

# Merton Council

## Council

5 March 2014

### Supplementary agenda

4. Business Plan 2014-18

1 - 502

#### **Order of Business – Part 4A, Paragraph 3.3 of the Constitution**

- receive a presentation of the Budget/Council Tax report from the relevant
- officers
- officers to respond to questions from members via the Mayor
- to receive remarks from the Cabinet on the report
- Council to debate the report and take any motions or amendments

*Please Note* – Following a change in recent legislation, all decisions relating to either the substantive budget motion/proposal or any amendments to it, will have to be taken via a recorded vote (Roll Call).

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## Committee: Council

Date: 5 March 2014

**Agenda item:**

**Wards:** All

**Subject:** Business Plan 2014-18

**Lead officer:** Caroline Holland, Director of Corporate Services

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

**Key Decision Reference Number:** This report is written and any decisions taken are within the Budget and Policy Framework Procedure Rules as laid out in Part 4-C of the Constitution.

**Contact officer:** Paul Dale

**Urgent report:**

Reason for urgency: The Mayor 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 2014/15 and requires consideration of issues relating to the Budget process and Medium Term Financial Strategy 2014-2018. It is important that this consideration is not delayed in order that the Council can work towards a balanced budget at its meeting on 5 March 2014 and set a Council Tax as appropriate for 2014/15.

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**Recommendations:**

1. That the Council agrees the Business Plan 2014-18 including:-
  - the General Fund Budget;
  - the Council Tax Strategy for 2014/15 equating to a Band D Council Tax of £1,102.25, which means that Merton qualifies for Council Tax Freeze Grant;
  - the Medium Term Financial Strategy (MTFS) for 2014-2018;
  - the Capital Investment Programme (as detailed in Annex 1 to the Capital Strategy);
  - the Capital Strategy (Section 1: Part A of the Business Plan)

- the Treasury Management Strategy (Section 1: Part A of the Business Plan), including the detailed recommendations in that Section , incorporating the Prudential Indicators

as set out in this report, and agrees the formal resolutions as set out in Appendix 1 to this report.

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## 1. Purpose of report and Executive Summary

1.1 At its meeting on 17 February 2014, Cabinet considered two reports which concerned the detailed structure and scrutiny of the Council's Business Plan for 2014-18, including the Budget and Council Tax for 2014/15, the MTFs for 2014-18 and the Capital Strategy and Investment Programme for 2014-18.

1.2 The two reports were:-

- Reference from the Overview and Scrutiny Commission - pre decision scrutiny of the Business Plan 2014-2018 (Agenda Item 5)
- Business Plan 2014-18 (Agenda Item 4)

1.3 The Cabinet resolutions in respect of these two reports are summarised in Appendix 12.

1.4 This report summarises the work that has been undertaken since April 2013 towards formulating the Business Plan 2014-18 including the Budget for 2014/15, Medium Term Financial Strategy 2014-18 and Capital Strategy 2014-18. It describes the steps taken to ensure that business planning is integrated with financial planning. It sets out details of how the budget has been structured to ensure that a balanced budget is set for 2014/15 and progress towards a balanced budget over the medium term. A separate section is provided for Schools budgets.

## 2. Introduction

2.1 This report provides a comprehensive presentation of all issues relevant to the formulation of the Council's Business Plan for the period 2014-2018.

2.2 The report includes details about the General Fund revenue budget and explains how this information has been used to produce a draft budget and Council Tax levy.



2.3 The Council's Business Plan 2014-18 consists of a number of key elements and the report is structured into three sections for ease of reference :-

- Section 1: Business Plan 2014-18 including the Medium Term Financial Strategy, the overarching financial strategy, which brings together individual elements of the budget and reviews the strategic aims and key issues and assumptions.
  - Part A: The Capital Programme and the Capital Strategy;
  - Part A: The Treasury Management Strategy
- Section 2: The General Fund Revenue Budget and Council Tax strategy;
- Section 3: Schools budgets – funded by Dedicated Schools Grant (DSG)

## 2.4 The Scrutiny Function

2.4.1 The Overview and Scrutiny Commission and Panels considered the draft capital programme 2014-18 during the November 2013 cycle of meetings and feedback from this scrutiny process was considered by Cabinet on 9 December 2013. Cabinet considered revenue savings proposals at its meeting on 9 December 2013 and referred them, along with the capital programme and service plans, to the Overview and Scrutiny Panels and Commission for consideration during the January 2014 cycle of meetings.

During the January 2014 cycle of meetings the available details relating to the MTFs, revenue and capital budgets and the Business Plan have been considered by the Scrutiny Panels on the following dates:-

Sustainable Communities Overview & Scrutiny Panel	9 January 2014
Children and Young People Overview & Scrutiny Panel	14 January 2014
Healthier Communities & Older People Overview & Scrutiny Panel	15 January 2014
Overview and Scrutiny Commission	30 January 2014

## 2.5 Feedback from Scrutiny Process

A summary of findings and recommendations from the Overview and Scrutiny Commission was provided in a comprehensive report on the scrutiny of the Business Plan 2014-18 as a separate report to Cabinet on 17 February 2014. Appendix 12 to this report provides the Cabinet resolutions made at its meeting on 17 February 2014 in response to the Overview and Commission.

2.6 This report incorporates the outcome of the final Local Government Finance Settlement. Appendix 1 provides the Council Tax resolutions.

2.7 Delivery of the Business Plan, including the budget and service plans, will be monitored throughout the year in line with the corporate Performance Management Framework.

### 3. **Business Planning**

3.1 Further information about the Business Plan 2014-18 is included in Section 1 of this report.

3.2 The financial impact of the Business Plan is reflected in the budget proposals in this report.

### 4. **Financial, resource and property implications**

4.1 All relevant implications are included in the report with further details in the appendices.

### 5. **Legal and statutory implications**

5.1 The Local Government Act 2003 requires the Chief Finance Officer to report to Council as part of the budget process on the robustness of the estimates and the adequacy of the proposed financial reserves. The Council is required by the Local Government Finance Act 1992 to make specific estimates of gross revenue expenditure and anticipated income leading to the setting of the overall budget and council tax. The amount of council tax must be sufficient to meet the council's legal and financial commitments, ensure the proper discharge of its statutory duties and lead to a balanced budget.

5.2 The Localism Act 2011 amended the legislation regarding the calculation of council tax. It also provides for a council tax referendum to be held if an authority increases its relevant basis amount of council tax in excess of principles determined by the Secretary of State. The Secretary of State has ruled that most principal authorities, which includes Merton council, proposing increases which exceed 2% or more will need to hold a referendum.

5.3 In considering the budget for 2014/15, members must consider the on-going duties under the Equality Act 2010 to have due regard to the need to eliminate unlawful discrimination, harassment and victimisation; and advance equality of opportunity between people who share a protected

characteristic and those who do not; and foster good relations between those who share a protected characteristic and those who do not. Members must consider how the decisions will contribute to meeting these duties in light of other relevant circumstances such as economic and practical considerations.

- 5.4 The Council's processes for the development and adoption of the budget are set out in the Budget and Policy Framework Procedure Rules contained in Part 4C of the Constitution.

## **6. Human Rights, Equalities and Community Cohesion Implications**

- 6.1 In identifying spending reductions, services where at all feasible, have sought to minimise the impact of the reductions on traditionally disadvantaged groups. The proposed budget reflects the Council's spending priorities for the year and the Council's core commitment to equal opportunities in employment and service delivery. The Council has a corporate policy of endeavouring to redeploy staff affected by reorganisation and other staffing changes. Every effort is therefore made to redeploy any staff affected by spending reductions.
- 6.2 A number of meetings with Staff Side have taken place and they have been advised of the Council's savings proposals and consultation is ongoing.
- 6.3 It is anticipated that the Budget will be set at a level which enables the Council to continue to be Human Rights compliant.
- 6.4 Equality and community issues are also addressed in savings proposals. Equalities impact assessments of savings proposals have been provided and these were discussed at Scrutiny and Cabinet meetings.

## **7. Risk Management and Health and Safety Implications**

- 7.1 Each saving proposal has been assessed in terms of service impact and reputational impact and these have been included in reports to the Scrutiny Panels.
- 7.2 In setting the budget the level of risk has been an important factor in setting the assumptions on which the overall budget is based. The level of reserves and balances, as well as the level of contingencies available have been taken into account as well as an assessment of pressures identified as part of current year monitoring. Account has also been taken, as far as possible, of the likely impact of expected legislative and technical changes.

