20."

However, in respect of the London pilot the guidance states:-

"The government will continue to have separate discussions with London about their pilot programme."

6.5 As part of the 2018/19 pilot, London agreed a “no detriment” clause. A “no detriment” guarantee ensured that the pool, as a whole, could not be worse off than the participating authorities would have been collectively if they had not entered the pilot pool. In the unlikely event of this arising, Government would intervene to provide additional resources and as a result, London would be able to guarantee that no authority could lose out as a result of participating.

6.6 However, in the latest guidance it is stated that:-
“As the pilots are testing the pooled authorities’ approach to risk, the government has agreed that a ‘no detriment’ clause will not be applied to the 2019/20 pilots. Instead, selected areas will test a 95% safety net to reflect increased risk in the proposed increased business rates retention system. Applying a ‘no detriment’ clause to the pilots would not be reflective of the reformed business rates retention system that the government aims to introduce in 2020/21.”

6.7 The deadline for any proposals for new pilots is 25 September 2018 and within the conditions for agreeing these the Government state that:-

“The 2019/20 pilot programme will last for one year only in preparation for the full implementation of a reformed business rates retention system that the government aims to introduce on 1 April 2020 and does not prejudge the discussion the department will be continuing to have with Local Government on the future of the business rates retention system as a whole.”

6.8 Given the uncertainty currently surrounding the future of the London pool, it is not proposed to change the funding currently included in the MTFS at this stage. Details will be included in future reports as more information becomes available and a decision over the continuation of the pool has been determined.

7. Local Government Finance Settlement 2019-20

7.1 The Government has indicated its proposed approach to the 2019/20 Local Government Finance Settlement but final decisions will not be known until the Provisional Local Government Settlement is announced, usually mid-December.

- barring exceptional circumstances and subject to the normal statutory consultation process for the Local Government Finance settlement, the Government intends to use the four year offer allocations set in 2016-17 in the 2019-20 Provisional Local Government Finance Settlement following the Autumn Budget. If the London Business Rates Pilot Pool continues to 2019/20 this will not apply.

- <u>New Homes Bonus 2019/20</u> - New Homes Bonus calculations are based on additional housing stock reported through the council tax base and decisions on the baseline for 2019- 20 will be made following a review of the data when it is published in November. Any changes intended for the baseline in 2019-20 will be detailed at the time of the provisional settlement. In 2018-19 the baseline remained at 0.4%. Due to the continued upward trend for house building, the Government expects to increase the baseline in 2019- 20.

- New Homes Bonus 2020 Onward: 2019-20 represents the final year of funding agreed through the Spending Review 2015. In light of this, it is the Government's intention to explore how to incentivise housing growth most effectively, for example by using the Housing Delivery Test results to reward delivery or incentivising plans that meet or exceed local housing need. Government will consult widely on any changes prior to implementation.

- Council Tax Referendum Principles: The Government remains minded to maintain the existing core principles in 2019-20. This would mean:
  - a core principle of up to 3%.
  - a continuation of the Adult Social Care precept, with an additional 2% flexibility available for shire county councils, unitary authorities, London borough councils, the Common Council of the City of London and the Council of the Isles of Scilly. This is subject to total increases for the Adult Social Care precept not exceeding 6% between 2017-18 and 2019-20, and consideration of authorities' use of the Adult Social Care precept in the previous years.
  - the Government intends to provide an update on its proposals for council tax referendum principles including the Adult Social Care precept, alongside the provisional Local Government Finance Settlement 2019-20 which is usually announced mid-December.
- Negative Revenue Support Grant in 2019/20 – This is the name given to a downward adjustment of a local authority's business rates top-up or tariff. This occurs as a consequence of changes to the distribution methodology adopted at the 2016-17 settlement, which formed the basis of the multi-year settlement. In 2019-20 Negative RSG totals £152.9m and affects 168 authorities. Merton is not one of the authorities affected. The Government considers direct elimination of Negative RSG via forgone business rates receipts the preferred approach to resolve Negative RSG, meeting the key criteria of being both fair and affordable. This funding would be met from the Government's share of business rates.

8. Alternative Options

8.1 The range of options available to the Council relating to the Business Plan 2019-23 and for setting a balanced revenue budget and fully financed capital programme will be presented in reports to Cabinet and Council in accordance with the agreed timetable.

9. Consultation Undertaken or Proposed

9.1 All relevant bodies have been consulted.

9.2 The details in this report will be considered by the Overview and Scrutiny Panels and Commission on the following dates:-

Sustainable Communities	1 November 2018
Healthier Communities and Older People	6 November 2018
Children and Younger People	7 November 2018
Overview and Scrutiny Commission	14 November 2018

9.3 As for 2018/19, it is proposed that a savings proposals consultation pack will be prepared and distributed to all councillors at the end of December 2018 that can be brought to all Scrutiny and Cabinet meetings from 9 January 2019 onwards and to Budget Council. This makes the information more manageable for councillors and ensures that only one version of those documents is available so referring to page numbers at meetings is easier. It considerably reduces printing costs and reduces the amount of printing that needs to take place immediately prior to Budget Council.

9.4 The pack will include:

- Savings proposals
- Equality impact assessment for each saving proposal
- Service plans (these will also be printed in A3 to lay round at scrutiny meetings)

10. Timetable

10.1 In accordance with current financial reporting timetables.

10.2 The proposed timetable for developing the business plan and service plans was approved by Cabinet on 17 September 2018.

11. Financial, resource and property implications

11.1 As contained in the body of the report.

11.2 The Autumn Budget sets out the government's plans for the economy based on the latest forecasts from the Office for Budget Responsibility (OBR). Overall funding allocations for local government will be notified in the review but details of provisional funding allocations for each local authority will not be known until the provisional Local Government Finance Settlement is published in mid/late December 2018. The date of the Autumn Budget 2018 has been announced as 29 October 2018. The date will fall the week after a Brexit summit in Brussels and before another key Brussels Brexit summit mid November. It means there will likely be no Brussels deal available at the time of the budget for the Office for Budget Responsibility to assess in its economic and fiscal risks report (which is published alongside the Treasury's plans for the years ahead).

11.3 The working group being established to look at Brexit implications will feed into future iterations of the Business Plan reports.

12. Legal and statutory implications

12.1 As outlined in the report.

13. Human rights, equalities and community cohesion implications

13.1 None for the purposes of this report. These will be dealt with as the budget is developed for 2019 – 2023.

13.2 Equalities Assessments for replacement savings are provided in Appendix 5. (To follow)

14. **Crime and Disorder Implications**

14.1 Not applicable.

15. Risk Management and health and safety implications

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

16. Appendices – The following documents are to be published with this Report and form part of the Report.

Appendix 1 – Latest draft MTFS 2019-23
Appendix 2 – Proposed Amendments to previously agreed savings
Appendix 3 - New savings/income proposals 2019-23
Appendix 4 – Draft Capital Programme 2019-23
Appendix 5 - Equalities analyses for new and replacement savings **(TO FOLLOW)**

17. Background Papers

17.1 The following documents have been relied on in drawing up this report but do not form part of the report:

Budgetary Control and Final Accounts Working Papers in the Corporate Services Department.
Budget Monitoring working papers
MTFS working papers

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

APPENDIX 1

DRAFT MTFS 2019-23:				
	2019/20 £000	**2020/21 £000**	**2021/22 £000**	**2022/23 £000**
Departmental Base Budget 2018/19	**149,808**	**149,808**	**149,808**	**149,808**
Inflation (Pay, Prices)	4,436	7,479	10,522	13,565
Autoenrolment/Nat. ins changes	0	0	0	0
FYE – Previous Years Savings	(4,464)	(6,070)	(6,185)	(6,185)
FYE – Previous Years Growth	(2,506)	(2,006)	(2,006)	(2,006)
Amendments to previously agreed savings/growth	100	100	100	100
Change in Net Appropriations to/(from) Reserves	99	242	398	335
Taxi card/Concessionary Fares	450	900	1,350	1,800
Adult Social Care - Additional Spend	1,054	0	0	0
Growth	0	0	0	0
Other	2,468	4,555	4,835	4,911
Re-Priced Departmental Budget	**151,445**	**155,008**	**158,822**	**162,328**
Treasury/Capital financing	10,125	11,438	12,814	12,933
Pensions	3,552	3,635	3,718	3,801
Other Corporate items	(16,781)	(16,705)	(16,654)	(16,229)
Levies	607	607	607	607
Sub-total: Corporate provisions	**(2,497)**	**(1,025)**	**485**	**1,112**
Sub-total: Repriced Departmental Budget + Corporate Provisions	**148,948**	**153,983**	**159,307**	**163,440**
Savings/Income Proposals 2018/19	(75)	(740)	(740)	(740)
Sub-total	**148,873**	**153,243**	**158,567**	**162,700**
Appropriation to/from departmental reserves	(1,350)	(1,493)	(1,649)	(1,586)
Appropriation to/from Balancing the Budget Reserve	(6,024)	0	0	0
BUDGET REQUIREMENT	**141,499**	**151,750**	**156,918**	**161,114**
Funded by:				
Revenue Support Grant	(5,076)	0	0	0
Business Rates (inc. Section 31 grant)	(35,360)	(37,726)	(38,286)	(38,501)
Adult Social Care - Improved Better Care Fund	(1,054)	0	0	0
PFI Grant	(4,797)	(4,797)	(4,797)	(4,797)
New Homes Bonus	(2,028)	(1,304)	(1,008)	(800)
Council Tax inc. WPCC	(91,789)	(94,053)	(96,365)	(98,726)
Collection Fund – (Surplus)/Deficit	(742)	0	0	0
TOTAL FUNDING	**(140,846)**	**(137,880)**	**(140,456)**	**(142,824)**
GAP including Use of Reserves (Cumulative)	**653**	**13,869**	**16,462**	**18,290**

Potential Unfunded ASC commitments due to Loss of Better Care Funding	0	3,218	3,218	3,218

GAP assuming no new ASC Government Grant (Cumulative)	**653**	**17,087**	**19,680**	**21,508**

Possible Offset if 2019/20 ASC CT hypothecation can be used to replace Better Care Funding	0	(1,742)	(1,742)	(1,742)

GAP assuming no new ASC Government Grant but 2019/20 CT hypothecation can be used(Cumulative)	**653**	**15,345**	**17,938**	**19,766**

DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES - SAVINGS TO BE REPLACED

Panel	Ref	Description of Saving		Baseline Budget £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
C&YP	CSF2015-09	Service	Cross Cutting								
		Description	Review of CSF staffing structure beneath management	1,049	201				High	Medium	SS2
		Service Implication	Deliver for September 2018 so estimated full year effect of £390k split over two years. With changes to the structure of the department, the implementation of SCIS and a focus on minimal education and social care core functions we will redesign our workforce across the smaller department. We have reviewed our workforce following our strategy to reduce agency cost and changes to team management positions. Due to less experienced staff and increased inspection burdens, we revised the risk score for this saving.								
		Staffing Implications	Expect a reduction of 7 posts from a total of 65FTE.								
		Business Plan implications	We will prioritise our core statutory education and social care functions.								
		Impact on other departments	A smaller workforce will reduce our ability to work on cross cutting issues and new developments.								
		Equalities Implications	We will use the Council's agreed HR policies and procedures for restructuring. An EA will be developed for the service change staffing proposals.								
		TOM Implications	The TOM refresh includes an increased focus on delivering the restructure as well as flexible working and the introduction of the SCIS. The CSF workforce needs to be more highly skilled and flexible. Delivery of a functioning MOSAIC product is key to delivering this saving.								

DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES - SAVINGS TO BE REPLACED

Panel	Ref	Description of Saving		Baseline Budget £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
C&YP	**CSF2016-02**	**Service**	**Children Social Care & Youth Inclusion**								
		Description	**Reduced costs/offer through the national centralised adoption initiative**	**509**	**78**				**High**	**High**	**SP1**
		Service Implication	It is anticipated that the regional centralisation of adoption services will deliver savings through a larger commissioning base and the benefit of economies of scale.								
		Staffing Implications	Some staff may TUPE into the regional arrangements but this will not be known until later in the project								
		Business Plan implications									
		Impact on other departments	Will be implications with pressures on other CSF services								
		Equalities Implications	We will need to ensure the new arrangements maintain the improvement of the adoption process and post adoption support to maintain and improve outcomes for this group of vulnerable children and young people. We will use the Council's agreed HR policies and procedures for restructuring and will complete EAs.								
		TOM Implications	In line with CSF TOM								
C&YP	**CSF2016-03**	**Service**	**Cross Cutting**								
		Description	**Further staff savings to be identified across the department.**	**811**	**150**				**High**	**High**	**SS2**
		Service Implication	This is likely to impact on managing safe service and failing to meet regulatory requirements								
		Staffing Implications	3-6 staff - we will follow our usual HR processes								
		Business Plan implications									
		Impact on other departments	These reductions will place additional burdens on universal targeted and specialist services								
		Equalities Implications	The majority of CSF's General Fund staff are delivering services for highly vulnerable children and young people. We will use the Council's agreed HR policies and procedures for restructuring and will complete EAs.								
		TOM Implications	The TOM sets out an approach to prioritisation but this level of saving will impact on those already most at risk and vulnerable young people at the top end of our Well Being Model								
Total Children, Schools and Families Savings					**429**	**0**	**0**	**0**			

DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES - REPLACEMENT SAVINGS

Panel	Ref	Description of Saving		Baseline Budget 18/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
C&YP	**CSF2018-01**	**Service**	**Children Social Care & Youth Inclusion**								
		Description	**Reduced costs/offer through the national centralised adoption initiative**	**509**	**30**				**Medium**	**High**	**SP1**
		Service Implication	It is anticipated that the regional centralisation of adoption services will deliver savings through a larger commissioning base and the benefit of economies of scale.								
		Staffing Implications	Some staff may TUPE into the regional arrangements but this will not be known until later in the project								
		Business Plan implications	Certain services will cease to be provided by Merton as they will be outsourced to a Regional Adoption Agency.								
		Impact on other departments	Will be implications with pressures on other CSF services								
		Equalities Implications	We will need to ensure the new arrangements maintain the improvement of the adoption process and post adoption support to maintain and improve outcomes for this group of vulnerable children and young people. We will use the Council's agreed HR policies and procedures for restructuring and will complete EAs.								
		TOM Implications	In line with CSF TOM								

DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES - REPLACEMENT SAVINGS

Panel	Ref	Description of Saving		Baseline Budget 18/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
C&YP	CSF2018-02	**Service**	**Children Social Care & Youth Inclusion**								
		Description	**Reorganisation of the Children with Disability (CWD), Fostering and Access to Resources (ART) teams and a review of the Common and Shared Assessment (CASA) service.**		130				Low/Medium	Medium/High	SS1
		Service Implication	Potential loss of management oversight and increased pressures on the team managers. Potential loss of focus and input into recruitment of foster carers and/or placements as the capacity to do both roles well will be limited. Less resource available for CASA and Early Help assessments and MSCB training budget will need to be used for training around these assessments.								
		Staffing Implications	Risk of redundancy and costs of redundancy for experienced staff. Affecting three to four posts.								
		Business Plan implications	No specific Implications								
		Impact on other departments	Will be implications with pressures on other CSF services								
		Equalities Implications	We will use the Council's agreed HR policies and procedures for restructuring and will complete EAs.								
		TOM Implications	This is in line with the CSF TOM and our Child and Young Person well-being model approach.								

DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES - REPLACEMENT SAVINGS

Panel	Ref	Description of Saving		Baseline Budget 18/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
C&YP	CSF2018-03	**Service**	**Education**								
		Description	**Review Early Years : raise income or cease some services in preparation for 2020 where we'd consider withdrawing from direct provision of a childcare offer.**		49				Low	Medium	SNS2
		Service Implication	We could consider a combination of both raising income and reducing some services. We will review and considder the impact of ceasing services on the service as well as service users.								
		Staffing Implications	If services are ceased this would impact on staffing. Would								
		Business Plan implications	No specific Implications								
		Impact on other departments	None								
		Equalities Implications	This will reduce support to vulnerable children and families increasing pressure on our parents/carers and universal service's capacity to manage these needs.								
		TOM Implications	The TOM sets out an approach to prioritisation but this level of saving will impact on those already most at risk and vulnerable young people at the top end of our Well Being Model.								

DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES - REPLACEMENT SAVINGS

Panel	Ref	Description of Saving		Baseline Budget 18/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
C&YP	CSF2018-04	**Service**	**Education**								
		Description	**Review schools trade offer, raise charges or consider ceasing services from 2020.**		30				Low/Medium	Low	SI1
		Service Implication	All CSF SLAs as well as de-delegated services with schools will be reviewed to ensure i) full cost recovery; ii) LBM charges are in line with other providers. We will also examine further opportunities to trade with schools.								
		Staffing Implications	If schools are unwilling/unable to pay for core and enhanced services this will result in approximately 2 posts deleted.								
		Business Plan implications	Should funding not be secured there will be implications for service volumes and outcomes.								
		Impact on other departments	Possible impact on child protection services if service reductions result in escalations from schools and others.								
		Equalities Implications	We will use the Council's agreed HR policies and procedures for restructuring and will complete EAs.								
		TOM Implications	Education and Social Care services for C&YP will be reduced with higher thresholds for access. The department will continue to be reorganised to reflect downsizing. This saving is in line with TOM direction of travel to focus delivery on the council's statutory duties.								

DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES - REPLACEMENT SAVINGS

Panel	Ref	Description of Saving		Baseline Budget 18/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
C&YP	CSF2018-05	**Service**	**Children Social Care**								
		Description	**Delivery of preventative services through the Social Impact Bond**		45				Low	Low	SP1
		Service Implication	The LA will buy into the Pan-London Care Impact Partnership for the provision of a Social Impact Bond (SIB) to deliver services designed to work with families to keep young people out of care using the well established Multi-Systemic (MST) and Functional Family Therapy (FFT) methodologies. This work takes place in the context of a rising population with increasing complex needs.								
		Staffing Implications	None								
		Business Plan implications	No specific Implications								
		Impact on other departments	None								
		Equalities Implications	This is a service for some of our most vulnerable children and young people.								
		TOM Implications	This is in line with the CSF TOM and our Child and Young Person well-being model approach.								
C&YP	CSF2018-06	**Service**	**Children Social Care**								
		Description	**South London Family Drug and Alcohol Court commissioning**		45				Low	Low	SP1
		Service Implication	Enable children to return home safely, thereby reducing cost of care placements. This work takes place in the context of a rising population with increasing complex needs.								
		Staffing Implications	None								
		Business Plan implications	No specific Implications								
		Impact on other departments	Potential impact on legal department.								
		Equalities Implications	This is a service for some of our most vulnerable children and young people.								
		TOM Implications	This is in line with the CSF TOM and our Child and Young Person well-being model approach.								
Total Children, Schools and Families Savings					**329**	**0**	**0**	**0**			
Replacements still to be submitted					(100)	**0**	**0**	**0**			

NEW SAVINGS PROPOSALS 2019-23

SUMMARY (cumulative)	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	Total £000
Corporate Services	75	15	0	0	90
Children, Schools & Families	0	550	0	0	550
Environment & Regeneration	0	0	0	0	0
Community & Housing	0	100	0	0	100
Total	75	665	0	0	740
Cumulative Total	75	740	740	740	

Savings Type

SS1 Staffing: reduction in costs due to efficiency
SS2 Staffing: reduction in costs due to deletion/reduction in service
SNS1 Non - Staffing: reduction in costs due to efficiency
SNS2 Non - Staffing: reduction in costs due to deletion/reduction in service
SP1 Procurement / Third Party arrangements - efficiency
SG1 Grants: Existing service funded by new grant
SG2 Grants: Improved Efficiency of existing service currently funded by unringfenced grant
SPROP Reduction in Property related costs
SI1 Income - increase in current level of charges
SI2 Income - increase arising from expansion of existing service/new service

APPENDIX 3

NEW SAVINGS 2019-23
DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2019/20

Panel	Ref	Description of Saving		Baseline Budget 18/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	2019-20 CS01	**Service/Section**	**Revenues and Benefits**								
		Description	**Amend discretionary rate relief policy**	**524**	**75**				**L**	**H**	**SNS2**
		Service Implication	None								
		Staffing Implications	None								
		Business Plan implications	None								
		Impact on other departments	None								
		Equalities Implications	Some charities, sports clubs, education establishments and non profit making organisations will have a reduction in rate relief								
		TOM Implications									

NEW SAVINGS 2019-23
DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2019/20

Panel	Ref	Description of Saving		Baseline Budget 18/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	2019-20 CS02	**Service/Section**	**Concessionary Travel**								
		Description	Charge for Blue Badges			15	0		M	H	SI2
		Service Implication	None								
		Staffing Implications	None								
		Business Plan implications	None								
		Impact on other departments	None								
		Equalities Implications	All surrounding LA's currently charge. Maximum of £10.00 per badge. Alrerady stated on-line but charge not enforced.								
		TOM Implications	None								
			Corporate Services: New Savings Total		**75**	**15**	**0**	**0**	**90**		

NEW SAVINGS 2019-23

DEPARTMENT: Children, Schools and Families

APPENDIX 3

Panel	Ref	Description of Saving		Baseline Budget 18/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
C&YP	**CSF2018-08**	**Service**	**Education**								
		Description	**Review Early Years service: radically reduce some services and/or consider withdrawing the Early Years offer.**	**2,071**		**150**			**Medium**	**High**	**SS2**
		Service Implication	This will mean reduced support for vulnerable children and families accessing targeted services as well as the universal offer. This reduced offer could result in increased numbers needing high cost statutory intervention.								
		Staffing Implications	Majority of costs associated with direct services are staffing costs as part of this proposal. This will equate to approximately 5 members of staff.								
		Business Plan implications	No specific Implications								
		Impact on other departments	These reductions will place additional burdens on universal, targeted and specialist services.								
		Equalities Implications	This will reduce support to vulnerable children and families increasing pressure on our parents/carers and universal service's capacity to manage these needs.								
		TOM Implications	The TOM sets out an approach to prioritisation but this level of saving is likely to impact most on those already most at risk.								

NEW SAVINGS 2019-23
DEPARTMENT: Children, Schools and Families

APPENDIX 3

Panel	Ref	Description of Saving		Baseline Budget 18/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
C&YP	CSF2018-09	Service	Education								
		Description	**Radically reduce some statutory education functions**	8,137		200			High	High	SS2
		Service Implication	We will agree with schools priorities for the use of the retained DSG to support delivery of a reduced statutory service function.								
		Staffing Implications	Majority of costs associated with direct services are staffing costs as part of this proposal. This will equate to approximately 7 members of staff								
		Business Plan implications	No specific Implications								
		Impact on other departments	No specific Implications expected although we could see some legal challenge.								
		Equalities Implications	We will use the Council's agreed HR policies and procedures for restructuring and will complete EAs. This will reduce support to vulnerable and at risk children, increasing pressure on our universal service's capacity to manage these needs.								
		TOM Implications	Statutory Education and Social Care services for C&YP will be further reduced. The department will be reorganised to reflect downsizing. This saving is in line with TOM direction of travel to focus delivery on the council's statutory duties. Detailed work will need to ensure that risk and vulnerability is prioritised and careful consideration of the ability to deliver the statutory minimum required.								

NEW SAVINGS 2019-23

DEPARTMENT: Children, Schools and Families

APPENDIX 3

Panel	Ref	Description of Saving		Baseline Budget 18/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
C&YP	**CSF2018-10**	**Service**	**Children Social Care**								
		Description	**Radically reduce support for LAC/CSE/respite**	**10,545**		**200**			**High**	**High**	**SNS2**
		Service Implication	During 2019/20 we will review our eligibility criteria and service offer for some of our most vulnerable clients. This is likely to mean reduced therapeutic support to highly vulnerable children including looked after children and care leavers								
		Staffing Implications	These services are mainly commissioned or spot purchased. There may be staffing implications as the current contract means that some of our own staff are employed and could be eligible for redundancy.								
		Business Plan implications	No specific Implications								
		Impact on other departments	These reductions may place additional burdens on universal, targeted and specialist services.								
		Equalities Implications	This will reduce support to vulnerable and at risk children including C&YP In Need, on a Child Protection Plan, on the edge of care, Looked After C&YP, care leavers or young people with complex disabilities, young people in the youth justice system, increasing pressure on our parents/carers and universal service's capacity to manage these needs.								
		TOM Implications	The TOM sets out an approach to prioritisation but this level of saving is likely to impact on those already most at risk and vulnerable young people at the top end of our Well Being Model								
Total					**0**	**550**	**0**	**0**			

DEPARTMENT: Community and Housing 2020/21

APPENDIX 3

Panel	Ref	Notes	Description of Saving		Baseline Budget 18/19	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
Adult Social Care												
			Service									
18/19		Mascot Telecare provides support for individuals to live at home by a combination of alarms and sensors, The service increasingly underpins packages of care provided via social work and reablement teams and can enable practitioners to be more precise with the amount of care visits required. Mascot also provides this service to a large number of self funders, as well as having contracts with Housing Associations to monitor extra care and supported living sites. A new Telecare hub is due to be installed at Mascot in late 2018 which will enable to staff to have more time and opportunity to widen the support offered and seek new commercial opportunities.	**Description**	**Mascot Service(Direct Provision)** We are planning to maximise income generation from Telecare in a number of ways;	£470k		£100			**Medium**	**Medium**	**SNS2**
			Service Implication	Increase individual paying customers Review and renegotiate existing commercial contracts with Housing Associations, and seek more similar business. Compete for Telecare contracts in other boroughs. Explore commercial contracts for out of hours and concierge call handling services. Keep abreast of developments in all areas of Assistive Technology, including monitors and sensors, Telehealth, GPS, Robotics and similar. Explore benefits for ASC customers, self funders and as part of a more commercial offer to partner organisations.								
			Staffing Implications	There are no staffing implications.								
			Business Plan implications	This proposal fits in with the Adult Social Care plan, and Merton's Corporate Business Plan and MTFS								
			Impact on other departments	Continued support from IT services, increased liaison with Communications Team								
			Equalities Implications	None identified								
			TOM Implications	This is in line with the C&H TOM								
							100					
Total Community & Housing 2020/21							**100**					

Annex 1 Annex 4

Capital Investment Programme - Schemes for Approval 19-23

Merton - By Department	**Proposed 2019/20**	**Proposed 2020/21**	**Proposed 2021/22**	**Proposed 2022/23**	**Movement from Indicative 2022/23**
	£000	£000	£000	£000	£000
Corporate Services	26,252	3,945	12,084	2,995	345
Community and Housing	480	630	280	842	462
Children Schools & Families	16,045	3,202	650	1,900	1,250
Environment and Regeneration	8,060	7,517	7,264	4,007	(10)
Capital	**50,837**	**15,294**	**20,277**	**9,744**	**2,047**

Merton - By Service	**Proposed 2019/20**	**Proposed 2020/21**	**Proposed 2021/22**	**Proposed 2022/23**	**Movement from Indicative 2022/23**
	£000	£000	£000	£000	£000
Customers, Policy & Improvement	250	0	1,900	0	0
Facilities Management	1,250	950	950	950	0
Infrastructure & Transactions	2,027	1,060	1,012	1,345	345
Resources	0	125	0	700	0
Corporate Items	22,725	1,810	8,222	0	0
Corporate Services	**26,252**	**3,945**	**12,084**	**2,995**	**345**
Adult Social Care	0	0	0	0	0
Housing (1)	280	280	280	742	462
Libraries	200	350	0	100	0
Community and Housing	**480**	**630**	**280**	**842**	**462**
Primary Schools	650	650	650	1,900	1,250
Secondary School	8,740	2,552	0	0	0
SEN	6,550	0	0	0	0
CSF Schemes	105	0	0	0	0
Children Schools & Families (2)	**16,045**	**3,202**	**650**	**1,900**	**1,250**
Public Protection and Developm	60	0	35	0	0
Street Scene & Waste	340	340	340	330	(10)
Sustainable Communities	7,660	7,177	6,889	3,677	0
Environment and Regeneration (3)	**8,060**	**7,517**	**7,264**	**4,007**	**(10)**
Capital	**50,837**	**15,294**	**20,277**	**9,744**	**2,047**

(1) Excludes any grant funding from the Better Care Fund

(2) Assumed level of School Condition Grant £1.9 Million from 2019-20

(3) Excludes any grant funding from Transport for London

Annex 3 Annex 4

Detailed Capital Programme 2019-23

	Scrutiny	Proposed 2019/20	Proposed 2020/21	Proposed 2021/22	Proposed 2022/23	Movement from Indicative 2022/23
Corporate Services		**£000**	**£000**	**£000**	**£000**	**£000**
Customer Contact Programme	OSC	250	0	1,900	0	**0**
Customers, Policy & Improvement		**250**	**0**	**1,900**	**0**	**0**
Works to other buildings	OSC	650	650	650	650	0
Civic Centre	OSC	300	0	0	0	0
Invest to Save schemes	OSC	300	300	300	300	0
Water Safety Works	OSC	0	0	0	0	0
Facilities Management Total		**1,250**	**950**	**950**	**950**	**0**
IT Systems Projects	OSC	747	0	42	340	240
Social Care IT System	OSC	400	0	0	0	0
Planned Replacement Programme	OSC	880	1,060	970	1,005	105
Infrastructure & Transactions		**2,027**	**1,060**	**1,012**	**1,345**	**345**
Financial System	OSC	0	0	0	700	0
ePayments System	OSC	0	125	0	0	0
Resources		**0**	**125**	**0**	**700**	**0**
Acquisitions Budget	OSC	0	0	7,035	0	0
Capital Bidding Fund	OSC	0	0	1,186	0	0
Multi Functioning Device (MFD)	OSC	600	0	0	0	0
Housing Company	OSC	22,125	1,810	0	0	0
Corporate Items		**22,725**	**1,810**	**8,222**	**0**	**0**
Corporate Services		**26,252**	**3,945**	**12,084**	**2,995**	**345**
Community and Housing		**£000**	**£000**	**£000**	**£000**	**£000**
Disabled Facilities Grant (1)	SC	280	280	280	280	0
LD Supported Living	SC	0	0	0	462	462
Housing		**280**	**280**	**280**	**742**	**462**
West Barnes Library Re-Fit	SC	200	0	0	0	0
Library Self Service	SC	0	350	0	0	0
Library Management System	SC	0	0	0	100	0
Libraries		**200**	**350**	**0**	**100**	**0**
Community and Housing		**480**	**630**	**280**	**842**	**462**