7.3 Risk management and health and safety implications were considered as part of the Capital Strategy.

## **8. Consultation undertaken or proposed**

8.1 Regular reports have been made on progress on the Business Plan to Cabinet on 16 September 2013, 21 October 2013, 11 November 2013, 9 December 2013, 20 January 2014 and 17 February 2014.

8.2 In addition, Scrutiny Panels and the Overview and Scrutiny Commission have had two rounds of scrutiny on the proposed budget and Business Plan.

8.3 In accordance with statute, consultation took place with business ratepayers at a meeting on 13 February 2013. At the meeting were representatives from the Wimbledon Chamber of Commerce, Federation of Small Businesses and some local business owners. Topics discussed were the Government's retail offer of discounts for small businesses, the local hardship scheme and the new business incentive scheme. Details of assistance for businesses and loans available was also shared and signposted on the website at <http://www.merton.gov.uk/business/businesssupport.htm>

8.4 Further, regarding the capital programme, meetings of the Capital Programme Board were held, consisting of key officers from each department.

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

### **SECTION 1: BUSINESS PLAN 2014-18**

### **SECTION 2: GENERAL FUND BUDGET AND COUNCIL TAX STRATEGY**

Appendix 1:	Draft Resolutions to Council
Appendix 2:	Local Government Finance Settlement 2014-2016
Appendix 3:	Collection Fund, Council Tax Base, NNDR1 and Funding Methodology
Appendix 4:	Other Corporate items in the MTFs
Appendix 5:	Analysis of the transition from Council in March 2013 to a balanced budget
Appendix 6:	Statement of Council Tax requirements and balances
Appendix 7:	Revised MTFs incorporating changes

Appendix 8:	Reserves
Appendix 9:	Risk Analysis for the General Fund
Appendix 10(a):	Merton Council Draft Retail Property Discount Policy
Appendix 10(b):	Merton Council Draft Retail Premises Re-Occupation Discount Policy
Appendix 11:	Equality Impact assessments
Appendix 12:	Cabinet resolutions 17 February 2014
Appendix 13:	Implications of Cabinet resolutions for the MTFS

### **SECTION 3: Schools budget**

No appendices

**Background Papers – the following documents have been relied on in drawing up this report but do not form part of the report**

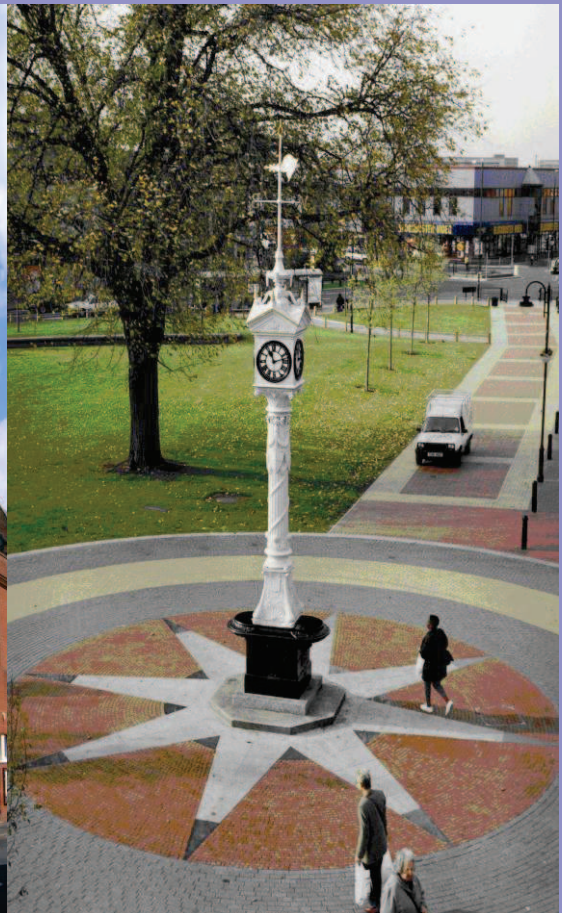
Reports to Cabinet  
Budget files in Corporate Services department  
Equality Impact Assessments

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# Business Plan

2014 / 2018



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## INTRODUCTION

Welcome to Merton Council's Business Plan for 2014/18, which brings together financial information in the form of the council's budget and the Medium Term Financial Strategy, along with the service planning of all of the council's operational services over the next four years. Although it is a four year plan, it will be refreshed every year to ensure we are on target and to take account of changing needs and priorities.

As the work of the council encompasses such a wide and diverse range of services, we have tried to include all the necessary information needed to understand what we are doing and why we are doing it. This information should give you a detailed picture of how the council will operate over the next four years. To help understand some of the more complex areas of the council's business a Glossary of Terms and list of acronyms has been included.

The Background and Context section sets the scene for the Business Plan, with some of the key facts relating to Merton.

The Medium Term Financial Strategy incorporates details of the money the council has coming in (revenue) and the money and assets it has in place (capital) and how it will spend and invest this money over the four year planning period, through the Capital and Treasury Management Strategies.

Other key resources in place to enable the council to manage the Business Plan include how we:

- manage and develop staff, through the Workforce Management Strategy;
- obtain goods and services, through the Procurement Plan;
- design and develop information technology, through the IT Strategy;
- identify and manage the risks the council may face in delivering services, through the Risk Management Strategy; and
- manage and monitor performance against objectives, through the Performance Management Framework.

Each major work area in the council completes a service plan, to give a high level overview of its financial position, what it exists to do, what it hopes to achieve and how it will achieve its major work programmes over the next four years.

We appreciate that there is a huge level of detail in the plan, but hope it helps you to understand what the council is trying to achieve and how we intend to succeed. If you have any comments or questions on the content of this plan, then please contact [zoe.church@merton.gov.uk](mailto:zoe.church@merton.gov.uk).

## TRANSFORMATION STATEMENT

By 2015 Merton Council will be smaller, reducing in size. Our top priority will continue to be to provide safe services of the best possible quality. Providing value for money services to our residents is at the heart of our business and we must be able to demonstrate that all of our services represent best value for money. We will do this by finding innovative solutions to maximise future efficiency.

We will deliver services that customers want and need and, where possible, involve our customers in service specification and design.

Delivering quality and value services in an era of significantly reduced resources will require strong and determined leadership. A single business view is essential to ensure a 'One Council' approach is followed in everything we do. Leaders at all levels will be visible and lead by example.

Change of this magnitude will only be achieved through a unified effort.

- Get Involved! – identify and implement improvements.
- One team – Directors, managers and staff have an equal part to play.
- Learn – from each other, our mistakes and from what our customers say.
- Determination – to try out new ideas.

The financial reality facing local government dominates the choices the council will make for the future of the borough. The development of the Business Plan 2012/16 is therefore based on the set of guiding strategic priorities and principles, as adopted by the council on 13 July 2011:

- Merton should continue to provide a certain level of essential services for residents. The order of priority of 'must' services should be:
  - i) Continue to provide everything that is statutory.
  - ii) Maintain services – within limits – to the vulnerable and elderly.
- After meeting these obligations Merton should do all that it can to help residents who aspire. This means we should address the following as priorities in this order:
  - i) Maintain clean streets and keep council tax low.
  - ii) Keep Merton as a good place for young people to go to school and grow up.
  - iii) Be the best it can for the local environment.
  - iv) All the rest should be open for discussion.

The financial pressures facing Merton mean we should no longer aim to be a 'place-maker' but be a 'place-shaper'. The council should be an enabler, working with partners to provide services.

The Community Plan has been developed by the Merton Partnership and sets the overall direction and vision for the borough until 2019.

## COMMUNITY PLAN

Merton Partnership brings together a range of key players from the public, private and voluntary sectors in Merton, including the council, health and Police, to co-ordinate the delivery of local services.

The Partnership developed a Community Plan in 2009 setting out the overall direction and vision for the borough until 2019, and a set of commitments and activities to achieve this vision. The Community Plan was refreshed in 2013 to take into account demographic, legislative and policy changes, and now sets out a vision, pledges to deliver the vision and details of achievements to date under the following headings:

- Merton: A place to work
- A healthy and fulfilling life
- Better opportunities for youngsters
- Keeping Merton moving
- Being safe and strong
- Contributing to your community

Underpinning all this is the concept of 'Bridging the Gap', that is to say to address the significant differences between those living in the east and west of our borough, for example average salary, life expectancy or educational attainment.

The Community Plan sits above each partner's own Business Plan and sets the context for how each organisation delivers its business.