(1) Excludes any grant funding from the Better Care Fund

(2) Assumed level of School Condition Grant £1.9 Million from 2019-20

(3) Excludes any grant funding from Transport for London

Annex 3 Annex 4

Detailed Capital Programme 2019-23 Continued………

	Scrutiny	Proposed 2019/20	Proposed 2020/21	Proposed 2021/22	Proposed 2022/23	Movement from Indicative 2022/23
Children Schools & Families		**£000**	**£000**	**£000**	**£000**	**£000**
Schs Cap Maint & Accessibility	CYP	650	650	650	1,900	1,250
Primary Schools		**650**	**650**	**650**	**1,900**	**1,250**
Harris Academy Morden	CYP	3,044	0	0	0	0
St Mark's Academy	CYP	2,752	2,552	0	0	0
Harris Academy Wimbledon	CYP	2,944	0	0	0	0
Secondary School		**8,740**	**2,552**	**0**	**0**	**0**
Perseid	CYP	0	0	0	0	0
Cricket Green	CYP	4,002	0	0	0	0
Secondary School Autism Unit	CYP	1,360	0	0	0	0
Further SEN Provision	CYP	1,188	0	0	0	0
Melrose primary SEMH annex - 16 places	CYP	0	0	0	0	0
Primary ASD base 1 - 20 places	CYP	0	0	0	0	0
Primary ASD base 2 - 20 places	CYP	0	0	0	0	0
Secondary SEMH/medical PRU - 20 places	CYP	0	0	0	0	0
New ASD school (Haydons Road) -40 places	CYP	0	0	0	0	0
SEN		**6,550**	**0**	**0**	**0**	**0**
Admissions IT System	CYP	105	0	0	0	0
CSF Schemes		**105**	**0**	**0**	**0**	**0**
Children Schools & Families (2)		**16,045**	**3,202**	**650**	**1,900**	**1,250**

(1) Excludes any grant funding from the Better Care Fund

(2) Assumed level of School Condition Grant

(3) Excludes any grant funding from Transport for London

Annex 3 Annex 4

Detailed Capital Programme 2019-23 Continued………

	Scrutiny	Proposed 2019/20	Proposed 2020/21	Proposed 2021/22	Proposed 2022/23	Movement from Indicative 2022/23
Environment & Regeneration		**£000**	**£000**	**£000**	**£000**	**£000**
Parking Improvements	SC	60	0	0	0	0
Public Protection and Developm	SC	0	0	35	0	0
Public Protection and Developm		**60**	**0**	**35**	**0**	**0**
Fleet Vehicles	SC	300	300	300	300	0
Alley Gating Scheme	SC	40	40	40	30	(10)
Smart Bin Leases - Street Scen	SC	0	0	0	0	0
Waste SLWP	SC	0	0	0	0	0
Street Scene & Waste		**340**	**340**	**340**	**330**	**(10)**
Street Trees	SC	60	60	60	60	0
Highways & Footways	SC	3,067	3,067	3,067	3,067	0
Mitcham Area Regeneration	SC	1,301	1,000	533	0	0
Wimbledon Area Regeneration	SC	0	0	0	0	0
Morden Area Regeneration	SC	500	2,000	2,500	0	0
Borough Regeneration	SC	0	0	0	0	0
Morden Leisure Centre	SC	242	0	0	0	0
Sports Facilities	SC	1,500	250	250	250	0
Parks	SC	991	800	479	300	0
Sustainable Communities		**7,660**	**7,177**	**6,889**	**3,677**	**0**
Environment and Regeneration (3)		**8,060**	**7,517**	**7,264**	**4,007**	**(10)**
Capital		**50,837**	**15,294**	**20,277**	**9,744**	**2,047**

(1) Excludes any grant funding from the Better Care Fund

(2) Assumed level of School Condition Grant

(3) Excludes any grant funding from Transport for London

Annex 5

Indicative Capital Programme 2023-28

	Scrutiny	Proposed Indicative 2023/24	Proposed Indicative 2024/25	Proposed Indicative 2025/26	Proposed Indicative 2026/27	Proposed Indicative 2027/28
Corporate Services		**£000**	**£000**	**£000**	**£000**	**£000**
Customer Contact Programme	OSC	0	0	1,000	1,000	1,000
Customer, Policy & Improvement		**0**	**0**	**1,000**	**1,000**	**1,000**
Works to other buildings	OSC	650	650	650	650	650
Invest to Save schemes	OSC	300	300	300	300	300
Facilities Management Total		**950**	**950**	**950**	**950**	**950**
Planned Replacement Programme	OSC	720	905	1,060	970	1,005
IT Systems Projects	OSC	625	500	325	50	425
Social Care IT System	OSC	2,100	0	0	0	0
Infrastructure & Transactions		**3,445**	**1,405**	**1,385**	**1,020**	**1,430**
Multi Functioning Device (MFD)		0	600	0	0	0
Corporate Items	OSC	**0**	**600**	**0**	**0**	**0**
Corporate Services		**4,395**	**2,955**	**3,335**	**2,970**	**3,380**
Community and Housing		**£000**	**£000**	**£000**	**£000**	**£000**
Disabled Facilities Grant (1)	SC	280	280	280	280	280
LD Supported Living	SC	145	0	0	0	0
Housing		**425**	**280**	**280**	**280**	**280**
Library Enhancement Works	SC	0	0	350	0	0
Library Management System	SC	0	0	0	0	100
Libraries		**0**	**0**	**350**	**0**	**100**
Community and Housing		**425**	**280**	**630**	**280**	**380**
Children Schools & Families		**£000**	**£000**	**£000**	**£000**	**£000**
Schs Cap Maint & Accessibility (2)	CYP	1,900	1,900	1,900	1,900	1,900
Primary Schools		**1,900**	**1,900**	**1,900**	**1,900**	**1,900**
Children Schools & Families		**1,900**	**1,900**	**1,900**	**1,900**	**1,900**
Environment and Regeneration (3)		**£000**	**£000**	**£000**	**£000**	**£000**
Parking Improvements	SC	0	60	0	0	0
Public Protection and Developm	SC	0	0	0	35	0
Street Scene & Waste		**0**	**60**	**0**	**35**	**0**
Fleet Vehicles	SC	300	300	300	300	300
Alley Gating Scheme	SC	30	30	30	30	30
Waste SLWP	SC	0	0	3,998	0	0
Street Scene & Waste		**330**	**330**	**4,328**	**330**	**330**
Street Trees	SC	60	60	60	60	60
Highways & Footways	SC	3,067	3,067	3,067	3,067	3,067
Sports Facilities	SC	250	250	250	250	250
Parks	SC	300	300	300	300	300
Sustainable Communities		**3,677**	**3,677**	**3,677**	**3,677**	**3,677**
Environment and Regeneration		**4,007**	**4,067**	**8,005**	**4,042**	**4,007**
Capital		**10,727**	**9,202**	**13,870**	**9,192**	**9,667**

(1) Excludes any grant funding from the Better Care Fund

(2) Assumed level of School Condition Grant

(3) Excludes any grant funding from Transport for London

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OVERVIEW AND SCRUTINY COMMISSION

14 November 2018

Draft Business Plan 2019-23

REPLACEMENT SAVINGS (APPENDIX 2)

NEW SAVINGS (APPENDIX 3)

EQUALITIES ASSESSMENTS (APPENDIX 5)

DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES - SAVINGS TO BE REPLACED

Panel	Ref	Description of Saving		Baseline Budget £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
C&YP	CSF2015-09	Service	Cross Cutting								
		Description	Review of CSF staffing structure beneath management	1,049	201				High	Medium	SS2
		Service Implication	Deliver for September 2018 so estimated full year effect of £390k split over two years. With changes to the structure of the department, the implementation of SCIS and a focus on minimal education and social care core functions we will redesign our workforce across the smaller department. We have reviewed our workforce following our strategy to reduce agency cost and changes to team management positions. Due to less experienced staff and increased inspection burdens, we revised the risk score for this saving.								
		Staffing Implications	Expect a reduction of 7 posts from a total of 65FTE.								
		Business Plan implications	We will prioritise our core statutory education and social care functions.								
		Impact on other departments	A smaller workforce will reduce our ability to work on cross cutting issues and new developments.								
		Equalities Implications	We will use the Council's agreed HR policies and procedures for restructuring. An EA will be developed for the service change staffing proposals.								
		TOM Implications	The TOM refresh includes an increased focus on delivering the restructure as well as flexible working and the introduction of the SCIS. The CSF workforce needs to be more highly skilled and flexible. Delivery of a functioning MOSAIC product is key to delivering this saving.								

DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES - SAVINGS TO BE REPLACED

Panel	Ref	Description of Saving		Baseline Budget £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
C&YP	**CSF2016-02**	**Service**	**Children Social Care & Youth Inclusion**								
		Description	**Reduced costs/offer through the national centralised adoption initiative**	**509**	**78**				**High**	**High**	**SP1**
		Service Implication	It is anticipated that the regional centralisation of adoption services will deliver savings through a larger commissioning base and the benefit of economies of scale.								
		Staffing Implications	Some staff may TUPE into the regional arrangements but this will not be known until later in the project								
		Business Plan implications									
		Impact on other departments	Will be implications with pressures on other CSF services								
		Equalities Implications	We will need to ensure the new arrangements maintain the improvement of the adoption process and post adoption support to maintain and improve outcomes for this group of vulnerable children and young people. We will use the Council's agreed HR policies and procedures for restructuring and will complete EAs.								
		TOM Implications	In line with CSF TOM								
C&YP	**CSF2016-03**	**Service**	**Cross Cutting**								
		Description	**Further staff savings to be identified across the department.**	**811**	**150**				**High**	**High**	**SS2**
		Service Implication	This is likely to impact on managing safe service and failing to meet regulatory requirements								
		Staffing Implications	3-6 staff - we will follow our usual HR processes								
		Business Plan implications									
		Impact on other departments	These reductions will place additional burdens on universal targeted and specialist services								
		Equalities Implications	The majority of CSF's General Fund staff are delivering services for highly vulnerable children and young people. We will use the Council's agreed HR policies and procedures for restructuring and will complete EAs.								
		TOM Implications	The TOM sets out an approach to prioritisation but this level of saving will impact on those already most at risk and vulnerable young people at the top end of our Well Being Model								
Total Children, Schools and Families Savings					**429**	**0**	**0**	**0**			

DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES - REPLACEMENT SAVINGS

Panel	Ref	Description of Saving		Baseline Budget 18/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
C&YP	CSF2018-01	**Service**	**Children Social Care & Youth Inclusion**								
		Description	**Reduced costs/offer through the national centralised adoption initiative**	509	30				Medium	High	SP1
		Service Implication	It is anticipated that the regional centralisation of adoption services will deliver savings through a larger commissioning base and the benefit of economies of scale.								
		Staffing Implications	Some staff may TUPE into the regional arrangements but this will not be known until later in the project								
		Business Plan implications	Certain services will cease to be provided by Merton as they will be outsourced to a Regional Adoption Agency.								
		Impact on other departments	Will be implications with pressures on other CSF services								
		Equalities Implications	We will need to ensure the new arrangements maintain the improvement of the adoption process and post adoption support to maintain and improve outcomes for this group of vulnerable children and young people. We will use the Council's agreed HR policies and procedures for restructuring and will complete EAs.								
		TOM Implications	In line with CSF TOM								

DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES - REPLACEMENT SAVINGS

Panel	Ref	Description of Saving		Baseline Budget 18/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
C&YP	CSF2018-02	**Service**	**Children Social Care & Youth Inclusion**								
		Description	**Reorganisation of the Children with Disability (CWD), Fostering and Access to Resources (ART) teams and a review of the Common and Shared Assessment (CASA) service.**		130				Low/Medium	Medium/High	SS1
		Service Implication	Potential loss of management oversight and increased pressures on the team managers. Potential loss of focus and input into recruitment of foster carers and/or placements as the capacity to do both roles well will be limited. Less resource available for CASA and Early Help assessments and MSCB training budget will need to be used for training around these assessments.								
		Staffing Implications	Risk of redundancy and costs of redundancy for experienced staff. Affecting three to four posts.								
		Business Plan implications	No specific Implications								
		Impact on other departments	Will be implications with pressures on other CSF services								
		Equalities Implications	We will use the Council's agreed HR policies and procedures for restructuring and will complete EAs.								
		TOM Implications	This is in line with the CSF TOM and our Child and Young Person well-being model approach.								

DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES - REPLACEMENT SAVINGS

Panel	Ref	Description of Saving		Baseline Budget 18/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
C&YP	CSF2018-03	**Service**	**Education**								
		Description	**Review Early Years : raise income or cease some services in preparation for 2020 where we'd consider withdrawing from direct provision of a childcare offer.**		49				Low	Medium	SNS2
		Service Implication	We could consider a combination of both raising income and reducing some services. We will review and considder the impact of ceasing services on the service as well as service users.								
		Staffing Implications	If services are ceased this would impact on staffing. Would								
		Business Plan implications	No specific Implications								
		Impact on other departments	None								
		Equalities Implications	This will reduce support to vulnerable children and families increasing pressure on our parents/carers and universal service's capacity to manage these needs.								
		TOM Implications	The TOM sets out an approach to prioritisation but this level of saving will impact on those already most at risk and vulnerable young people at the top end of our Well Being Model.								

DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES - REPLACEMENT SAVINGS

Panel	Ref	Description of Saving		Baseline Budget 18/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
C&YP	CSF2018-04	Service	Education								
		Description	**Review schools trade offer, raise charges or consider ceasing services from 2020.**		30				Low/Medium	Low	SI1
		Service Implication	All CSF SLAs as well as de-delegated services with schools will be reviewed to ensure i) full cost recovery; ii) LBM charges are in line with other providers. We will also examine further opportunities to trade with schools.								
		Staffing Implications	If schools are unwilling/unable to pay for core and enhanced services this will result in approximately 2 posts deleted.								
		Business Plan implications	Should funding not be secured there will be implications for service volumes and outcomes.								
		Impact on other departments	Possible impact on child protection services if service reductions result in escalations from schools and others.								
		Equalities Implications	We will use the Council's agreed HR policies and procedures for restructuring and will complete EAs.								
		TOM Implications	Education and Social Care services for C&YP will be reduced with higher thresholds for access. The department will continue to be reorganised to reflect downsizing. This saving is in line with TOM direction of travel to focus delivery on the council's statutory duties.								