The Partnership is made up of three tiers:

**The Merton Partnership** – this is the full partnership body that provides the governance, overall leadership and representation to ensure that the Partnership delivers the community's priorities. It is chaired by the Leader of the Council, the person with the clearest democratic authority in the borough. It provides the strategic direction for the work of the Partnership.

**The Executive Board** – this is the decision making body that provides the governance, overall leadership and representation to ensure that the Partnership delivers the community's priorities. The Executive Board meets every two months and brings together the organisations with the most significant budgets in the borough. It ensures the Partnership is given the leadership and capacity it needs to do its job. The Executive Board is committed to sharing information and resources, and to implementing cross-cutting projects to achieve the aspirations set out in the Community Plan.

**Thematic Partnerships** – four thematic partnerships co-ordinate the work of different partners to ensure that specific activity takes place to deliver the Community Plan. The thematic partnerships are the:

- Children's Trust
- Health & Wellbeing Board
- Safer & Stronger Communities
- Sustainable Communities & Transport

## NATIONAL POLICIES

Many of the policies introduced by the Coalition Government have had, and will continue to have, a profound impact on the delivery of services at a local level. For example:

- The Comprehensive Spending Review 2013 saw a further cut to the funding partnership organisations will receive up until 2016.
- The Health and Social Care Bill has transferred responsibility for improving public health from health authorities to local councils, and will also place new burdens on public agencies to deliver services for older residents.
- The Welfare Reform Act introduced in 2013 sees significant changes to the allocation of welfare benefits and housing will continue to have a profound impact on Merton's most vulnerable residents.

This Business Plan represents Merton's response to the challenges and opportunities over the next four years.

## CORPORATE STRATEGIES

The council has many corporate and service-specific strategies and plans that support the work not only of the council, but also the Merton Partnership and Thematic Partnerships. These strategies and plans draw heavily on the aims set out in the Merton Community Plan, but also reflect central Government policy changes, sub-regional policies (e.g. set by the Mayor of London), new legislative requirements and short-term changes to local priorities.

The following list is not exhaustive but shows the diversity of strategies and plans currently in place.

- Adult Treatment Plan
- Air Quality Action Plan
- Anti Social Behaviour Strategy
- Asset Management Plan
- Capital Programme
- Children and Young Persons' Plan
- Civil Contingencies Plan
- Climate Change Strategy
- Commercial and Trading Standards Delivery
- Community Plan
- Core Planning Strategy
- Corporate Equality Scheme
- Corporate Procurement Strategy
- Cultural Strategy
- Customer Services Strategy
- Crime and Disorder (partnership plan)
- East Merton and Mitcham Neighbourhood Renewal Strategy
- Economic Development Strategy
- Ethnic Minority Housing Strategy
- Gypsy and Traveller Strategy
- Homelessness Strategy
- Housing Strategy
- ICT Policy
- Information Governance Policy
- Local Development Framework
- Local Implementation Plan
- Local Transport Plan
- Looked After Children's Strategy
- Medium Term Financial Strategy
- Older People's Housing Strategy
- Open Spaces Strategy
- Performance Management Framework
- Risk Management Strategy
- Road Safety Plan
- Safeguarding Children's Board Annual Plan
- School Expansion Plans
- School Improvement Strategy
- Social Inclusion Strategy
- Special Educational Needs and Inclusion Strategy
- Treasury Management Strategy
- Unitary Development Plan
- Voluntary Sector Strategy
- Waste Management Plan
- Workforce Development Plan

## **ABOUT THE COUNCIL - An overview of the council**

### **KEY FACTS**

- The Council comprises 60 elected Councillors, representing 20 wards and six political groups. The current political composition of the Council (as at February 2014) is:
  - Labour: 28 Councillors
  - Conservative: 22 Councillors
  - Liberal Democrat: two Councillors
  - Merton Park Ward Independent Residents: three Councillors
  - Merton Coalition Group: four Councillors
  - Independents: one Councillors
  
- Full Council usually meets five times a year, and is responsible for agreeing the council tax and setting the overall direction of the council.
- A Cabinet of nine Labour councillors makes the majority of decisions throughout the year, with Overview and Scrutiny arrangements to hold Cabinet to account.
- Regulatory committees are appointed by Council and carry out planning and licensing functions.
- The council had a revenue budget of £164m in 2013/14 with around 45% of this being spent on social care.
- 4,159 FTE or 5,513 headcount (as at Dec 13) employees provide a range of public services, from street cleaners and town planners to teachers and social workers, who work in the four departments, including Merton's schools:
  - Children, Schools and Families (CSF)
  - Environment and Regeneration (E&R)
  - Community and Housing (C&H)
  - Corporate Services (CS)

### **ABOUT THE BOROUGH**

**Merton is an outer London borough situated to the south west of central London. The demographics of the borough and some of its defining characteristics are listed below.**

- Population of 199,700<sup>1</sup> living in 78,757 chargeable dwellings. According to the Greater London Authority, the population is set to increase to 206,612 by 2016, to 209,666 by 2021, to 211,783 by 2026, and to 213,931 by 2031.
- Five main town centres: Wimbledon, Mitcham, Morden, Colliers Wood and Raynes Park
- The borough is predominantly suburban in character, with high levels of commuter flows in and out of central London.

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<sup>1</sup> ONS Census estimate, May 2011

- Good connections with the London transport network: the District and Northern lines both run through the borough, Tramlink provides connections between Wimbledon and Croydon via Mitcham and Morden, while numerous overground stations and bus routes provide easy access to central London and neighbouring boroughs.
- Significant amounts of green space: 18% of the borough is open space, compared to a London average of 10%. This comprises over 65 parks and open spaces (including Wimbledon and Mitcham commons), 28 conservation areas, 11 nature reserves and 17 allotment sites.
- ONS Census 2011 data estimated that 35% of the population is from black and minority ethnic (BAME) groups, with the range across schools being 32% to 91%.
- 121 languages are spoken in Merton's 43 primary schools, eight secondary schools (including two academies), three special schools, one Pupil Referral Unit and 11 children's centres.
- Increasing numbers of groups with particular needs, for example older people, BAME communities and the increased number of young people with special educational needs or disabilities.
- Seven libraries provide internet access, summer reading schemes and homework clubs as well as traditional book, CD, DVD and video lending.
- Three leisure centres provide a wide range of facilities in Mitcham, Morden and Wimbledon.
- Merton plays host to one of the country's most famous sporting events – the Wimbledon fortnight held at the All England Lawn Tennis and Croquet Club.
- The top five areas of concern to residents are litter, crime, traffic congestion, level of council tax and lack of affordable housing according to the Council's Annual Residents Survey.
- Council tax is currently set at £1,405.55 (2013/14) for a band D property (including the Greater London Authority precept), the average level for outer London boroughs.
- Merton is consistently amongst the top four safest boroughs in London which is a tribute to the excellent partnerships between the council, Metropolitan Police Service, Safer Merton Partnership and the community.

Merton is the fourth least deprived of the 33 London boroughs<sup>2</sup>. Nationally, the borough is ranked 208 out of 326, where 1 is the most deprived. This overall lack of deprivation does, however, hide stark inequalities in the borough between deprived wards in the east of the borough (Mitcham) and the more affluent wards in the west (Wimbledon).

This is illustrated by the following facts:

- The average annual salary in the west is £40,000, compared to £28,000 in the east.

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<sup>2</sup> 2010 Index of Multiple Deprivation,

- The east of the borough has much higher levels of serious illness and early deaths from illnesses such as cancer and heart disease.
- Differences in life expectancy are stark: life expectancy for men in Wimbledon Park ward is 85 years, compared to 76 years in Ravensbury ward – a difference of 9 years over just 5 miles. In Hillside ward the life expectancy for women is 92 years, compared with 80 years in Figge's Marsh ward – a difference of 12 years over just 4 miles.
- Two of Merton's Super Output Areas (SOAs) – both in the east – are amongst the 20% most deprived in the country, and fourteen are in the 30% most deprived nationally, with 13 of these located in the east of the borough.
- Although unemployment in the borough is below the national average, it rises significantly in some of the eastern wards, and 71% of Merton's benefit claimants live in the east of the borough.
- Almost 25,000 residents have no qualifications in the borough. Two-thirds of those without qualifications live in the east of the borough. Furthermore, a quarter of all residents with no qualifications come from three wards in the east of the borough – Cricket Green, St Helier and Ravensbury.
- Free school meals eligibility is rising in Merton schools (increase of 21% on 2010 eligibility indicators – School Census 2012 data).

The data / figures from the 2011 national census were released in September 2012 and this information is being used to aid service planning in subsequent years.



# **Section A**

# **Financial Resources**

## **A) MEDIUM TERM FINANCIAL STRATEGY 2013/17**

Contained in the body of the Cabinet Report

# A) CAPITAL STRATEGY

## 1 Introduction

1.1 Merton's Capital Strategy for 2014-18 has been aligned and integrated with the Business Plan for the period 2014-18. The Business Plan sets out how the Authority's objectives have been shaped by Merton Partnership in the Community Plan. The Community Plan sets out the overall vision and strategic direction of Merton which are embodied into five strategic themes:-

- Sustainable Communities and Transport;
- Safer and Stronger;
- Health and Well Being;
- Children and Young People;
- Corporate Capacity

1.2 Merton Partnership works towards improving the outcomes for people who work, live and learn in the borough and, in particular, to 'bridge the gap' between the eastern and western wards in the borough.

1.3 The financial reality facing local government dominates the choices the council will make for the future of the borough. The development of the Business Plan 2014/18 is therefore based on the set of guiding strategic priorities and principles, as adopted by the council on 13 July 2011:

- Merton should continue to provide a certain level of essential services for residents. The order of priority of 'must' services should be:
  - i) Continue to provide everything that is statutory.
  - ii) Maintain services – within limits – to the vulnerable and elderly.
- After meeting these obligations Merton should do all that it can to help residents who aspire. This means we should address the following as priorities in this order:
  - v) Maintain clean streets and keep council tax low.
  - vi) Keep Merton as a good place for young people to go to school and grow up.
  - vii) Be the best it can for the local environment.
  - viii) All the rest should be open for discussion.

The financial pressures facing Merton mean we should no longer aim to be a 'place-maker' but be a 'place-shaper'. The council should be an enabler, working with partners to provide services.

1.4 Merton's scrutiny function reflects these five strategic themes above and the themes have been incorporated into the bidding process for capital funding to ensure that scarce financial resources are targeted towards strategic objectives.

## **2 Planning Infrastructure**

### **2.1 Business Plan 2014-2018**

2.1.1 The Business Plan sets out the council's vision and ambitions for improvement over the next four years and how this will be achieved. Business Planning and financial planning frameworks are closely aligned and integrated.

### **2.2 Service Plans**

2.2.1 In developing the Capital Strategy, clear linkages have also been identified with not only the Business Plan but also departmental service plans beneath this. It reflects the capital investment implications of the approved objectives of those plans, which themselves reflect the council's proposals set out in service based strategies such as the Primary Places Strategy, Local Implementation Plan (Transport), and Asset Management Plans. Priorities for the Corporate Services department are based around how the council manages its resources effectively and how it carries out its wider community leadership role.

2.2.2 This Capital Strategy is a fundamental component of our approach since it reflects our strategic priorities across the council and endeavours to maximise the contribution of the council's limited capital resources to achieving our vision. We will work closely with residents, community organisations and businesses to focus our resources and those of our partners effectively. The strategy also sets out the management arrangements for allocating resources to individual schemes, establishing funding for projects, monitoring progress, managing performance and ensuring that scarce capital resources are allocated efficiently.

## **3 Accounting Definitions and Practices**

3.1 The council's approach to Capital Accounting follows the Code of Practice on Local Authority Accounting, which itself is based on the International Financial Reporting Standards (IFRS) and guidance issued by CIPFA and professional accounting networks.

3.2 As in previous years, there has been continual review of the Capital Programme to ensure that expenditure meets the strict definition and to identify any items which would be more appropriate to be charged to revenue. This has not resulted in any major changes to the future programme.

- 3.3 The de-minimis of capital expenditure for the authority is set at £10,000 per project. This applies to all schemes within our capital programme, however in exceptional circumstances thresholds below this may be considered where specific items of expenditure are below this de-minimis level but meet proper accounting definitions of capital expenditure.
- 3.4 Individual schools may choose to adopt the above de-minimis limit or use the limit of £2,000 as mentioned in some Department for Education and HMRC guidance for various types of school.

## **4 Corporate and strategic capital expenditure appraisal planning and control**

### **4.1 Capital Programme Board**

- 4.1.1 Merton's Capital Strategy is coordinated by the Capital Programme Board. The board, which is effectively a sub-group of the Corporate Management Team (CMT), consists of the Directors and their nominated senior officers from each service department, together with officers from the Business Planning Team.
- 4.1.2 The role of the board is to ensure that all capital expenditure and investment decisions are made in an informed way, consistent with the achievement of the council's overall corporate strategic objectives (paragraph 1.1) along with monitoring the asset disposals programme. It also has a co-ordinating, reviewing, developing, encouraging, and reporting role, which ensures that Merton makes effective and efficient use of its capital resources, including management of its capital assets. During 2012/14 considerable work has been undertaken reviewing and developing the systems and processes for:
- i) Compiling the Capital Programme
  - ii) Monitoring Expenditure and year end / multi-year projection
  - iii) Identification and Realisation of Scheme Benefits
  - iv) Financing the Programme
- 4.1.3 The board recommends to cabinet how capital resources should be allocated. The recommendations are based on a review of existing schemes and consideration of growth proposals. The existing Capital Programme is examined for potential reductions and reprofiling. The growth bids are prioritised on the criteria as set out later in this document.

- 4.1.4 During the budget process the Director of Corporate Services recommends to cabinet an initial view as to how the Capital Programme should be funded. However, this recommendation will be informed by the Capital Programme Board's consideration of the capital receipts available and the forecast of future property disposals and the final funding during the closure of accounts will depend on the precise financial position. At this stage it is intended to utilise internal borrowing, capital grant, direct revenue financing and earmarked reserves. Any capital loans given out by the authority will be funded from capital receipts as the repayments will be received as capital receipts. It will be reported to Members as and when it is proposed to use external borrowing and any other use of capital receipts.
- 4.1.5 The council has had a robust policy for many years of reviewing and disposing of surplus property, detailed in the Asset Management Plan (AMP) which also includes policy and procedures for land and property acquisition. However, the economic recession has slowed disposals in recent years and will continue to have an effect for 2014/15 and probably future years. All capital receipts are pooled, unless earmarked by cabinet, and are used either to finance further capital investment or for the payment of premiums on repayment of higher interest loans.

## **4.2 Capital Programme Approval and Amendment**

- 4.2.1 The Capital Programme is approved by Council each year. Any change which substantially alters the programme (and therefore the Prudential Indicators) requires full council approval. Rules for changes to the Capital Programme are detailed in the Council's Constitution Financial Regulations and Financial Procedures and the key points are summarised here.
- 4.2.2 For virements which do not substantially alter the programme the below approval limits apply:
- Virements up to £5k can be signed off by the budget manager, the Chief Financial Officer (CFO) is informed of these changes as part of the monthly financial monitoring
  - Virements £5k up to £100k must be approved by the Chief Officer of the area or areas affected along with the Chief Financial Officer, typically this will be as part of the monthly financial monitoring report to CMT however approval can be sought from these officers at any time if necessary
  - Virements £100k and upwards go to Cabinet
  - Any virement which diverts resources from a scheme not started, resulting in a delay to that scheme, will be reported to Cabinet

(Please note virement rules are cumulative i.e. two virements of £5,000 from one code; the latter would require the approval of Chief Officers)

4.2.3 For increases to the programme for existing schemes up to £100,000 must be approved by the Director of Corporate Services. Increases above this threshold must be approved by Cabinet. In accordance with the Prudential Code if the increase in the Capital Programme will substantially change prudential indicators it must be approved by Council.

4.2.4 For new schemes, the source of funding and any other financial or non-financial impacts must be reported and the limits below apply:

- Budgets of up to £50k can be approved by the Chief Financial Officer in consultation with the relevant Chief Officer
- Budgets of £50k up £500k will be submitted to Cabinet for approval
- Budgets over £500k will be submitted to full Council for approval

### **4.3 Capital Monitoring**

4.3.1 The Council approves the four year Capital Programme in March each financial year. Amendments to the programme are approved appropriately by CMT, Cabinet and Council. Budget managers are required to monitor their budget regularly (normally monthly), key reviews are undertaken quarterly. December monitoring provides the final opportunity for budget managers to re-profile their budgets for the current financial year.

4.3.2 November monitoring information feeds into the Authority's Medium Term Financial Strategy (MTFS) and is used to assess the revenue impact over the period of the strategy.