APPENDIX 2

DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES - REPLACEMENT SAVINGS

Panel	Ref	Description of Saving		Baseline Budget 18/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
C&YP	CSF2018-05	Service	Children Social Care								
		Description	**Delivery of preventative services through the Social Impact Bond**		45				Low	Low	SP1
		Service Implication	The LA will buy into the Pan-London Care Impact Partnership for the provision of a Social Impact Bond (SIB) to deliver services designed to work with families to keep young people out of care using the well established Multi-Systemic (MST) and Functional Family Therapy (FFT) methodologies. This work takes place in the context of a rising population with increasing complex needs.								
		Staffing Implications	None								
		Business Plan implications	No specific Implications								
		Impact on other departments	None								
		Equalities Implications	This is a service for some of our most vulnerable children and young people.								
		TOM Implications	This is in line with the CSF TOM and our Child and Young Person well-being model approach.								
C&YP	CSF2018-06	Service	Children Social Care								
		Description	**South London Family Drug and Alcohol Court commissioning**		45				Low	Low	SP1
		Service Implication	Enable children to return home safely, thereby reducing cost of care placements. This work takes place in the context of a rising population with increasing complex needs.								
		Staffing Implications	None								
		Business Plan implications	No specific Implications								
		Impact on other departments	Potential impact on legal department.								
		Equalities Implications	This is a service for some of our most vulnerable children and young people.								
		TOM Implications	This is in line with the CSF TOM and our Child and Young Person well-being model approach.								
Total Children, Schools and Families Savings					329	0	0	0			
Replacements still to be submitted					(100)	0	0	0			

NEW SAVINGS PROPOSALS 2019-23

SUMMARY (cumulative)	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	Total £000
Corporate Services	75	15	0	0	90
Children, Schools & Families	0	550	0	0	550
Environment & Regeneration	0	0	0	0	0
Community & Housing	0	100	0	0	100
Total	75	665	0	0	740
Cumulative Total	75	740	740	740	

Savings Type

SS1 Staffing: reduction in costs due to efficiency
SS2 Staffing: reduction in costs due to deletion/reduction in service
SNS1 Non - Staffing: reduction in costs due to efficiency
SNS2 Non - Staffing: reduction in costs due to deletion/reduction in service
SP1 Procurement / Third Party arrangements - efficiency
SG1 Grants: Existing service funded by new grant
SG2 Grants: Improved Efficiency of existing service currently funded by unringfenced grant
SPROP Reduction in Property related costs
SI1 Income - increase in current level of charges
SI2 Income - increase arising from expansion of existing service/new service

APPENDIX 3

NEW SAVINGS 2019-23
DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2019/20

Panel	Ref	Description of Saving		Baseline Budget 18/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	2019-20 CS01	**Service/Section**	**Revenues and Benefits**								
		Description	**Amend discretionary rate relief policy**	**524**	**75**				**L**	**H**	**SNS2**
		Service Implication	None								
		Staffing Implications	None								
		Business Plan implications	None								
		Impact on other departments	None								
		Equalities Implications	Some charities, sports clubs, education establishments and non profit making organisations will have a reduction in rate relief								
		TOM Implications									

APPENDIX 3

NEW SAVINGS 2019-23
DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2019/20

Panel	Ref	Description of Saving		Baseline Budget 18/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	2019-20 CS02	**Service/Section**	**Concessionary Travel**								
		Description	Charge for Blue Badges			15	0		M	H	SI2
		Service Implication	None								
		Staffing Implications	None								
		Business Plan implications	None								
		Impact on other departments	None								
		Equalities Implications	All surrounding LA's currently charge. Maximum of £10.00 per badge. Alrerady stated on-line but charge not enforced.								
		TOM Implications	None								
			Corporate Services: New Savings Total		75	15	0	0	90		

NEW SAVINGS 2019-23

DEPARTMENT: Children, Schools and Families

APPENDIX 3

Panel	Ref	Description of Saving		Baseline Budget 18/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
C&YP	**CSF2018-08**	**Service**	**Education**								
		Description	**Review Early Years service: reduce some direct services which are delivered through the Early Years Service and the number and location of buildings they are delivered from.**	**2,071**		**150**			**Medium**	**High**	**SS2**
		Service Implication	This will mean reduced support for vulnerable babies, children and families accessing targeted services as well as the universal offer. This reduced offer could result in increased numbers needing high cost statutory intervention.								
		Staffing Implications	Majority of costs associated with direct services are staffing and building and facility costs as part of this proposal. This will equate to approximately 3-5 members of staff and/or assosiated building costs.								
		Business Plan implications	No specific Implications								
		Impact on other departments	These reductions will place additional burdens on universal, targeted and specialist services.								
		Equalities Implications	This will reduce support to vulnerable children and families increasing pressure on our parents/carers and universal service's capacity to manage these needs.								
		TOM Implications	The TOM sets out an approach to prioritisation but this level of saving is likely to impact most on those already most at risk.								

NEW SAVINGS 2019-23

DEPARTMENT: Children, Schools and Families

APPENDIX 3

Panel	Ref	Description of Saving		Baseline Budget 18/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
C&YP	**CSF2018-09**	**Service**	**Education**								
		Description	**Radically reduce some statutory education functions**	**8,137**		**200**			**High**	**High**	**SS2**
		Service Implication	We will agree with schools priorities for the use of the retained DSG to support delivery of a reduced statutory service function.								
		Staffing Implications	Majority of costs associated with direct services are staffing costs as part of this proposal. This will equate to approximately 7 members of staff								
		Business Plan implications	No specific Implications								
		Impact on other departments	No specific Implications expected although we could see some legal challenge.								
		Equalities Implications	We will use the Council's agreed HR policies and procedures for restructuring and will complete EAs. This will reduce support to vulnerable and at risk children, increasing pressure on our universal service's capacity to manage these needs.								
		TOM Implications	Statutory Education and Social Care services for C&YP will be further reduced. The department will be reorganised to reflect downsizing. This saving is in line with TOM direction of travel to focus delivery on the council's statutory duties. Detailed work will need to ensure that risk and vulnerability is prioritised and careful consideration of the ability to deliver the statutory minimum required.								

NEW SAVINGS 2019-23

DEPARTMENT: Children, Schools and Families

APPENDIX 3

Panel	Ref	Description of Saving		Baseline Budget 18/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
C&YP	**CSF2018-10**	**Service**	**Children Social Care**								
		Description	**Radically reduce support for LAC/CSE/respite**	**10,545**		**200**			**High**	**High**	**SNS2**
		Service Implication	During 2019/20 we will review our eligibility criteria and service offer for some of our most vulnerable clients. This is likely to mean reduced therapeutic support to highly vulnerable children including looked after children and care leavers								
		Staffing Implications	These services are mainly commissioned or spot purchased. There may be staffing implications as the current contract means that some of our own staff are employed and could be eligible for redundancy.								
		Business Plan implications	No specific Implications								
		Impact on other departments	These reductions may place additional burdens on universal, targeted and specialist services.								
		Equalities Implications	This will reduce support to vulnerable and at risk children including C&YP In Need, on a Child Protection Plan, on the edge of care, Looked After C&YP, care leavers or young people with complex disabilities, young people in the youth justice system, increasing pressure on our parents/carers and universal service's capacity to manage these needs.								
		TOM Implications	The TOM sets out an approach to prioritisation but this level of saving is likely to impact on those already most at risk and vulnerable young people at the top end of our Well Being Model								
Total					**0**	**550**	**0**	**0**			

DEPARTMENT: Community and Housing 2020/21

Panel	Ref	Notes	Description of Saving		Baseline Budget 18/19	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
Adult Social Care												
			Service									
18/19		Mascot Telecare provides support for individuals to live at home by a combination of alarms and sensors, The service increasingly underpins packages of care provided via social work and reablement teams and can enable practitioners to be more precise with the amount of care visits required. Mascot also provides this service to a large number of self funders, as well as having contracts with Housing Associations to monitor extra care and supported living sites. A new Telecare hub is due to be installed at Mascot in late 2018 which will enable to staff to have more time and opportunity to widen the support offered and seek new commercial opportunities.	**Description**	**Mascot Service(Direct Provision)** We are planning to maximise income generation from Telecare in a number of ways; Increase individual paying customers Review and renegotiate existing commercial contracts with Housing Associations, and seek more similar business.	£470k		£100			**Medium**	**Medium**	**SNS2**
			Service Implication	Compete for Telecare contracts in other boroughs. Explore commercial contracts for out of hours and concierge call handling services. Keep abreast of developments in all areas of Assistive Technology, including monitors and sensors, Telehealth, GPS, Robotics and similar. Explore benefits for ASC customers, self funders and as part of a more commercial offer to partner organisations.								
			Staffing Implications	There are no staffing implications.								
			Business Plan implications	This proposal fits in with the Adult Social Care plan, and Merton's Corporate Business Plan and MTFS								
			Impact on other departments	Continued support from IT services, increased liaison with Communications Team								
			Equalities Implications	None identified								
			TOM Implications	This is in line with the C&H TOM								
							100					
Total Community & Housing 2020/21							**100**					

Equality Analysis

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

What are the proposals being assessed?	Amend discretionary rate relief policy (Reference 2019-20 CS01)
Which Department/ Division has the responsibility for this?	Corporate Services/Customer Services

Stage 1: Overview	
Name and job title of lead officer	David Keppler, Head of Revenues & Benefits
1. What are the aims, objectives and desired outcomes of your proposal? (Also explain proposals e.g. reduction/removal of service, deletion of posts, changing criteria etc)	Amend the discretionary rate relief policy for qualifying businesses/charities to reduce the overall amount contributed by Merton taxpayers by £75,000 per year.
2. How does this contribute to the council's corporate priorities?	Assists with balancing the budget.
3. Who will be affected by this proposal? For example who are the external/internal customers, communities, partners, stakeholders, the workforce etc.	Some charities, sports clubs, education establishments and non profit making organisations will have a reduction in or will lose all rate relief
4. Is the responsibility shared with another department, authority or organisation? If so, who are the partners and who has overall responsibility?	None

Stage 2: Collecting evidence/ data

5. What evidence have you considered as part of this assessment?
Provide details of the information you have reviewed to determine the impact your proposal would have on the protected characteristics (equality groups).

- It is for the Council to determine the qualifying criteria and at what level it wishes to set for the discretionary rate relief for qualifying organisations. The existing scheme is already known to be more generous than neighbouring LA's and the proposal will bring us closer in synch with them.

Stage 3: Assessing impact and analysis

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

Protected characteristic (equality group)	Tick which applies Positive impact		Tick which applies Potential negative impact		**Reason** Briefly explain what positive or negative impact has been identified
	Yes	**No**	**Yes**	**No**	
Age		No	Yes		The policy is discretionary and will be publicised in advance allowing organisations the opportunity to balance their own budgets accordingly. Relief can change annually, dependent on circumstances, and no amount is guaranteed. All organisations are advised that relief is only awarded for a year and a review will be undertaken before the next award period.
Disability		No	Yes		
Gender Reassignment		No		No	
Marriage and Civil Partnership		No		No	
Pregnancy and Maternity		No	Yes		
Race		No		No	
Religion/ belief		No		No	
Sex (Gender)		No		No	
Sexual orientation		No		No	
Socio-economic status		No	Yes		

APPENDIX 5

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

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

Negative impact/ gap in information identified in the Equality Analysis	**Action required to mitigate**	**How will you know this is achieved?** e.g. performance measure/ target)	**By when**	**Existing or additional resources?**	**Lead Officer**	**Action added to divisional/ team plan?**
Some organisations will absorb the change, for example, private sports clubs, education establishments, charity shops, however it cannot be identified which organisations may reduce or stop services to residents.	Invite and consider “hardship” relief applications from organisations affected	Monitor number of hardship applications and number of claims awarded	April 19 to March 20	Existing	David Keppler	Business Rates section work plan

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

Stage 4: Conclusion of the Equality Analysis

8. Which of the following statements best describe the outcome of the EA (Tick one box only)
Please refer to the guidance for carrying out Equality Impact Assessments is available on the intranet for further information about these outcomes and what they mean for your proposal

OUTCOME 1	**OUTCOME 2**	**OUTCOME 3**	**OUTCOME 4**
	X		

Stage 5: Sign off by Director/ Head of Service			
Assessment completed by	David Keppler, Head of Revenues & Benefits	**Signature: David Keppler**	**Date: 27.9.18**

Stage 5: Sign off by Director/ Head of Service			
Improvement action plan signed off by Director/ Head of Service		**Signature:**	**Date:**

APPENDIX 5

Equality Analysis

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

What are the proposals being assessed?	Proposed budget savings for 2019 – 2022. The introduction of a flat charge of £10.00 for the issuing of Blue Badges to residents. (Reference 2019-20 CS02)
Which Department/ Division has the responsibility for this?	Corporate Services/Customer, Performance and Improvement

Stage 1: Overview	
Name and job title of lead officer	Sean Cunniffe, Head of Customer Contact
1. What are the aims, objectives and desired outcomes of your proposal? (Also explain proposals e.g. reduction/removal of service, deletion of posts, changing criteria etc)	The proposal is to introduce a charge of £10.00 to be paid by any resident who successfully applies for, and is issued by the Council with, a Blue Badge under the Concessionary Travel scheme. This is a change from the current arrangement, whereby no fee is levied for any applicants for the scheme. The Council receives approximately 2000 applications per year, and issues approximately 1700 Blue Badges per year. Each Blue Badge entitles the holder to free parking in designated areas for a period of 5 years. The aims of introducing the charge are to recover some of the costs of administering the Blue Badge Concessionary Travel scheme and to discourage applications (and driving) by those who do not need the service. The Blue Badge Scheme Local Authority Guidance issued by the Department for Transport in 2014 states the regulations give local authorities the discretion to charge a fee on the issue of a badge. The fee cannot exceed £10.00. During an internal audit review in 2017 they stated - Local authorities are permitted to charge up to £10 for the processing of a blue badge. Merton's six immediate neighbouring boroughs, all currently charge a fee of £10 for every blue badge issued. Merton is the only local borough not charging a fee. They then made the following recommendation - "Approval must be sought to enable the application of the maximum fees allowable when issuing a Blue Badge. The fee must be set at the current recommended level as set by the Departments of Transport. The fee must be reviewed annually to ensure that it does not exceed the maximum set by the Department of Transport." The online tool, operated and administered by the Department for Transport already alerts applicants that

	there may be a charge in the event of a successful application. The criteria for the Scheme will not alter.
2. How does this contribute to the council's corporate priorities?	Recovering the administrative costs of issuing Blue Badges will support the Council to continue to deliver services within its financial envelope.
3. Who will be affected by this proposal? For example who are the external/internal customers, communities, partners, stakeholders, the workforce etc.	Successful applicants to the scheme will be affected. Therefore residents of Merton who are impacted by these conditions and deemed eligible for a Blue Badge will be affected financially, in that they will need to pay a £10.00 charge in order to receive a Blue Badge once their application has been processed. The proposals will allow the Council to recover some of the administrative cost associated with the provision of this service. The reductions in funding facing the Council over the coming months and years would otherwise divert unnecessary costs to administer the scheme from other more vulnerable services.
4. Is the responsibility shared with another department, authority or organisation? If so, who are the partners and who has overall responsibility?	None – the Council has responsibility for delivering this service.

Stage 2: Collecting evidence/ data

5. What evidence have you considered as part of this assessment?
Provide details of the information you have reviewed to determine the impact your proposal would have on the protected characteristics (equality groups).

Concessionary Travel – audit recommendation following review of Blue Badge process and benchmark with neighboring Boroughs. Guidelines state a charge can be levied, up to a maximum of £10.00, for each successful application. Already stated on-line but charge not enforced. Limited impact as charge is minimal and covers each Blue Badge with a lifespan of 5 years. No impact on protected characteristics.

The policies and charges applied by neighbouring London boroughs have been reviewed and taken into account.

Guidance from Department for Transport on the appropriateness of levying fees for the issuing of Blue Badges has been reviewed and taken into account.

In 2017 a review of the service was undertaken by Internal Audit which resulted in a series of recommendations.