4.3.3 Councillors receive regular monitoring reports on the overall position of capital expenditure in relation to the budget. They also receive separate progress reports on key spend areas. For example, in relation to the Primary School Expansion programme, the progress on each school is set out e.g. consultation, planning consent, start on site etc.

### **4.4 Risk Management**

4.4.1 The management of risk is strategically driven by the Corporate Risk Management group. The group collates on a quarterly basis the headline departmental risks and planned mitigation activity from each department, project and partnership. From this information a Key Strategic Risk Register is compiled and presented to CMT and cabinet quarterly for discussion as part of the financial monitoring report. The Authority's Risk Management Strategy is reviewed and updated annually and presented to CMT, cabinet and Council.

## 5 Revenue budget implications of capital investment

### 5.1 Revenue cost or savings

5.1.1 The council recognises that the prudential framework provides the council with flexibility, subject to the constraints of the council's revenue budget. This flexible ability to borrow, either from internal cash resources or by external borrowing, coupled with the revised treatment of finance leases with effect from 1 April 2010, means that prudential borrowing is used for the acquisition of equipment, where it is prudent, affordable and sustainable. In 2012/13 and 2013/14, it was possible to borrow from internal cash resources rather than external borrowing and it is forecast that this will continue to be the case until 2015/16. This will be kept under review as part of general Treasury Management.

5.1.2 The revenue effects of the capital programme are from capital financing charges and from additional revenue costs such as annual maintenance charges. The capital financing charges are made up of interest payable on loans to finance the expenditure and of principal repayments on those loans. The principal repayments commence in the year after the expenditure is incurred and are calculated by the application of the statutory Minimum Revenue Provision. The interest commences immediately the expenditure is incurred. The revenue effects of the capital programme are fully taken account of in the MTFS, with appropriate adjustments for slippage, timing of capital payments and the use of internal investment funds.

The revenue effects of the capital programme, are built into the MTFS and are summarised below:

<b>Revenue effects of Capital Programme</b>				
	2014/15	2015/16	2016/17	2017/18
	£000	£000	£000	£000
MRP	7,411	7,819	8,894	10,214
Interest	6,692	6,692	7,109	8,003
<b>Capital financing costs</b>	<b>14,103</b>	<b>14,511</b>	<b>16,003</b>	<b>18,217</b>
Investment Income	(522)	(303)	(165)	(175)
<b>Net</b>	<b>13,581</b>	<b>14,208</b>	<b>15,838</b>	<b>18,042</b>



## **6 Capital resources 2014-18**

### **6.1 Variety of sources**

6.1.1 Capital expenditure is funded from a variety of sources:-

- Grants which are not ring-fenced to be spent on a specific project or service
- Specific grants - earmarked for a specific project or purpose
- Capital receipts from the disposal of surplus and under-utilised land and property
- Other contributions such as Section 106
- Council Funding – through revenue funding, use of reserves or borrowing.

### **6.2 Annual Minimum Revenue Provision (MRP) Statement**

6.2.1 Under guidance from the Department for Communities and Local Government, authorities are required to prepare an annual statement on their policy on making MRP. This mirrors the existing requirements to report to the council on the Prudential borrowing limit and investment policy.

6.2.2 The statement is set out in the Treasury Management Strategy.

## **7 Asset management review**

### **7.1 Capital receipts**

7.1.1 Capital receipts generated from the disposal of surplus and under-utilised land and property are a major source of funding and the potential available capital resources are under constant review and revision. The forecast of capital receipts included in this report are primarily based on the Corporate Asset Management Plan 2011-15, from which is derived a multi-year forecast of planned land and property disposals. In addition, after the transfer of the housing stock to Merton Priory Homes, the council continues to receive a share of the receipts from Right to Buy applications and through future sharing arrangements, receipts from the sales of void properties, sales of development land and VAT saving on expenditure on stock enhancements.

7.1.2 Progress and estimates of capital receipts are considered at each meeting of the Capital Programme Board by consideration of the Capital Disposals Programme.

## **7.2 Property as a corporate resource**

7.2.1 The council treats its property as a corporate resource, oriented towards achieving its overall goals, underpinned by:

- Clear links to financial plans and budgets.
- Effective arrangements for cross-service working.
- Champions at senior officer and member level.
- Significant scrutiny by councilors.

7.2.2 It ensures that its properties are fit for purpose by making proper provision and action for maintenance and repair. The organisation makes investment and disposal decisions based on thorough option appraisal. The capital programme gives priority to potential capital projects based on a formal objective approval process.

7.2.3 Whole life project costing was used at the design stage for significant projects where appropriate, incorporating future periodic capital replacement costs, projected maintenance and decommissioning costs.

7.2.4 Whole life costing of significant projects, which span more than one year, also forms part of the regular monitoring reports.

7.2.5 A Strategic Asset Plan and the Corporate Asset Plan are currently being developed and will be used for asset management.

7.2.6 A new IT system for asset accounting has been brought into use and the possibility of this system being used for more widespread asset management will be explored.

## 8 Summary of estimated disposals 2014-2018

### 8.1 Potential capital receipts

8.1.1 Due to difficulties in the property market since the economic recession a cautious view has been taken of the potential capital receipts identified. Much of the anticipated capital receipts are as a result of the VAT shelter agreement entered into with Merton Priory Homes as part of the housing stock transfer. There are current proposals for some of the properties under this agreement to be redeveloped which would result in a reduction in receipts from the VAT shelter agreement, however a Development and Disposals Clawback Agreement was entered into as part of the same transfer and this should result in a significant capital receipt should these development plans go ahead. The following table represents a 'best prudent view' at this time in respect of an anticipated cash flow and therefore future capital receipts have not been assumed as a source of funding for the capital programme at this stage, but do replace the need for external borrowing:-

	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000
<b>Total</b>	2,100	2,800	1,800	1,200

Note a) The above includes Right to Buys and the VAT shelter. Although difficult to accurately predict, other sales of assets could improve the position.

8.1.2 Under the requirements of the Localism Act 2011 parish councils and local voluntary and community organisations have the right to nominate local land or buildings they would like to see included in a list of assets of community value which is maintained by the Local Authority. Once listed the owner must allow community interest groups up to six months to make an offer before the property can be sold to another. It is envisaged that this may lengthen the disposal time for some properties if they are listed as assets of community value by the Council.

### 8.2 Debt repayment

8.2.1 The council has had a strategy to reduce its level of debt. Since 1 April 2008, the average interest payable on outstanding debt has fallen from 6.6% to 5.72%. For the period 2014-18, capital receipts may continue to be used to pay the premiums on the repayment of those authority debts which have high fixed interest charges, if the terms offered make this economic and the option makes appropriate revenue savings, but will also be considered for funding parts of the programme.

## 9 Grant Funding Capital Resources

### 9.1 Environmental and Regeneration

	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000
Transport for London LIP ( <b>earmarked</b> )	1,927	1,310	1,271	TBA
<b>Total: E&amp;R</b>	<b>1,927</b>	<b>1,310</b>	<b>1,271</b>	<b>TBA</b>

TBA – To Be Advised

Please note, in the table above, some TFL funding which would previously been budgeted for as capital is now accounted for as revenue, as such the funding above and budgets in this document exclude £310k of TfL budgets in 2014/15, £301k in 2015/16 and £340k in 2016/17 as these amounts are now deemed to be revenue.

### 9.2 Children, Schools and Families

	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000
Maintenance	1,981	TBA	TBA	TBA
Basic Need	7,150	4,236	4,448	TBA
<b>Total Local Authority Funding</b> (Both of the above grants are <b>non-ringfenced</b> )	<b>9,131</b>	<b>4,236</b>	<b>4,448</b>	<b>TBA</b>
Free School Meals Capital	437	0	0	0
Targeted Basic Need	10,855	696	0	0
Devolved Formula Capital ( <b>Earmarked</b> )	TBA	TBA	TBA	TBA
<b>TOTAL: CS&amp;F</b>	<b>20,423</b>	<b>4,932</b>	<b>4,448</b>	<b>TBA</b>
Assumed Maintenance and Basic Need	0	764	552	5,000

TBA – To Be Advised

Note: Basic Need has been announced up to 2016/17, however as yet the Capital Maintenance allocation has not been announced. Targeted Basic Need relates to specific schemes and must be spent by the end of the August of the financial year after it is received. It was allocated for 2013/14 and 2014/15 but the above shows when it is anticipated to be spent within this constraint.

### 9.3 Community and Housing

	2014/15 £000	2015/16 £000	2016/17 £000	2016/17 £000
C&H Adult Social Care Grant	410	0	0	0
Disabled Facilities Grant ( <b>non- ringfenced</b> )	459	528	TBA	TBA
<b>Total C&amp;H</b>	<b>869</b>	<b>528</b>	<b>0</b>	<b>0</b>

From 2015/16 the Adult Social Care Grant is to be part of a pooled budget with the Merton Clinical Commissioning Group, no decisions have been made as yet as to how this will be utilised

## 9.4 Summary of Grant Funding 2014-2018

9.4.1 The new resources notified to date are summarised in the following table. It is expected that there will be additional earmarked resources notified during the financial year 2014/15:-

<b>Grant Funding</b>	<b>2014/15 £000</b>	<b>2015/16 £000</b>	<b>2016/17 £000</b>	<b>2017/18 £000</b>
Environment and Regeneration	1,927	1,310	1,611	TBA
Children, Schools and Families	20,423	4,932	4,448	TBA
Community and Housing	869	528	TBA	TBA
<b>Total Newly Announced Grant Funding</b>	<b>23,219</b>	<b>6,770</b>	<b>6,059</b>	<b>TBA</b>
Assumed source of funding - CSF	0	764	552	5,000

## 10 Summary of Total Resources 2014-18:

### 10.1 Summary

10.1.1 The total anticipated resources over the plan period 2014-18, including existing grant funding and anticipated CS&F grants, is summarised in the following table:-

	<b>2014/15 £000</b>	<b>2015/16 £000</b>	<b>2016/17 £000</b>	<b>2017/18 £000</b>
Grant & Contributions	27,723	10,038	7,261	5,288
Council Funding	16,882	31,331	30,446	26,987
<b>Total</b>	<b>44,605</b>	<b>41,369</b>	<b>37,707</b>	<b>32,274</b>

10.1.2 Projects for which earmarked resources have been notified have been given authority to proceed, subject to a detailed specification and programme of works being agreed which ensures that the maximum benefits accrue to the council within the overall constraints of the approved funding. Those schemes, on their own, represent a considerable capital investment.

10.1.3 The Table below summarises the Indicative Capital Programme for 2018 to 2023. Additional detail is provided as Annex 5:

**Indicative Capital Programme 2018 to 2023**

Department	Indicative 2018/19 Budget	Indicative 2019/20 Budget	Indicative 2020/21 Budget	Indicative 2021/22 Budget	Indicative 2022/23 Budget
	£000s	£000s	£000s	£000s	£000s
Corporate Services	1,785	1,500	1,760	1,645	875
Children, Schools and Families	27,578	6,250	6,600	4,758	3,920
Environment and Regeneration*	5,124	5,150	4,615	4,615	4,615
Community and Housing	280	280	280	280	280
<b>Total</b>	<b>34,767</b>	<b>13,180</b>	<b>13,255</b>	<b>11,298</b>	<b>9,690</b>

\* Please note these figures do not include any allowance of grant funding for Transport for London and Disabled Facilities.

10.1.4 For every £1 million capital expenditure that is funded by external borrowing it is estimated that there will be annual revenue debt charges of between £242,000 for assets with a life of 5 years to £62,000 for an asset life of 50 years.

## **11 Capital bids and prioritisation criteria**

### **11.1 Prioritisation of schemes 2017/18**

The allocation of capital resources, on those schemes to be funded by borrowing, is focused towards the achievement of the council's key strategic objectives as agreed by councillors as highlighted in section 1 of this strategy.

The prioritisation criteria used in respect of growth were 'Statutory', Need (demand and / or priority), attracts match funding and revenue impact (including invest to save). Due to officers' awareness of the need to restrain the capital programme to affordable levels, the growth put forward over the period 2014-18, on the basis of these criteria by the board to cabinet was £25.041 million.

## 12 Detailed Capital Programme 2014-18

### 12.1 Corporate Services

This department is responsible for the administration of finance and staff, together with the corporate buildings including IT and utility services. Its main capital expenditure is on IT software and hardware, and on improvements to buildings. It is nearing the end of a major project for the restacking of offices in the Civic Centre to enable the economic concentration of staff and services on the borough's main civic site and replacement of Civic Centre Windows and the biggest remaining component of this is the replacement of the Civic Centre lifts. There are also budgets held centrally under Corporate Services to ensure funds are available to take up opportunities arising in the local property market, to leverage match funding or to enable transformation of services. The new schemes for this department are listed in Annex 1, Annex 3 provides a detailed breakdown of projects and Annex 4 provides the overall programme at scheme level for approval.

### 12.2 Children, Schools and Families

This department's main capital focus is the need for increased provision of pupil places. There was already provision in the 2013-17 capital programme, but the revised programme is as follows:

	2014/15 £000s	2015/16 £000s	2016/17 £000s	2017/18 £000s
Primary Expansion	23,561	10,959	3,992	7,099
Secondary Expansion	275	1,475	14,495	13,700
Total	23,836	12,434	18,487	20,799

This is the most significant item in the council's capital programme and as such is set out in detail on the next page:

#### **CSF capital programme 2014-18**

The requirement to provide sufficient school places is a key statutory requirement. The government provides capital grant to meet some of this need, but there is a significant shortfall for the council to fund.

The vast majority of the CSF capital programme for 2014-16 relates to the requirement to provide sufficient primary school places but there is also some capital for other categories of expenditure. The focus then changes to provision of secondary school places, with some expansion of special school provision also required.

### **Primary school places**

The 2013-17 capital programme approved provision to deliver the primary school expansion for an additional 23 forms of entry (FE) as permanent and to start 2 further FEs along with 3 FE of temporary provision, compared to that provided in 2007/08.

As a result the council has either completed, or is in the progress of permanent expansion to provide 21 additional forms of entry since 2007/08. These are at the following 20 schools: Wimbledon Chase, Holy Trinity CE, St. Thomas of Canterbury, Benedict, Hollymount, Joseph Hood, Aragon, Cranmer, Merton Abbey, St Mary's, All Saints CE, Gorringer Park, Hillcross, Pelham, Dundonald, Poplar, Liberty, Singlegate (2FE extra, through additional adjacent site), Wimbledon Park, and William Morris.

Following analysis of more recent demographic information and admissions data, officers are adopting a prudent and cautious approach to planning for future expansions. No further permanent expansions will be undertaken until additional sustained demand for places is identified. The capital programme enables temporary accommodation to be provided in up to three schools in 2016-17 with additional budget also allocated from 2015-16 to enable further permanent expansions to be undertaken should the need materialise. The position will be kept under regular review by officers.

A contingency has been created for the expansion projects at Merton Abbey (final phase), Pelham, Singlegate and Dundonald because these four schemes are mid-tender. This has a total budget of £3.134m and this is made up of £1.134m Section 106 (S106) funding and the remainder to be funded by borrowing should it be necessary to utilise it. The formal bid for the ring-fenced S106 portion of this contingency is subject to further approval at the Council meeting on 2<sup>nd</sup> April 2014.

### **Secondary and special school places**

The significant increase in demand for school places will reach the secondary phase from 2015/16 but it is expected this can be met through existing accommodation for the first two years. New build, expansion and enabling works will be required to provide sufficient places thereafter so significant budget is proposed for this from 2016-17.



The capital programme for 2014/18 includes £29.9 million for 5 secondary FE classes attached to our existing schools and some preliminary costs in respect of a new secondary school. The costs of the new school and an additional 5 secondary FE classes have yet to be built into the Capital Programme. Currently, there is uncertainty over the size, timing and cost of the secondary expansion, this includes a lack of clarity regarding government funding.

The capital programme also includes a sum for additionally resourced SEN provision for pupils on the autism spectrum and more will be required after 2016 for permanent additional special school places.

### **Other schemes**

With regard to other capital schemes, £500,000 is provided for schools capital improvement works in 2014/15 and this increased to £600,000 per annum thereafter. This is an increase from previous years, but will be limited to urgent health and safety related needs, with the council expecting schools to fund all works below £20,000.

## 12.3 Environment and Regeneration

This department provides a co-ordinated approach to managing the public realm (all borough areas to which the public has access), as well as the regeneration of our town centres and neighbourhoods.