Stage 3: Assessing impact and analysis

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

Protected characteristic (equality group)	Tick which applies Positive impact		Tick which applies Potential negative impact		Reason Briefly explain what positive or negative impact has been identified
	Yes	No	Yes	No	
Age					None
Disability			Yes		A small charge may dissuade disabled people from applying for a Blue Badge
Gender Reassignment					None
Marriage and Civil Partnership					None
Pregnancy and Maternity					None
Race					BAME residents tend to be on lower incomes or have higher unemployment rates and may be adversely affected by the introduction of a charge
Religion/ belief					None
Sex (Gender)					None

Sexual orientation					None
Socio-economic status					Residents on low incomes or who are unemployed may be adversely affected by the introduction of a charge. This may disproportionately affect residents in the East of the borough

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

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

Negative impact/ gap in information identified in the Equality Analysis	Action required to mitigate	How will you know this is achieved? e.g. performance measure/ target)	By when	Existing or additional resources?	Lead Officer	Action added to divisional/ team plan?
Disabled people may be dissuaded from applying for a Blue Badge following introduction of a charge Disabled residents tend to be on lower incomes and may be adversely affected by the introduction of a charge.	The charge will only be applied when a Blue Badge has been successfully awarded. Clearer guidance and criteria will be provided to residents to increase confidence in making applications. Support disabled residents to get Welfare Benefit advice to ensure that they are claiming their full benefit entitlement.	Monitor number of completed applications received. Monitor number of completed applications received. and benefit take up rates by disability	2020	Existing	Sean Cunniffe	Yes
BAME residents tend to be on lower incomes or have higher unemployment rates and may be adversely affected by the introduction of a charge.	Support residents to get Welfare Benefit advice to ensure that they are claiming their full benefit entitlement.	Monitor number of completed applications received. and benefit take up rates by BAME residents				
Residents on low incomes or who are unemployed may be adversely affected by the introduction of a charge. This may disproportionately affect residents in the East of the borough	Support residents on low incomes to get Welfare Benefit advice to ensure that they are claiming their full benefit entitlement.	Monitor number of completed applications received.				

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

Stage 4: Conclusion of the Equality Analysis

8. Which of the following statements best describe the outcome of the EA (Tick one box only)
Please refer to the guidance for carrying out Equality Impact Assessments is available on the intranet for further information about these outcomes and what they mean for your proposal

OUTCOME 1	OUTCOME 2	OUTCOME 3	OUTCOME 4
	X		

Stage 5: Sign off by Director/ Head of Service			
Assessment completed by	Sean Cunniffe	**Signature:** Sean Cunniffe	**Date:** 28.09.2018
Improvement action plan signed off by Director/ Head of Service	Sophie Ellis	**Signature:**	**Date:**

Equality Analysis

APPENDIX 5

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

What are the proposals being assessed?	Proposed budget savings CSF 2018-02
Which Department/ Division has the responsibility for this?	CSF/Children's Social Care

Stage 1: Overview	
Name and job title of lead officer	Paul Angeli (AD Children's Social Care/Youth Inclusion)
1. What are the aims, objectives and desired outcomes of your proposal? (Also explain proposals e.g. reduction/removal of service, deletion of posts, changing criteria etc)	CSF2018-02. The LA will delete a management post in the Children with Disabilities Team with effect from 2019/20. This deletion will require a small restructuring of the team and lead to an increased responsibility for the team manager in this team. This will allow us to secure £50,000 savings. With effect from 2019/20, there will be a reduction of Family Support workers at Bond Road Family Centre. This will allow us to secure £55,000 savings. This will require deletion of posts. The reduction will in effect lead to a reduction of provision to vulnerable children between the ages of 5 and 11. The service works with children in need and subject to child protection plans. The proposals reduce the capacity of the service to work with about 40 families. As part of our Early Help offer we administer and provide support to schools and other agencies who complete early help assessments. With effect from 2019/20 there will be re grading and reduction in support for early intervention assessments. There will be a re grading of the current post to a social work grade and the administrative staff member will be changed to be part time. This will secure savings of £25,000.
2. How does this contribute to the council's corporate priorities?	This proposal contributes to the corporate priority of setting a balanced budget, while prioritising services to children and families in line with our Wellbeing Model.
3. Who will be affected by this proposal? For example who are the external/internal customers, communities, partners, stakeholders, the workforce etc.	Proposals to reduce management oversight of cases in Children With Disabilities: will have an impact on the staff in the disabilities service as they will have less access to managerial support. Proposal to reduce Bond Road capacity by reducing Family Support Workers will impact on users of the centre. These are children in need and subject to child protection plans between the ages of 5 and 11. This reduction will lead to an overall drop in service provision to approximately 40 families or about 60-80 children in the year. It constitutes an overall drop in service of about 10%. As this is a service targeted to some of the more vulnerable families in the borough, the reduction in capacity will necessarily impact on

	some of these. The service will continue to try to identify and prioritise access to services for those families that are most vulnerable. The reduction in resources for early assessment may potentially result in an impact on partners. The role has a promotional role in driving early assessment and early help and the change in the posts' capacity may lead to less use of CASA and a reduction in access to early help over time.
4. Is the responsibility shared with another department, authority or organisation? If so, who are the partners and who has overall responsibility?	The CWD works closely with colleagues from SENDIS, Health and Social Care. Delivery of services for children with disabilities is a shared council function and is part of SENDIS. Overall responsibility for delivery remains with the department. Bond Road: These services are not shared with any other departments. Colleagues in Health, Education and Social Care will be impacted through the reduction in capacity to provide a service to families they are working with. Health and Education services refer in to Bond Road. Responsibility sits with Children's Social Care. The CASA post is based in Children's Social Care and works extensively with partners working with children. These include schools, children's centres, early years settings, health and the voluntary sector.

Stage 2: Collecting evidence/ data

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

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

We have information about caseloads and the ratios of staff to managers in the service. Children with Disabilities are known evidentially to be some of the most vulnerable children in our system. We have data available from our review of Bond Road. This has provided an insight into the impact of the reduction in posts. We have data about CASA use from 2017-18 and we are able to understand a potential impact on use.

Stage 3: Assessing impact and analysis

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

Protected characteristic (equality group)	Tick which applies Positive impact		Tick which applies Potential negative impact		Reason Briefly explain what positive or negative impact has been identified
	Yes	No	Yes	No	
Age			*		Vulnerable children and families in need of services will be impacted by these changes as there will be fewer resources for this group of children and their parents. In the case of Bond Road this will impact specifically on the age group 5-11 years.
Disability			*		The proposals relate to children with disabilities. We anticipate a small impact as the reduction in capacity is managerial.
Gender Reassignment		*			
Marriage and Civil Partnership		*			
Pregnancy and Maternity		*			
Race		*			
Religion/ belief		*			
Sex (Gender)			*		Women who are the main users of Bond Road and CSC services generally will be impacted.
Sexual orientation		*			
Socio-economic status			*		This work tends to be with the most vulnerable socio-economic groups and therefore the reduction in services will be felt disproportionately by them.

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

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

Negative impact/ gap in information identified in the Equality Analysis	**Action required to mitigate**	**How will you know this is achieved?** e.g. performance measure/ target)	**By when**	**Existing or additional resources?**	**Lead Officer**	**Action added to divisional/ team plan?**
There will be some impact on the oversight of children with disabilities	**Y**	**On going performance management and auditing of the service will be required.**	**On Going**	**Existing resources**	**Gordon Murray**	**Y**
There will be a negative impact on provision for young children and their families subject to a child protection plan	**Y**	**Review of Bond Road underway to review service configuration and eligibility criteria**	**Oct 2018**	**Existing resources**	**Gordon Murray**	**Y**
As above	**Y**	**Early Help review to identify how children in need and subject to a Child Protection Plan can access children's centres provision.**	**Nov 2018**	**Existing resources**	**Gordon Murray**	**Y**
There will be a gap in the support available for CASA delivery.	**Y**	**Work to take place with partners and MSCB so CASA is promoted as part of early help and safeguarding of children.**	**Jan 2019**	**Existing Resources**	**Paul Angeli**	**Y**

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

Stage 4: Conclusion of the Equality Analysis

8. Which of the following statements best describe the outcome of the EA (Tick one box only)
Please refer to the guidance for carrying out Equality Impact Assessments is available on the intranet for further information about these outcomes and what they mean for your proposal

OUTCOME 1	OUTCOME 2	OUTCOME 3	OUTCOME 4
		*	

Stage 5: Sign off by Director/ Head of Service	
Assessment completed by	Paul Angeli AD CSC &YI
Improvement action plan signed off by Director/ Head of Service	Rachael Wardell DCS CSF

Equality Analysis

APPENDIX 5

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

What are the proposals being assessed?	Proposed budget savings CSF2018-03
Which Department/ Division has the responsibility for this?	CSF/Education Division

Stage 1: Overview	
Name and job title of lead officer	Jane McSherry (AD Education)
1. What are the aims, objectives and desired outcomes of your proposal? (Also explain proposals e.g. reduction/removal of service, deletion of posts, changing criteria etc)	Raise income or cease some services in preparation for 2020 where we would consider withdrawing from direct provision of a childcare offer: The proposal is to raise income, by raising fees, to achieve the proposed saving in 2019/20 of 49K. The objective is to raise fees for a relatively small cohort of families who access the Lavender Nursery at a universal level of need, whilst protecting targeted services for more vulnerable families. The desired outcome is to introduce a new fee structure which protects services for vulnerable families and raises income for fee paying customers to deliver the 2019- 2020 savings The impact of this proposal will mean increased fees for the 71* fee paying customers using the Lavender Nursery. Whilst the support to vulnerable children and their families will remain, the increase in charges will impact on families where household income is lower. However, the monthly charges for childcare will continue to be broadly in line with the average hourly rate for childcare in Merton. Since September 2017 children aged 3 and 4 are entitled to 30 hours of free childcare, which will contribute to mitigating the impact of these fee increases for this cohort of families. There is a wide choice of childcare services available in the borough, and families are

	able to source alternative provision if required. The majority of families using the paid for services at Lavender Nursery are not considered to be vulnerable/in need. The **60 places for children aged 2 who meet eligibility for 2 year funded places (low household income, LAC and children claiming DLA) will not be affected (*To note the number of 71 is not fixed and can move up or down depending on patterns of take up. **To note the number of 60 is not fixed and can move up or down depending on patterns of take up.)
2. How does this contribute to the council's corporate priorities?	This is contributing to the councils' corporate priorities in ensuring we manage our resources to provide value for money, high standards of governance, financial and budget management. The Early Years' Service contributes significantly to giving our children and young people the best start in life and is a key component of our Child, YP and Family Well Being Model. It contributes significantly to our MSCB priorities of Early Help; Think Family and the cross cutting theme of neglect. By raising income through an increase in fees for working households, the remaining targeted services are protected in this financial year and support for families eligible for 2 year funded places continues and remains a priority
3. Who will be affected by this proposal? For example who are the external/internal customers, communities, partners, stakeholders, the workforce etc.	Families affected by this proposal will be the *71 fee paying families that currently use the Lavender Nursery, and new customers taking up places once existing service users leave. (*To note the number of 71 is not fixed and can move up or down depending on patterns of take up)
4. Is the responsibility shared with another department, authority or organisation? If so, who are the partners and who has overall responsibility?	No

Stage 2: Collecting evidence/ data

5. What evidence have you considered as part of this assessment?
Provide details of the information you have reviewed to determine the impact your proposal would have on the protected characteristics (equality groups).

We have substantial data sets and information to identify need, vulnerability and risk. We are aware of the overall impact of this proposal.

Stage 3: Assessing impact and analysis

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

Protected characteristic (equality group)	**Tick which applies**		**Tick which applies**		**Reason** Briefly explain what positive or negative impact has been identified
	Positive impact		**Potential negative impact**		
	Yes	**No**	**Yes**	**No**	
Age				*	Whilst it is families with young children who use the services, the negative impact is minimal as there are sufficient alternative services available locally which families could access, if they so choose to do so. For children who are eligible or 2 year funded places there is no impact in terms of this proposal
Disability				*	Existing levels of support will continue for children where there may be disabilities, therefore there is minimal negative impact For parents where there is a disability there may be a negative impact in terms of the increase in fees and accessibility to alternative provision may be more challenging. However, overall the potential impact is generally minimal but this proposal may impact more so on some individual families depending on their particular circumstances.

Gender Reassignment				*	
Marriage and Civil Partnership				*	
Pregnancy and Maternity				*	The nursery provides childcare for children aged 2 and above and therefore will not directly impact on pregnancy and maternity. However, families with more than one child and with a baby, will see their overall childcare costs increase. Costs for childcare tend to be highest for children between the ages 0 – 2. Overall the potential impact is generally minimal but this proposal may impact more so on some individual families depending on their particular circumstances.
Race				*	
Religion/ belief				*	
Sex (Gender)				*	
Sexual orientation				*	
Socio-economic status			*		For families with lower household income, a raise in childcare fees will have an impact on their disposable income, possibly causing stress and debt for some families. Families are supported to take up the free childcare entitlement and maximise tax credits and tax free childcare

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

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

Negative impact/ gap in information identified in the Equality Analysis	**Action required to mitigate**	**How will you know this is achieved?** e.g. performance measure/ target)	**By when**	**Existing or additional resources?**	**Lead Officer**	**Action added to divisional/ team plan?**
This level of saving will impact on the fee paying customers using Lavender Nursery.	**Provide sufficient notice to families so they can plan for the increase and maximise use of free entitlements, tax free childcare and credits** **Provide information about alternative providers and their costs so parents/families can make informed decisions**	**Fee structure introduced and take up in the nursery by fee paying customers is stable**	**March 2020**	**existing**	**Allison Jones**	**Y**

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

Stage 4: Conclusion of the Equality Analysis

8. Which of the following statements best describe the outcome of the EA (Tick one box only)
Please refer to the guidance for carrying out Equality Impact Assessments is available on the intranet for further information about these outcomes and what they mean for your proposal

OUTCOME 1	**OUTCOME 2**	**OUTCOME 3**	**OUTCOME 4**
☐	yes	☐	☐

Stage 5: Sign off by Director/ Head of Service			
Assessment completed by	Allison Jones Head of Early Years	**Signature:**	**Date: 30/10/18**
Improvement action plan signed off by Director/ Head of Service	Rachael Wardell, Director CSF	**Signature:** 	**Date: 30/10/2018**

Equality Analysis

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

What are the proposals being assessed?	Proposed budget saving CSF2018-04
Which Department/ Division has the responsibility for this?	CSF/Education Division

Stage 1: Overview	
Name and job title of lead officer	Jane McSherry (AD Education)
1. What are the aims, objectives and desired outcomes of your proposal? (Also explain proposals e.g. reduction/removal of service, deletion of posts, changing criteria etc)	Review of school traded services offer and raise charges or consider ceasing certain services. This will entail a review of all current SLA's as well as de-delegated services with schools to ensure i) full cost recovery ii) that LBM charges are aligned with other providers. We will also explore future opportunities to trade with schools. If schools are unwilling or unable to pay for core and enhanced services, this will result in approximately 1 post being deleted in the relevant education service area. This will deliver a saving of £30k in 2019/20. It will also potentially impact negatively on service volumes and children's outcomes as there may be an increase in escalations of referrals to child protection services from schools.
2. How does this contribute to the council's corporate priorities?	If additional funding is secured from schools, then this proposal would enable work to continue under the 'Opportunity Merton' theme: our programme to improve education from nursery level to adult provision. CSF services support our most vulnerable children and young people getting the best start in life. We are particularly focused on those facing obstacles and challenges and how we 'bridge the gap' in outcomes between some children and their more advantaged peers. However, if no additional funding is secured, this would lead to a reduction in our offer (outlined above) and the contribution to the corporate priorities would be the delivery of the £30k saving.
3. Who will be affected by this proposal? For example who are the external/internal customers, communities, partners, stakeholders, the workforce etc.	Partners and (dependant on outcome) staff will be affected by this proposal. If schools agree to the raising of our charges and continue to buy back these services, they will incur additional costs. However our children and young people will continue to benefit from the current offer. If the offer is reduced the proposal may potentially impact negatively on service volumes and children's outcomes as there may be an increase in escalations of referrals to child protection services from schools.
4. Is the responsibility shared with another department, authority or organisation? If so, who are the partners and who has overall	We require agreement from schools to deliver this saving (in the case of increases in charging). If this is not agreed the decision to cease certain services will require stakeholder engagement in agreeing priorities for delivery.

responsibility?	

Stage 2: Collecting evidence/ data

5. What evidence have you considered as part of this assessment?
Provide details of the information you have reviewed to determine the impact your proposal would have on the protected characteristics (equality groups).

We have comprehensive data and information in relation to costing models to review our current SLA's. We have comprehensive data in relations to schools and where need is more prevalent.

Stage 3: Assessing impact and analysis

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

Protected characteristic (equality group)	Tick which applies Positive impact		Tick which applies Potential negative impact		Reason Briefly explain what positive or negative impact has been identified
	Yes	No	Yes	No	
Age			*		The proposal could impact in terms of schools not agreeing to increase in charging and therefore, certain current services to children would cease. Stakeholder engagement will be undertaken to prioritise these services.
Disability			*		The proposal could impact in terms of schools not agreeing to increase in charging and therefore, certain current services to children with disabilities may cease. Stakeholder engagement will be undertaken to identify which services to prioritise.
Gender Reassignment				*	
Marriage and Civil Partnership				*	
Pregnancy and Maternity				*	
Race				*	
Religion/ belief				*	
Sex (Gender)				*	
Sexual orientation				*	
Socio-economic status			*		The proposal could impact in terms of schools not agreeing to increase in charging and therefore, certain current services to children would cease. This may disproportionately affect children with lower socio-economic

					status as being the children most likely to be in receipt of additional services. Stakeholder engagement will be undertaken to prioritise these services.

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

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

Negative impact/ gap in information identified in the Equality Analysis	**Action required to mitigate**	**How will you know this is achieved?** e.g. performance measure/ target)	**By when**	**Existing or additional resources?**	**Lead Officer**	**Action added to divisional/ team plan?**
Further work and stakeholder engagement is needed to identify the most high risk impacts and to mitigate them, if schools' funding is not secured and services have to reduce. Steps will be taken to avoid or mitigate the highest risk impacts.	Stakeholder engagement will be undertaken to identify and mitigate highest risks.	**Evidence that services, even where reduced, continue to be provided to those in highest need.**	**March 2020**			

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

Stage 4: Conclusion of the Equality Analysis

8. Which of the following statements best describe the outcome of the EA (Tick one box only)
Please refer to the guidance for carrying out Equality Impact Assessments is available on the intranet for further information about these outcomes and what they mean for your proposal

OUTCOME 1 **OUTCOME 2** **OUTCOME 3** **OUTCOME 4**

*

Stage 5: Sign off by Director/ Head of Service			
Assessment completed by	Carol Camiss	**Signature:**	**Date: 01/12/17 (original) Updated 31/10/2018**
Improvement action plan signed off by Director/ Head of Service	Rachael Wardell	**Signature:** 	**Date: 1/11/2018**

Equality Analysis

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

What are the proposals being assessed?	Proposed budget savings CSF 2018-05 and CSF 2018-06
Which Department/ Division has the responsibility for this?	CSF/Children's Social Care

Stage 1: Overview	
Name and job title of lead officer	Paul Angeli (AD Children's Social Care/Youth Inclusion)
1. What are the aims, objectives and desired outcomes of your proposal? (Also explain proposals e.g. reduction/removal of service, deletion of posts, changing criteria etc)	CSF2018-05. The LA will buy into a Social Impact Bond (SIB) with 5 other boroughs. The SIB is designed to support delivery of service to keep children and young people out of the care system. This is in line with our TOM and our Children & Young People Well-Being Model. This will deliver 45K savings in 2019/20 & 45K savings in 2020/21.This work, however, takes place within a rising population demographic and increased complex needs. CSF2018-06. The South London Family Drug and Alcohol Court commissioning programme will enable more children to return home safely, thereby, reducing the costs of care placements. This is in line with our TOM and will deliver 45K savings in 2019/20 and 45K savings in 2020/21. This work, however, takes place within a rising population and increased complex needs.
2. How does this contribute to the council's corporate priorities?	This proposal supports Healthy Merton and supports our most vulnerable children and young people getting the best start in life. It reflects our MSCB priorities of Early Help, Vulnerable Adolescents, Think Family and the cross cutting priority of tackling neglect.
3. Who will be affected by this proposal? For example who are the external/internal customers, communities, partners, stakeholders, the workforce etc.	This will benefit our most vulnerable clients. There are no staffing implications. The proposals benefit the council in terms of a potential to deliver future savings.
4. Is the responsibility shared with another department, authority or organisation? If so, who are the partners and who has overall responsibility?	These are commissioned services and will require ongoing investment to meet the savings targets.

Stage 2: Collecting evidence/ data

5. What evidence have you considered as part of this assessment?
Provide details of the information you have reviewed to determine the impact your proposal would have on the protected characteristics (equality groups).

We have rising population and an increase in complexity of need.

The impact of both increase in numbers and complexity requires the LA to consider a range of options to meet demand and need.

Stage 3: Assessing impact and analysis

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

Protected characteristic (equality group)	Tick which applies Positive impact		Tick which applies Potential negative impact		Reason Briefly explain what positive or negative impact has been identified
	Yes	No	Yes	No	
Age	*				This proposal will increase access to all ages of Children & Y/P
Disability	*				The proposal will be effective across all children's services
Gender Reassignment		*			
Marriage and Civil Partnership		*			
Pregnancy and Maternity		*			
Race	*				
Religion/ belief	*				
Sex (Gender)	*				
Sexual orientation	*				
Socio-economic status	*				This work is with the most vulnerable groups.

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

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

Negative impact/ gap in information identified in the Equality Analysis	**Action required to mitigate**	**How will you know this is achieved?** e.g. performance measure/ target)	**By when**	**Existing or additional resources?**	**Lead Officer**	**Action added to divisional/ team plan?**
No negative gap identified						

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

Stage 4: Conclusion of the Equality Analysis

8. Which of the following statements best describe the outcome of the EA (Tick one box only)
Please refer to the guidance for carrying out Equality Impact Assessments is available on the intranet for further information about these outcomes and what they mean for your proposal

OUTCOME 1	OUTCOME 2	OUTCOME 3	OUTCOME 4
*			

Stage 5: Sign off by Director/ Head of Service

Assessment completed by	Paul Angeli Assistant Director CSF	**Signature:** Paul Angeli	**Date: 9/10/2018**

Stage 5: Sign off by Director/ Head of Service			
Improvement action plan signed off by Director/ Head of Service	Rachael Wardell Director CSF	**Signature:**	**Date: 14/10/2018**

APPENDIX 5

Equality Analysis

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What are the proposals being assessed?	Proposed budget savings CSF2018-08
Which Department/ Division has the responsibility for this?	CSF/Education Division

Stage 1: Overview	
Name and job title of lead officer	Jane McSherry (AD Education)
1. What are the aims, objectives and desired outcomes of your proposal? (Also explain proposals e.g. reduction/removal of service, deletion of posts, changing criteria etc)	Review Early Years' Service: the proposal is to cease some services or consider withdrawing the Early Years' Offer. Proposed saving in 2020/21 of 150K. The impact of this proposal will mean reduced support to vulnerable children and families accessing targeted services as much of the 'universal offer' is grant funded. This could lead to an increase in numbers requiring higher cost statutory intervention.
2. How does this contribute to the council's corporate priorities?	The Early Years' Service contributes significantly to giving our children and young people the best start in life and is a key component of our Child, YP and Family Well Being Model. It contributes significantly to our MSCB priorities of Early Help; Think Family and the cross cutting theme of neglect. This proposal for a reduction in these services is contributing to the councils' corporate priorities in ensuring we manage our resources to provide value for money, high standards of governance, financial and budget management.
3. Who will be affected by this proposal? For example who are the external/internal customers, communities, partners, stakeholders, the workforce etc.	There will be an impact on our service users currently accessing services provided by the Council. This will also mean reduced support for vulnerable children and families accessing targeted services and these reductions may place additional burdens on universal, targeted and specialist services to manage these needs.
4. Is the responsibility shared with another department, authority or organisation? If so, who are the partners and who has overall responsibility?	There is a risk this could lead to an increase in numbers requiring higher cost statutory intervention.

Stage 2: Collecting evidence/ data

5. What evidence have you considered as part of this assessment?
Provide details of the information you have reviewed to determine the impact your proposal would have on the protected characteristics (equality groups).

We have substantial data sets and information to identify need, vulnerability and risk. We are aware of the areas of service provision this will affect.

Stage 3: Assessing impact and analysis

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

Protected characteristic (equality group)	Tick which applies Positive impact		Tick which applies Potential negative impact		Reason Briefly explain what positive or negative impact has been identified
	Yes	No	Yes	No	
Age			*		A preliminary assessment has been made based on the information to hand, but a full/more detailed assessment will be carried out if the decision is made.
Disability			*		A preliminary assessment has been made based on the information to hand, but a full/more detailed assessment will be carried out if the decision is made.
Gender Reassignment				*	
Marriage and Civil Partnership				*	
Pregnancy and Maternity			*		A preliminary assessment has been made based on the information to hand, but a full/more detailed assessment will be carried out if the decision is made.
Race			*		
Religion/ belief			*		
Sex (Gender)			*		
Sexual orientation			*		
Socio-economic status			*		

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

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

Negative impact/ gap in information identified in the Equality Analysis	**Action required to mitigate**	**How will you know this is achieved?** e.g. performance measure/ target)	**By when**	**Existing or additional resources?**	**Lead Officer**	**Action added to divisional/ team plan?**
This level of saving will impact on those already at risk and could potentially affect vulnerable young people at the higher end of our Wellbeing Model.	**The EY's service plan and EY's TOM sets out an approach to prioritisation in detail, this is being further developed as a result of the TOM refresh in early 2018**	**TBC**			**Allison Jones**	**Y**

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

Stage 4: Conclusion of the Equality Analysis

8. Which of the following statements best describe the outcome of the EA (Tick one box only)
Please refer to the guidance for carrying out Equality Impact Assessments is available on the intranet for further information about these outcomes and what they mean for your proposal

OUTCOME 1	OUTCOME 2	OUTCOME 3	OUTCOME 4
☐	*	☐	☐

Stage 5: Sign off by Director/ Head of Service

Stage 5: Sign off by Director/ Head of Service			
Assessment completed by	Carol Cammiss Business Partner CSF	**Signature:**	**Date: 01/01/17 (original) Updated: 31/10/2018**
Improvement action plan signed off by Director/ Head of Service	Rachael Wardell; Director CSF.	**Signature:** 	**Date: 1/11/2018**

Equality Analysis

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

What are the proposals being assessed?	Proposed budget savings CSF2018-09
Which Department/ Division has the responsibility for this?	CSF/Education Division

Stage 1: Overview	
Name and job title of lead officer	Jane McSherry (AD Education)
1. What are the aims, objectives and desired outcomes of your proposal? (Also explain proposals e.g. reduction/removal of service, deletion of posts, changing criteria etc)	Cease or radically reduce some statutory education functions. We will agree with schools priorities for the use of retained Dedicated Schools Grant (DSG) to support the delivery of a reduced statutory service function. In order to meet the proposed saving in 2020/21 of 200K, Statutory Education Services will have to be further reduced. This proposal is in line with the CSF TOM which outlines the direction of travel and focus on delivery of statutory duties. This reduced provision may impact on support to vulnerable and 'at risk' children. The department with be reorganised to reflect the downsizing should this proposal be accepted.
2. How does this contribute to the council's corporate priorities?	This is contributing to the councils' corporate priorities in ensuring we manage our resources to provide value for money, high standards of governance, financial and budget management. However, there are potential consequences in relation to this, in the medium to longer terms as increased pressure on Social Care may result in escalating costs across the department.
3. Who will be affected by this proposal? For example who are the external/internal customers, communities, partners, stakeholders, the workforce etc.	Schools and service users will be directly impacted by this proposal. Work will need to be undertaken to ensure that risk and vulnerability are prioritised and careful consideration is needed to ensure that we continue to deliver at least the statutory minimum requirement. Statutory functions in education contribute to our MSCB priorities of Early Help; Think Family and the cross cutting theme of neglect. Should these proposals be accepted, there will be an inevitable reduction in council staff and this equates to approximately 7 FTE's. We will use the Council's agreed HR policies and procedures for restructuring and complete EA's accordingly.
4. Is the responsibility shared with another department, authority or organisation? If so, who are the partners and who has overall responsibility?	One of the consequences of this proposal is a potential impact on Children's Social Care. This could, over time, increase the numbers of children requiring higher cost social care interventions.

Stage 2: Collecting evidence/ data

5. What evidence have you considered as part of this assessment?
Provide details of the information you have reviewed to determine the impact your proposal would have on the protected characteristics (equality groups).

We have substantial data sets and information to identify need, vulnerability and risk. We are aware of the areas of service provision this will affect.

Stage 3: Assessing impact and analysis

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

Protected characteristic (equality group)	Tick which applies **Positive impact**		Tick which applies **Potential negative impact**		
	Yes	**No**	**Yes**	**No**	
Age			*		Should this saving be accepted there will be impact on equality groups with one or more protected characteristic. A preliminary assessment has been made based on the information to hand, but a full/more detailed assessment will be carried out if the decision is made.
Disability			*		Should this saving be accepted there will be impact on equality groups with one or more protected characteristic. A preliminary assessment has been made based on the information to hand, but a full/more detailed assessment will be carried out if the decision is made.
Gender Reassignment				*	
Marriage and Civil Partnership				*	
Pregnancy and Maternity				*	
Race			*		Should this saving be accepted there will be impact on equality groups with one or more protected characteristic. A preliminary assessment has been made based on the information to hand, but a full/more detailed assessment will be carried out if the decision is made.
Religion/ belief				*	
Sex (Gender)			*		Should this saving be accepted there will be impact on equality groups

					with one or more protected characteristic. A preliminary assessment has been made based on the information to hand, but a full/more detailed assessment will be carried out if the decision is made.
Sexual orientation				*	
Socio-economic status			*		Should this saving be accepted there will be impact on equality groups with one or more protected characteristic. A preliminary assessment has been made based on the information to hand, but a full/more detailed assessment will be carried out if the decision is made.

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

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

Negative impact/ gap in information identified in the Equality Analysis	**Action required to mitigate**	**How will you know this is achieved?** e.g. performance measure/ target)	**By when**	**Existing or additional resources?**	**Lead Officer**	**Action added to divisional/ team plan?**
This level of saving will potentially impact on those already at risk and vulnerable young people at the higher end of our Wellbeing Model.	**The CSF TOM sets out an approach to prioritisation in detail. This is being further developed as a result of the TOM refresh in early 2018**				**TBC**	**If agreed (yes)**

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

Stage 4: Conclusion of the Equality Analysis

8. Which of the following statements best describe the outcome of the EA (Tick one box only)
Please refer to the guidance for carrying out Equality Impact Assessments is available on the intranet for further information about these outcomes and what they mean for your proposal

OUTCOME 1 **OUTCOME 2** **OUTCOME 3** **OUTCOME 4**

*

Stage 5: Sign off by Director/ Head of Service			
Assessment completed by	Carol Cammiss Business Partner CSF	**Signature:**	**Date:01/01/17 (original)** **Updated: 31/10/2018**
Improvement action plan signed off by Director/ Head of Service	Rachael Wardell, Director CSF.	**Signature:**	**Date: 1/11/2018**

APPENDIX 5

Equality Analysis

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

What are the proposals being assessed?	Proposed budget savings CSF2018-10
Which Department/ Division has the responsibility for this?	CSF/Children's Social Care/Youth Inclusion.