The individual projects for this department are all listed in Annex 3. Other than the grant funded Transport for London scheme for the upgrade of principal roads and also Environmental Health grants, the departments main schemes relate to 10 main areas:

	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000
Highways Planned Road Works	1,500	1,500	1,500	1,500
Footways Planned Works	1,000	1,000	1,000	1,000
Highways General Planned Works	589	412	419	419
Leisure Centres	1,300	10,300	300	300
Future Merton	6,791	3,878	1,037	0
Replacement of Fleet Vehicles	590	500	500	500
Traffic and Parking management	135	135	150	156
Parks Investment	250	250	425	250
Street Lighting Replacement Programme	410	200	462	290
Street Scene	315	275	100	0
<b>Total</b>	<b>12,880</b>	<b>18,450</b>	<b>5,889</b>	<b>4,259</b>

### 12.3.1 Highways Planned Road Works and Footways Planned Works

These works are based on annual condition surveys of the whole of the borough. As a result, items are prioritised and drawn up in programmes of works. These programmes may be amended as circumstances alter.

### 12.3.2 Highways General Planned Works

An indicative list of the major works to be done under this budgeted scheme is as follows:

	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000
Demand for Surface Water Drainage - Flooding	62	62	69	69
Highways bridges and structures improvements	370	260	260	260
Anti-Skid and Coloured	90	90	90	90

### 12.3.3 Leisure

The major works relate to the authority's three Leisure Centres. The first scheme is for general improvements to the three Leisure Centres. The second scheme, Morden Park Pools, is a major investment for the council, with the replacement of the current centre with a new facility.

	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000
Replacement of Leisure Centre Plant and Machinery	300	300	300	300
Morden Park Pools	1,000	10,000	0	0

### 12.3.4 Future Merton

Regeneration is a major part of the council's strategy. A vision for Morden town centre is being developed and Mitcham town centre will be sustainably developed. The main areas of expenditure over the Capital Programme period will be those below.

	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000
Investment in industrial estates to create high-tech industrial park for key sectors	250	500	0	0
Colliers Wood Regeneration Fund	1,200	0	0	0
Town Centre Investment	750	878	1,037	0
Mitcham – TfL Major Schemes	1,443	0	0	0
Transportation Enhancements	2,500	2,500	0	0

## 12.4 Community and Housing

This department aims to provide residents with the chance to live independent and fulfilling lives, in suitable homes within sustainable communities, with chances to learn, use information, and acquire new skills.

The departmental Capital Programme for 2014/18 comprises:

	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000
Adult Social Care Information Technology	1,110			
Housing	2,464	724	724	280
Libraries		350	550	
<b>Total</b>	<b>2,338</b>	<b>1,074</b>	<b>1,274</b>	<b>280</b>

## 12.5 Overall Programme

12.5.1 The approved Capital Programme for 2014/18 follows at Annex 1, Annex 3 provides an additional breakdown detail of the approved schemes. The summary is as follows:

Capital Programme	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000
Corporate Services	7,858	3,091	3,362	2,806
Children, Schools & Families	27,193	14,722	22,087	21,399
Environment & Regeneration	15,920	19,900	7,204	4,555
Community and Housing	3,574	1,074	1,274	280
<b>Total</b>	<b>54,545</b>	<b>38,787</b>	<b>33,927</b>	<b>29,040</b>

12.5.2 The funding details for the programme follow at Annex 2

12.5.3 Within the funding details the authority has anticipated some slippage for schemes that require a consultation process or a planning application or where the implementation timetable is not certain. The slippage anticipated reduces the spend in the year it is budgeted but increases the spend in the following year when it is incurred. When slippage from 2013/14 is approved, the 2014/15 Capital Programme will be adjusted accordingly.

- 12.5.4 Annex 1 Capital Investment Programme - Schemes for Approval  
 Annex 2 Funding the Capital Programme 2014-18  
 Annex 3 Detailed Capital Programme 2014-18  
 Annex 4 Analysis of Growth  
 Annex 5 Indicative Capital Programme 2018-23



**CAPITAL INVESTMENT PROGRAMME – SCHEMES FOR APPROVAL**

Department	2014/15	2015/16	2016/17	2017/18
Corporate Services	7,858	3,091	3,362	2,806
Children, Schools and Families	27,193	14,722	22,087	21,399
Environment and Regeneration	15,920	19,900	7,204	4,555
Community and Housing	3,574	1,074	1,274	280
<b>Total</b>	<b>54,545</b>	<b>38,787</b>	<b>33,927</b>	<b>29,040</b>

Corporate Services	2014/15	2015/16	2016/17	2017/18
	£000s	£000s	£000s	£000s
Corporate Budgets	2,386	2,007	500	0
Business Improvement	1,819	0	0	0
Resources	1,100	0	0	0
I&T - Information Technology	953	584	1,862	1,806
I&T - Facilities Management	1,600	500	1,000	1,000
<b>Total</b>	<b>7,858</b>	<b>3,091</b>	<b>3,362</b>	<b>2,806</b>

**CAPITAL INVESTMENT PROGRAMME – SCHEMES FOR APPROVAL**

Children, Schools and Families	2014/15	2015/16	2016/17	2017/18
	£000s	£000s	£000s	£000s
<b>Primary School Expansions</b>				
Cranmer expansion	1,886	492	0	0
Dundonald expansion	1,728	2,740	1,117	0
Hillcross School Expansion	2,627	2,123	0	0
Joseph Hood Expansion	117	0	0	0

Merton Abbey	3,423	438	0	0
Pelham School Expansion	3,849	852	0	0
Poplar Permanent Expansion	3,125	953	0	0
St Mary's expansion	2,572	100	0	0
Singlegate expansion	3,607	600	0	0
Wimbledon Park expansion	60	0	0	0
22 FE School Expansion	0	95	2,575	2,075
23 FE School Expansion	0	0	100	555
24 FE School Expansion	0	0	100	1,625
25 FE School Expansion	0	0	100	1,625
26 FE School Expansion	0	0	0	619
27 FE School Expansion	0	0	0	300
28 FE School Expansion	0	0	0	300
Primary School Expansion Contingency	569	2,565	0	0
<b>Total Primary School Expansions</b>	<b>23,561</b>	<b>10,958</b>	<b>3,992</b>	<b>7,099</b>
<b>Secondary School Expansion</b>				
Scheme 1 Phased extra 4FE	50	150	2,800	0
Scheme 2 Phased extra 4FE	50	150	2,800	0
Scheme 3 Phased extra 4FE	50	150	2,800	0
Scheme 4 New school phased 6-8FE	100	1,000	4,000	7,000
Scheme 5 Phased extra 2FE	0	0	95	1,500
Scheme 6 Phased extra 2FE	25	25	1,900	3,000
Scheme 7 - extra 1FE	0	0	50	1,100
Scheme 8 - extra 1FE	0	0	50	1,100
<b>Total Secondary School Expansion</b>	<b>275</b>	<b>1,475</b>	<b>14,495</b>	<b>13,700</b>
<b>Other</b>				
Devolved Formula Capital	45	0	0	0
St Ann's Primary Phase	139	0	0	0
Total Schs Cap Maint & Accessibility	500	600	600	600
Primary school autism unit	692	238	0	0
Perseid	800	500	0	0
Secondary School Autism Unit	350	850	0	0
Cricket Green	50	100	3,000	0
Free School Meals	437	0	0	0
School Equipment Loans	323	0	0	0
Youth&Comm centres reprovision	20	0	0	0
<b>Total Other</b>	<b>3,356</b>	<b>2,288</b>	<b>3,600</b>	<b>600</b>
<b>Total</b>	<b>27,193</b>	<b>14,722</b>	<b>22,087</b>	<b>21,399</b>

## CAPITAL INVESTMENT PROGRAMME – SCHEMES FOR APPROVAL

<b>Environment and Regeneration</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
Total Footways Planned Works	1,000	1,000	1,000	1,000
Total Greenspaces	633	250	425	250
Total Highways General Planned Works	613	412	419	419
Total Highways Planned Road Works	1,500	1,500	1,500	1,500
Total Leisure Centres	1,525	10,300	300	300
Total Other	27	0	0	0
Total Regeneration Partnerships	6,791	3,878	1,037	0
Total Plans and Projects	70	0	0	0
Total Street Lighting	410	200	462	290
Total Street Scene	315	315	60	60
Total Transport for London	1,927	1,310	1,271	0
Total Traffic and Parking Management	135	135	150	156
Total Transport and Plant	599	500	500	500
Total Safer Merton - CCTV & ASB	145	0	0	0
Total Environmental Health	40	40	60	6
Total Waste Operations	10	60	20	20
<b>TOTAL</b>	<b>15,920</b>	<b>19,900</b>	<b>7,204</b>	<b>4,555</b>