Stage 1: Overview	
Name and job title of lead officer	Paul Angeli (AD Children's Social Care and Youth Inclusion)
1. What are the aims, objectives and desired outcomes of your proposal? (Also explain proposals e.g. reduction/removal of service, deletion of posts, changing criteria etc)	Cease or radically reduce support to Looked After Children, Children at risk of Child Sexual Exploitation and reduce Respite Services to vulnerable and 'at risk' families in order to meet the proposed saving in 2020/21 of 200K. This will require us to review our eligibility criteria and 'service offer' for our more vulnerable clients. We will begin this process in 2019/20. This may mean reduced therapeutic support to our highly vulnerable children, our Looked After Children and our Care Leavers, potentially leaving these groups at higher risk of harm and exploitation.
2. How does this contribute to the council's corporate priorities?	This proposal contributes to the councils' corporate priorities in ensuring we manage our resources to provide value for money, high standards of governance, financial and budget management. There are potential consequences in relation to this, in the medium to longer term; as increased pressure on families and universal services becomes a reality this may result in increased numbers of children and young people meeting the threshold for Social Care, however, the need and risk is likely to be higher given the increase in eligibility. This may result in escalating costs across the department.
3. Who will be affected by this proposal? For example who are the external/internal customers, communities, partners, stakeholders, the workforce etc.	This proposal will have a direct impact on our service users and is likely to reduce support to our vulnerable and 'at risk' children and young people. Reviewing our eligibility criteria will include thresholds relating to Children and young people in Need (CIN), Children subject to a child protection plan, those children and young people on the 'edge of care', Looked After Children, Care Leavers and those children and young people in the youth offending system. In addition, we will need to review our eligibility criteria for those children with complex needs and disabilities.
4. Is the responsibility shared with another department, authority or organisation? If so, who are the partners and who has overall responsibility?	Any reduction in our current levels of provision will increase pressure on parents/carers and universal services' capacity to manage these needs.

Stage 2: Collecting evidence/ data

5. What evidence have you considered as part of this assessment?
Provide details of the information you have reviewed to determine the impact your proposal would have on the protected characteristics (equality groups).

We have substantial data sets and information to identify need, vulnerability and risk. We are aware of the areas of service provision that will be affected by this proposal.

Stage 3: Assessing impact and analysis

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

Protected characteristic (equality group)	Tick which applies Positive impact		Tick which applies Potential negative impact		
	Yes	No	Yes	No	
Age			*		Should this saving be accepted there will be impact on equality groups with one or more protected characteristic. A preliminary assessment has been made based on the information to hand, but a full/more detailed assessment will be carried out if the decision is made.
Disability			*		Should this saving be accepted there will be impact on equality groups with one or more protected characteristic. A preliminary assessment has been made based on the information to hand, but a full/more detailed assessment will be carried out if the decision is made.
Gender Reassignment				*	
Marriage and Civil Partnership				*	
Pregnancy and Maternity			*		Should this saving be accepted there will be impact on equality groups with one or more protected characteristic. A preliminary assessment has been made based on the information to hand, but a full/more detailed assessment will be carried out if the decision is made.
Race			*		Should this saving be accepted there will be impact on equality groups with one or more protected characteristic. A preliminary assessment has

					been made based on the information to hand, but a full/more detailed assessment will be carried out if the decision is made.
Religion/ belief				*	
Sex (Gender)			*		Should this saving be accepted there will be impact on equality groups with one or more protected characteristic. A preliminary assessment has been made based on the information to hand, but a full/more detailed assessment will be carried out if the decision is made.
Sexual orientation			*		Should this saving be accepted there will be impact on equality groups with one or more protected characteristic. A preliminary assessment has been made based on the information to hand, but a full/more detailed assessment will be carried out if the decision is made.
Socio-economic status			*		Should this saving be accepted there will be impact on equality groups with one or more protected characteristic. A preliminary assessment has been made based on the information to hand, but a full/more detailed assessment will be carried out if the decision is made.

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

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

Negative impact/ gap in information identified in the Equality Analysis	**Action required to mitigate**	**How will you know this is achieved?** e.g. performance measure/ target)	**By when**	**Existing or additional resources?**	**Lead Officer**	**Action added to divisional/ team plan?**
The TOM sets out an approach to prioritisation but this level of saving will impact on those already more at risk and vulnerable young people at the higher end of our Wellbeing Model	**Review of eligibility criteria and thresholds; ensure continued prioritisation of most vulnerable.**				**TBC**	**(if agreed) all SP's will be updated.**

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

Stage 4: Conclusion of the Equality Analysis

8. Which of the following statements best describe the outcome of the EA (Tick one box only)
Please refer to the guidance for carrying out Equality Impact Assessments is available on the intranet for further information about these outcomes and what they mean for your proposal

OUTCOME 1	OUTCOME 2	OUTCOME 3	OUTCOME 4
	*		

Stage 5: Sign off by Director/ Head of Service			
Assessment completed by	Carol Cammiss Business Partner CSF	**Signature:**	**Date: 01/01/17 (original) Updated 31/10/2018**
Improvement action plan signed off by Director/ Head of Service	Rachael Wardell, Director CSF	**Signature:**	**Date: 1/11/2018**

Equality Analysis

What are the proposals being assessed?	Proposed budget saving - Mascot
Which Department/ Division has the responsibility for this?	Community and Housing, Adult Social Care Direct Provision

Stage 1: Overview	
Name and job title of lead officer	Andy Ottaway-Searle, Head of Direct Provision
1. What are the aims, objectives and desired outcomes of your proposal? (Also explain proposals e.g. reduction/removal of service, deletion of posts, changing criteria etc)	We are seeking to maximise the commercial opportunities to generate additional revenue via Telecare and other assistive technologies. Currently Telecare is provided or made available to ASC customers as part of a package of care or following hospital discharge. Mascot also has a large number of self funding customers who are happy to pay for a service which enables them to live at home for longer. In addition, we have contracts with a number of Housing Associations to monitor their tenants in a range of locations across the borough and beyond. We are currently reviewing these contracts and will seek to drive up the value, as well as securing more business from similar organisations. We will also have further promotional drives to acquire more self funding customers. Additionally, we will look at opportunities to bid for Telecare contracts in other London Boroughs, and continue to explore with health colleagues opportunities to manage Telehealth services locally. We will also seek opportunities with small businesses to manage calls and out of hours monitoring. Mascot provides an out of hours service to all Council departments. These developments will be enabled by the planned updating of Mascot's Telecare Hub, due to take place in late 2018. This will give officers more free time by being faster, more efficient in terms of running reports and allowing direct input to systems remotely. We have already created specialist installer posts at Mascot to enable other officers to support customers and staff will increasingly have time to develop the service in the ways listed above. No officer posts are at risk, and increasing income on a regular basis will provide further stability to the service. Our core business of supporting vulnerable people at home will continue to be the main priority and each new development will be monitored and reviewed to ensure that front line staff are supported in this.
2. How does this contribute to the council's corporate priorities?	Merton is committed to enabling it's residents to live well and age well, maximising their independence and wellbeing. A successful local Telecare service is a significant partner in this undertaking. The Adult Social Care Service Plan and TOM contribute to the council's overall priorities and will ensure

	that the savings targets are achieved in line with the Corporate Business Plan and the Medium Term Financial Strategy. It is also in line with the July principles, adopted in 2011 by Councillors, which sets out guiding strategic priorities and principles, where the order of priority services should be to continue to provide everything which is statutory and maintain services, within limits, to the vulnerable and elderly, with the Council being an enabler, working with partners to provide services.
3. Who will be affected by this proposal? For example who are the external/internal customers, communities, partners, stakeholders, the workforce etc.	Mascot currently provides support to around 1500 individuals in Merton, and works closely with colleagues across Community and Housing and other Council departments, as well as external partners such as Housing Associations and other Voluntary Sector groups. The staff group consists of 19 posts, the majority of whom are trained in all aspects of call handling, installing equipment and providing a mobile response to customers.
4. Is the responsibility shared with another department, authority or organisation? If so, who are the partners and who has overall responsibility?	We will require the ongoing support of colleagues in IT to install and maintain the hub equipment, and continued close working with ASC colleagues such as Social Workers and OTs. In terms of marketing and promotion we will explore with the Council's Communications Team the most effective means to develop the service.

Stage 2: Collecting evidence/ data

5. What evidence have you considered as part of this assessment?
Provide details of the information you have reviewed to determine the impact your proposal would have on the protected characteristics (equality groups).

Telecare is developing at various rates across local authorities, but all Adult Social Care departments use Assistive Technologies to underpin and support packages of care for vulnerable people, and as part of a range of preventative measures which enable people to live well at home for longer. Mascot has been working in partnership with local housing providers for some years and we know that their reliance on Telecare to support tenants who are based in multiple sites has continued to grow.
The range of Assistive Technologies in growing all the time and we are confident that as this happens more opportunities will be available to support both individuals and groups.

Stage 3: Assessing impact and analysis

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

Protected characteristic (equality group)	Tick which applies Positive impact		Tick which applies Potential negative impact		Reason Briefly explain what positive or negative impact has been identified
	Yes	No	Yes	No	
Age	✓			✓	
Disability	✓			✓	
Gender Reassignment	✓			✓	
Marriage and Civil Partnership	✓			✓	
Pregnancy and Maternity	✓			✓	
Race	✓			✓	
Religion/ belief	✓			✓	
Sex (Gender)	✓			✓	
Sexual orientation	✓			✓	
Socio-economic status	✓			✓	

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

Negative impact / gap in information identified in the Equality Analysis	
Action required to mitigate	
How will you know this is achieved? e.g. performance measure / target	
By when	
Existing or additional resources?	
Lead Officer	
Action added to divisional /	

team plan?	

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

Stage 4: Conclusion of the Equality Analysis

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

OUTCOME 1	OUTCOME 2	OUTCOME 3	OUTCOME 4
✓			
The EA has not identified any potential for discrimination or negative impact and all opportunities to promote equality are being addressed. No changes are required.	The EA has identified adjustments to remove negative impact or to better promote equality. Actions you propose to take to do this should be included in the Action Plan.	The EA has identified some potential for negative impact or some missed opportunities to promote equality and it may not be possible to mitigate this fully.	The EA shows actual or potential unlawful discrimination. Stop and rethink your proposals.

Stage 5: Sign off by Director/ Head of Service			
Assessment completed by	Richard Ellis, Interim Head of Commissioning	**Signature: Richard Ellis**	**Date: 1 October 2018**
Improvement action plan signed off by Director/ Head of Service	John Morgan, Assistant Director of Adult Social Care	**Signature: John Morgan**	**Date: 1 October 2018**

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Committee: Overview and Scrutiny Commission

Date: 14 November 2018

Wards: All

Subject: Scrutiny of the Business Plan 2019-2023: comments and recommendations from the overview and scrutiny panels

Lead officer: Julia Regan, Head of Democracy Services

Lead member: Councillor Peter Southgate, Chair of Overview & Scrutiny

Contact officer: Julia Regan; Julia.regan@merton.gov.uk; 020 8545 3864

Recommendations:

1. That in determining its response to Cabinet on the business plan 2019-23, the Overview and Scrutiny Commission considers and takes into account the comments and recommendations made by overview and scrutiny panels

1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

1.1. This report sets out the comments and recommendations of each of the overview and scrutiny panels following consideration of the business plan. The Overview and Scrutiny Commission is recommended to take these into account when determining its response to Cabinet.

2 DETAILS

2.1. On 15 October 2018, Cabinet received a report on the business plan for 2019-23. These items have been reported to the Overview and Scrutiny Panels and to the Commission so that comments and recommendations from scrutiny can be conveyed to Cabinet at its meeting on 10 December 2018.

2.2. The Overview and Scrutiny Commission has a constitutional duty to co-ordinate the scrutiny responses on the business plan and budget formulation. The outcome of scrutiny by the panels (described in section 3 below) is presented to Commission for this purpose.

2.3. The substantive report on the Business Plan 2019-2023 is contained elsewhere on this agenda for the Commission's consideration.

3 FINDINGS AND RECOMMENDATIONS OF THE OVERVIEW AND SCRUTINY PANELS

3.1. Appendix 1 contains comments and recommendations made by the scrutiny panels.

3.2. The Overview and Scrutiny Commission is recommended to consider the comments and recommendations put forward by the scrutiny panels when determining its overall scrutiny response to Cabinet on the Business Plan 2019-23.

4 ALTERNATIVE OPTIONS

4.1. The Constitution requires the Overview and Scrutiny Commission to consider the comments and recommendations put forward by the overview and scrutiny panels and to agree a joint overview and scrutiny response. Cabinet is then required under the terms of the Constitution to receive, consider and respond to references from overview and scrutiny.

5 CONSULTATION UNDERTAKEN OR PROPOSED

5.1. The Constitution contains the requirements for consulting scrutiny on the budget and business plan. There is an initial phase of scrutiny in November each year, with the second round in January/February representing the formal consultation of scrutiny on the proposed Business Plan, Budget and Capital Programme.

6 TIMETABLE

6.1. Round one of scrutiny of the 2019-23 Business Plan was undertaken as follows:-

- Sustainable Communities Overview & Scrutiny Panel: 1 November 2018
- Healthier Communities & Older People Scrutiny Panel: 6 November 2018
- Children & Young People Overview & Scrutiny Panel: 7 November 2018
- Overview and Scrutiny Commission: 14 November 2018

6.2. Comments and recommendations from round one will be reported to Cabinet on 10 December 2018.

6.3. Round two of scrutiny of the Business Plan is planned as follows:-

- Sustainable Communities Overview & Scrutiny Panel: 9 January 2019
- Children & Young People Overview & Scrutiny Panel: 16 January 2019
- Healthier Communities & Older People Scrutiny Panel:10 January 2019
- Overview and Scrutiny Commission: 23 January 2019

6.4. The responses from round two will be presented to Cabinet on 18 February 2019. A meeting of full Council will then take place on 6 March 2019.

7 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

7.1. These are detailed in the substantive reports elsewhere on this agenda and in the reports considered by Cabinet on 15 October 2018.

8 LEGAL AND STATUTORY IMPLICATIONS

8.1. The process for developing the budget and business plan is set out in Part 4C of the Council's Constitution. The role of the Overview and Scrutiny Commission and panels with regard to the development of the budget and business plan is set out in Part 4E of the Constitution.

8.2. 8.2 The legal and statutory implications relating to the Business Plan are contained in the reports elsewhere on this agenda.

9 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

9.1. None directly relating to this report.

10 CRIME AND DISORDER IMPLICATIONS

10.1. None directly relating to this report.

11 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

11.1. None directly relating to this report.

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

- Appendix 1: comments and recommendations made by the scrutiny panels in relation to the Business Plan 2019-23.

13 BACKGROUND PAPERS

13.1. None

Appendix 1

References/Comments from Scrutiny Panels to the Overview & Scrutiny Commission 14 November 2018

Scrutiny of the Business Plan 2019-2023

Sustainable Communities Overview and Scrutiny Panel: 1 November 2018

The Panel discussed and commented on the report and RESOLVED that:

"This Panel recommends to Cabinet to consider increasing the capital spend on street trees and other associated landscaping by 10% to help improve the Borough's air quality offset by reducing equivalent spend on fleet vehicles. "

In introducing the motion, Councillor Daniel Holden said the purpose of the motion is to meet aspirations of Mayor of London which is to reduce the number of vehicles and increase trees to improve air quality.

The motion was seconded by Councillor Russell Makin.

The Panel took a recorded vote on the motion. 4 members voted in favour (Councillors Laxmi Attawar, Nick McLean, Daniel Holden and Russell Makin); 2 voted against (Councillors Ben Butler and Joan Henry) and there were 2 abstentions (Councillors Anthony Fairclough and Stan Anderson).

Healthier Communities and Older People O&S Panel: 6 November 2018

To follow

Children and Young People Overview and Scrutiny Panel: 7 November 2018

To follow

Committee: Overview and Scrutiny Commission

Date: 14 November 2018

Subject: **Involving the youth parliament in scrutiny**

Lead officer: Julia Regan, Head of Democracy Services

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

Contact officer: Julia Regan, Head of Democracy Services,
julia.regan@merton.gov.uk, 0208 545 3864

Recommendations:

That the Overview and Scrutiny Commission:

A. discuss and comment on the joint Youth Parliament and Merton Council scrutiny exercise (see Appendix A)

B. agree to forward the report and recommendations for consideration by Cabinet at its meeting on 10 December 2018

C. agree to receive a further report with proposals to involve the Youth Parliament more in scrutiny panel and task group work in future.

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1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

1.1. The Commission is asked to discuss and comment on the scrutiny exercise that was carried out with Youth Parliament members during local democracy week – report of the meeting is set out in Appendix A.

1.2. The Commission is asked to agree to take the recommendations of the scrutiny meeting forward to Cabinet and to consider how it may wish to involve members of the Youth Parliament in future scrutiny activities.

2 DETAILS

2.1. The Chair of the Children and Young People Overview and Scrutiny Panel, asked the Head of Democracy Services to work with the Children Schools and Families Department so an event could be run during Local Democracy Week that would give young people some experience of and insight into our scrutiny processes.

2.2. This innovative and enjoyable event was held on Monday 15 October 2018. Five members of the Youth Parliament joined seven scrutiny councillors from all political groups on the council to take part in a focussed scrutiny exercise to discuss “what is Merton doing to help young people feel safe?”

2.3. The theme of the meeting was chosen by the Youth Parliament to provide them with an opportunity to present and discuss the results of a consultation the Young Advisers had carried out with 742 young people aged 11-20.

2.4. Sergeant Mark Roberts, the Police lead on youth engagement, and Temitayo Oketunji, Victims Champion in Safer Merton, attended to outline their roles and to answer questions.

2.5. A full report of the meeting is set out in Appendix A.

2.6. The Commission is asked to endorse the recommendations set out in the report and to agree to receive a further report with proposals for the future involvement of youth parliament members in scrutiny.

3 ALTERNATIVE OPTIONS

Commission members may choose to make an alternative response to the report.

4 CONSULTATION UNDERTAKEN OR PROPOSED

4.1. Not applicable.

5 TIMETABLE

5.1. Not applicable.

6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

6.1. There are no property or resource implications at this time.

7 LEGAL AND STATUTORY IMPLICATIONS

7.1. None for the purposes of this report.

8 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

8.1. None for the purposes of this report.

9 CRIME AND DISORDER IMPLICATIONS

9.1. None for the purposes of this report.

10 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

None for the purpose of this report.

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

Appendix A – report of the joint Youth Parliament and Merton Council scrutiny exercise “keeping young people safe in Merton”, 15 October 2018

12 BACKGROUND PAPERS

12.1. None

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Appendix A

Local Democracy Week – joint Youth Parliament and Merton Council Scrutiny exercise – keeping young people safe in Merton, 15 October 2018

Five members of the Youth Parliament (of whom two were also Young Advisors) were joined by seven scrutiny councillors from all political groups on the council to take part in an exercise to address the question posed by the Youth Parliament - "what is Merton doing to keep young people safe?"

The objectives of this innovative event were to:

- give young people some experience of and insight into the council's scrutiny processes
- reach agreement on recommendations and future action in respect of keeping young people safe in Merton
- identify ways in which young people could be involved in future scrutiny activities

There was a preparatory hour during which:

- councillors explained the principles of scrutiny and how it works in Merton
- the two Young Advisors talked to the councillors about the results of the consultation they had conducted with 742 young people (aged 11-20) in the borough
- youth parliament members and councillors agreed a number of questions that they would put to the Safer Merton and Police witnesses
- it was agreed that youth parliament member, Beverley, would chair the formal meeting.

Beverley invited the two witnesses, Temitayo from Safer Merton and Mark from the Police to join the meeting.

The Young Advisors, Kimberley and Margaret, provided copies of their presentation and a written report of their consultation results. They gave a thorough and well-received presentation setting out the main findings of the consultation, their views on what the results might mean and their recommendations for action. The main points noted during discussion were:

- boys were much less likely to fill in the survey form than girls
- 23% of respondents gave no response to question "what does safe mean to you in Merton"
- Mitcham perceived as the least safe area in the borough, Wimbledon as most safe
- 1 in 3 respondents were aware of someone who had committed a crime and 1 in 10 had been a victim of crime
- Stabbing and knife crime perceived as most common crime

Mark Roberts, Merton Youth Engagement Sergeant, gave an overview of his responsibilities, in particular for school police officers, and the preventative measures taken (such as knife arches and weapon sweeps) to help make young people feel safe in Merton. He also provided detail of police cadet and other activity in Merton designed to divert young people from engaging in crime.

Temitayo Oketunji, Victims Champion in Safer Merton, described the work that Safer Merton carried out in partnership with the police and other organisations. This includes work on anti-social behaviour, hate crime and violence against women and girls.

Mark and Temitayo provided additional information in response to questions from the youth parliament members and councillors:

Police cadets

- The police cadets are publicised in a number of ways including through the school police officers, social media and word of mouth. There is a cadet co-ordinator who follows up enquiries.
- The gender mix is pretty even and membership is ethnically diverse
- There are about 100 cadets at the moment, aiming to reach 160 and to open a new unit

Knife crime

- Knife crime has reduced slightly in Merton over the past 12 months but the fear of crime is acknowledged and the police is doing its best to reassure young people
- Young people sometimes carry a knife for protection but this is still an offence
- Police find stop and search to be a useful tool in combatting knife crime

Stop and search

- There is a legislative framework and a police officer must have good grounds for carrying out a stop and search, such as a report from the public. On 4 occasions in the past 3 weeks, CCTV footage has been used to follow up on exchange of drugs leading to arrests on each occasion.
- councillors and youth parliament members endorsed usefulness of stop and search but expressed concerns that certain groups are targeted
- youth parliament members were invited to attend a training day for police officers to promote understanding of police and young people's perspectives on stop and search

Beverley thanked Mark and Temitayo for their contributions. They left the meeting at this point.

Beverley invited members of the youth parliament to reflect on what they had heard from Safer Merton and the Police and to discuss the recommendations made by the Young Advisors. They said that the police cadet groups were not being actively promoted by the school police officers, that the cadets had a low profile and didn't seem to reflect the diversity within the borough. They cautioned that joining the police cadets might not be attractive to many young people due to perceived stigma around being associated with the police.

In relation to the role of school police officers, one of the youth parliament members said that turnover in their school meant that pupils didn't know them well and therefore found them difficult to approach. They suggested that new school police officers should be introduced in school assemblies and that there should be an announcement of the change before a new officer starts.

Youth parliament members agreed that they would like to see more activities provided for young people, such as youth clubs and extended library opening hours, to give them somewhere safe to go. There was a discussion about where best to advertise, with some preferring this to be done through schools and others preferring on-line resources and use of social media. The youth parliament members said they would appreciate support from councillors to use their influence to raise some of these issues with schools.

A youth parliament member said that more complex messages are required in relation to gangs to make it clear that gang membership or association with a gang is not a safe option for a young person and nor is carrying a knife. These messages should include asking the young person to consider the impact that this would have on their family.

Each of the recommendations of the Young Advisors was discussed and AGREED as follows:

- to continue with making a documentary to raise awareness about crime within the borough
- forums of decision makers should consult regularly in order to understand young peoples' views and to keep up-to-date on their perspectives
- schools and youth services to provide a link between young people and decision makers. This should include using school assemblies, workshops and class talks.
- To work with young people to help them articulate what safe means to them and to understand what safe should look and feel like at home, at school and in the community. Requested support from the council in order to do this.
- Services work to reduce stereotypes and get to know people before judging them

Two additional recommendations were agreed:

- police officers should invite police cadets to attend events to raise awareness of their role amongst young people
- headteachers should ensure that the appointment of new school police officer is announced at school assemblies prior to them taking up the role and should invite them to attend an assembly when they start.

The youth parliament members and councillors AGREED that the note of this meeting should be presented to a meeting of the Overview and Scrutiny Commission so that the recommendations could be endorsed and referred to Cabinet for consideration. It was also AGREED to involve young people more in scrutiny in future – ACTION: Head of Democracy Services to discuss with the Participation Manager and make recommendations to the Overview and Scrutiny Commission and Scrutiny Panels.

Overview and Scrutiny Commission Work Programme 2018/19

This table sets out the Overview and Scrutiny Commission's Work Programme for 2018/19 that was agreed by the Commission at its meeting on 11 July 2018**.**

This work programme will be considered at every meeting of the Commission to enable it to respond to issues of concern and incorporate reviews or to comment upon pre-decision items ahead of their consideration by Cabinet/Council.

The work programme table shows items on a meeting by meeting basis, identifying the issue under review, the nature of the scrutiny (pre decision, policy development, issue specific, performance monitoring, partnership related) and the intended outcomes. The last page provides information on items on the Council's Forward Plan that relate to the portfolio of the Overview and Scrutiny Commission so that these can be added to the work programme should the Commission wish to.

The Overview and Scrutiny Commission has specific responsibilities regarding budget and financial performance scrutiny and performance monitoring which it has delegated to the financial monitoring task group – agendas and minutes are published on the Council's website.

Scrutiny Support
For further information on the work programme of the Overview and Scrutiny Commission please contact: -
Julia Regan, Head of Democracy Services, 0208 545 3864, Julia.regan@merton.gov.uk

Meeting date – 11 July 2018

Scrutiny category	Item/Issue	How	Lead Member/ Lead Officer	Intended Outcomes
Holding the executive to account	Leader and Chief Executive – vision, key priorities & challenges for 2018/19	Presentation	Leader of the Council Ged Curran, Chief Executive	Context for Commission's work programme
	Merton Partnership annual report	Report	Chief Executive John Dimmer, Head of Policy, Strategy & Partnerships	Context for Commission's work programme
Scrutiny reviews	Analysis of Members' annual scrutiny survey 2018	Report	Cllr Peter Southgate Julia Regan, Head of Democracy Services	Discuss findings and agree action plan for 2018/19
	Overview and Scrutiny Commission work programme 2017/18	Report	Cllr Peter Southgate Julia Regan	To agree work programme and task group reviews

Meeting date – 19 September 2018

Scrutiny category	Item/Issue	How	Lead Member/ Lead Officer	Intended Outcomes
Scrutiny of crime and disorder	Borough Commander	Report and in-depth discussion	Borough Commander	Update on crime figures & discussion of policing in Merton.
	Safer Merton Update	Report	Neil Thurlow, Community Safety Manager	Progress report
Scrutiny reviews	Potential task group review for 2018/19 – road safety around schools	Report	Cllr Peter Southgate Julia Regan	Decision on whether to commence a task group review on road safety
	Recruitment and retention of teachers task group	Cabinet response and action plan	Jane McSherry, Head of Education	To receive Cabinet response and action plan
	Financial monitoring task group	Minutes of meeting on 30 August 2018	Chair of task group Julia Regan	To note minutes of meeting held on 30.08.18

Meeting date – 14 November 2018

Scrutiny category	Item/Issue	How	Lead Member/ Lead Officer	Intended Outcomes
Holding the executive to account	Assessing the impact of Brexit on the Council and the Borough	Report and discussion	Caroline Holland, Director of Corporate Services	To receive and comment on Cabinet report. Verbal update on scrutiny work carried out by Cllr Carl Quilliam
	Target Operating Model (TOM)	Report	Sophie Ellis, Assistant Director of Business Improvement	Overview to set context for budget scrutiny
	Business rates retention	Report	Caroline Holland, Director of Corporate Services	Update on the Londonwide pilot – to set context for budget scrutiny
Budget scrutiny	Business Plan 2019/23 - information pertaining to round one of budget scrutiny	Report	Cllr Mark Allison Caroline Holland, Director of Corporate Services	To send comments to Cabinet budget meeting 10 December
Scrutiny reviews	Local Democracy Week – joint scrutiny with the youth parliament	Report	Cllr Peter Southgate Julia Regan, Head of Democracy Services	To receive report and agree next steps

Meeting date – 23 January 2019 – scrutiny of the budget

Scrutiny category	Item/Issue	How	Lead Member/Lead Officer	Intended Outcomes
Budget scrutiny	Business Plan 2019/23	Report – common pack for Panels and Commission	Cllr Mark Allison, Cabinet Member for Finance Caroline Holland, Director of Corporate Services	To report to Cabinet on budget scrutiny round 2
	Business Plan update - latest info from Cabinet 14 January (if any)	Report	Cllr Mark Allison, Cabinet Member for Finance Caroline Holland, Director of Corporate Services	To report to Cabinet on budget scrutiny round 2
Scrutiny reviews	Financial monitoring task group	Minutes of meeting	Chair of task group Julia Regan	To note minutes of meeting held on 13.11.18

Meeting date – 20 March 2019

Scrutiny category	Item/Issue	How	Lead Member/Lead Officer	Intended Outcomes
Holding the executive to account	Access to services through the council's website	Report	Sophie Ellis, Assistant Director of Business Improvement	Progress report for comment
	General Data Protection Regulation (GDPR)	Report	Karin Lane, Head of Information Governance	Briefing for information and comment
Performance management	Review of the overview and scrutiny function*	Report	Cllr Peter Southgate Julia Regan	To review operation of scrutiny &make recommendations for improvement
Scrutiny reviews	Recruitment and retention of teachers task group	Updated action plan	Jane McSherry, Head of Education	To scrutinise progress with implementation of task group recommendations
	Financial monitoring task group	Minutes of meeting	Chair of task group Julia Regan	To note minutes of meeting held on 25.02.19
Scrutiny of crime and disorder	Discussion of questions for the Borough Commander	Discussion	Cllr Peter Southgate Julia Regan	Discussion to plan line of questioning for meeting on 24 April

- **Move this item to meeting on 14 November if there is space on the agenda**

Meeting date – 24 April 2019

Scrutiny category	Item/Issue	How	Lead Member/Lead Officer	Intended Outcomes
Scrutiny of crime and disorder	Borough Commander	Report and in-depth discussion	Borough Commander	Update on crime figures and local policing issues
	Travellers unauthorised encampment protocol	Report and discussion with affected residents	Howard Joy, Property Management & Review Manager	To scrutinise response to recent encampments and the timeline for review of the protocol
	CCTV service update	Report	Cathryn James, Interim Assistant Director of Public Protection	Update on CCTV service and results of Londonwide review
Holding the executive to account	Equality and Community Cohesion Strategy 2017-20	Action plan	Evereth Willis, Equality and Community Cohesion Officer	To comment on progress made with action plan
Performance management	Overview and Scrutiny Annual Report	Report	Cllr Peter Southgate Julia Regan	To approve and forward to Council
	Planning the Commission's 2019/20 work programme	Report	Cllr Peter Southgate Julia Regan	
Scrutiny review	Report of the road safety around schools scrutiny task group	Report	Cllr Peter Southgate Julia Regan	To agree report for submission to Cabinet

Forward plan items relating to the remit of the Overview and Scrutiny Commission

Local Discretionary Business Rate Relief Scheme 2019/20

Agreement of the Local Discretionary Business Rate Relief Scheme 2019/20

Decision due: 14 January 2019 by Cabinet