<b>Community and Housing</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
Libraries	0	350	550	0
Adult Social Care	1,110	0	0	0
Housing	2,464	724	724	280
<b>Total</b>	<b>3,574</b>	<b>1,074</b>	<b>1,274</b>	<b>280</b>



<b>Merton</b>	<b>Capital Programme £000s</b>	<b>Merton Funded £000s</b>	<b>Funded by Grant &amp; Capital Contributions £000s</b>
<b>TOTAL Revised 2013/14</b>	<b>31,852</b>	13,891	17,961
Potential Slippage c/f	<b>(1,354)</b>	<b>(1,054)</b>	<b>(301)</b>
<b>TOTAL Spend 2013/14</b>	<b>30,498</b>	12,838	17,660
<b>2014/15 Revised Budget</b>	<b>54,108</b>	<b>24,736</b>	<b>29,373</b>
Potential Slippage b/f	<b>1,354</b>	<b>1,054</b>	<b>301</b>
Potential Slippage c/f	<b>(11,295)</b>	<b>(8,907)</b>	<b>(2,388)</b>
<b>TOTAL Spend 2014/15</b>	<b>44,605</b>	<b>16,882</b>	<b>27,723</b>
<b>2015/16 Draft Budget</b>	<b>38,788</b>	30,372	8,415
Potential Slippage b/f	<b>11,295</b>	8,907	2,388
Potential Slippage c/f	<b>(8,713)</b>	<b>(7,948)</b>	<b>(765)</b>
<b>TOTAL Spend 2015/16</b>	<b>41,369</b>	31,331	10,038
<b>2016/17 Draft Budget</b>	<b>33,927</b>	27,128	6,799
Potential Slippage b/f	<b>8,713</b>	7,948	765
Potential Slippage c/f	<b>(4,933)</b>	<b>(4,630)</b>	<b>(303)</b>
<b>TOTAL Spend 2016/17</b>	<b>37,707</b>	30,446	7,261
<b>2017/18 Draft Budget</b>	<b>29,040</b>	24,040	5,000
Potential Slippage b/f	<b>4,933</b>	<b>4,630</b>	<b>303</b>
Potential Slippage c/f	<b>(1,699)</b>	<b>(1,684)</b>	<b>(15)</b>
<b>TOTAL Spend 2017/18</b>	<b>32,274</b>	<b>26,987</b>	<b>5,288</b>

<b>Corporate Services</b>	<b>Scrutiny Panel *</b>	<b>2014/15 £000s</b>	<b>2015/16 £000s</b>	<b>2016/17 £000s</b>	<b>2017/18 £000s</b>
<b>Corporate Budgets</b>					
Acquisitions Budget	OSC	1,042	500	500	0
Transformation Budgets	OSC	344	507	0	0
Capital Bidding Fund	OSC	1,000	1,000	0	0
<b>Total Corporate Budgets</b>		<b>2,386</b>	<b>2,007</b>	<b>500</b>	<b>0</b>
<b>Business Improvements</b>					
Replace doc management system	OSC	740	0	0	0
Customer Contact Programme	OSC	785	0	0	0
Data Labelling	OSC	294	0	0	0
<b>Total Business Improvements</b>		<b>1,819</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Resources</b>					
Improving Information Systems	OSC	1,100	0	0	0
<b>Total Resources</b>		<b>1,100</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Information Technology</b>					
Planned Replacement Programme	OSC	718	299	1,412	1,686
ITSD Enhancements	OSC	35	85	250	120
Multi-Function Devices (MFDs)	OSC	200	200	200	0
<b>Total Information Technology</b>		<b>953</b>	<b>584</b>	<b>1,862</b>	<b>1,806</b>
<b>Facilities Management</b>					
Civic Centre refurbishment	OSC	100	0	0	0
Energy Utility Invest to Save	SC	250	150	150	150
Invest to Save schemes-General	OSC	250	150	150	150
Water Safety Works	OSC	0	0	150	150
Asbestos Safety Works	OSC	0	0	250	250
Capital Works - Facilities	OSC	200	200	300	300
Civic Centre Passenger Lifts	OSC	650	0	0	0
Civic Centre Windows	OSC	150	0	0	0
<b>Total Facilities Management</b>		<b>1,600</b>	<b>500</b>	<b>1,000</b>	<b>1,000</b>
<b>TOTAL</b>		<b>7,858</b>	<b>3,091</b>	<b>3,362</b>	<b>2,806</b>

\* OSC= Overview and Scrutiny Commission, CYP = Children and Young People, HCOP = Healthier Communities and Older People SC = Sustainable Communities,

**DETAILED CAPITAL PROGRAMME 2014-18**

**ANNEXE 3**

Children, Schools and Families	Scrutiny Panel *	2014/15	2015/16	2016/17	2017/18
		£000s	£000s	£000s	£000s
<b>Primary School Expansions</b>					
Cranmer expansion	CYP	1,886	492	0	0
Dundonald expansion	CYP	1,728	2,740	1,117	0
Hillcross School Expansion	CYP	2,627	2,123	0	0
Jopseph Hood Expansion	CYP	117	0	0	0
Merton Abbey	CYP	3,423	438	0	0
Pelham School Expansion	CYP	3,849	852	0	0
Poplar Permanent Expansion	CYP	3,125	953	0	0
St Mary's expansion	CYP	2,572	100	0	0
Singlegate expansion	CYP	3,607	600	0	0
Wimbledon Park expansion	CYP	60	0	0	0
22 FE School Expansion	CYP	0	95	2,575	2,075
23 FE School Expansion	CYP	0	0	100	555
24 FE School Expansion	CYP	0	0	100	1,625
25 FE School Expansion	CYP	0	0	100	1,625
26 FE School Expansion	CYP	0	0	0	619
27 FE School Expansion	CYP	0	0	0	300
28 FE School Expansion	CYP	0	0	0	300
Primary School Expansion Contingency	CYP	569	2,565	0	0
<b>Total Primary School Expansions</b>		<b>23,561</b>	<b>10,959</b>	<b>3,992</b>	<b>7,099</b>
<b>Other</b>					
Devolved Formula Capital	CYP	45	0	0	0
St Ann's Primary Phase	CYP	139	0	0	0
Schs Cap Maint & Accessibility	CYP	500	600	600	600
Primary school autism unit	CYP	692	238	0	0
Perseid	CYP	800	500	0	0
Secondary School Autism Unit	CYP	350	850	0	0
Cricket Green	CYP	50	100	3,000	0
Youth&Comm centres reprovision	CYP	20	0	0	0
Free School Meals	CYP	437	0	0	0
Schools Equipment Loans	CYP	323	0	0	0
<b>Total Other</b>		<b>3,356</b>	<b>2,288</b>	<b>3,600</b>	<b>600</b>
<b>Secondary School Expansion</b>					
Scheme 1 Phased extra 4FE	CYP	50	150	2,800	
Scheme 2 Phased extra 4FE	CYP	50	150	2,800	
Scheme 3 Phased extra 4FE	CYP	50	150	2,800	
Scheme 4 New school phased 6-8FE	CYP	100	1,000	4,000	7,000
Scheme 5 Phased extra 2FE	CYP	0	0	95	1,500
Scheme 6 Phased extra 2FE	CYP	25	25	1,900	3,000
Scheme 7 - extra 1FE	CYP	0	0	50	1,100
Scheme 8 - extra 1FE	CYP	0	0	50	1,100
<b>Total Secondary School Expansion</b>		<b>275</b>	<b>1,475</b>	<b>14,495</b>	<b>13,700</b>
<b>TOTAL</b>		<b>27,193</b>	<b>14,722</b>	<b>22,087</b>	<b>21,399</b>

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Environment and Regeneration	Scrutiny Panel *	2014/15	2015/16	2016/17	2017/18
		£000s	£000s	£000s	£000s
<b>Footways Planned Works</b>					
Repairs to Footways	SC	1,000	1,000	1,000	1,000
<b>Total Footways Planned Works</b>		<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>
<b>Greenspaces</b>					
Parks Investment	SC	250	250	425	250
B488 Landscape Dundonald Rec G	SC	12	0	0	0
B617a-c Wimbledon Park upgrade	SC	15	0	0	0
B521 – Morden Park	SC	30	0	0	0
B596a&b,B625a-c Crckt Grn Area	SC	21	0	0	0
B626a-c Cottnhm Prk&Hollnd Gdn	SC	28	0	0	0
B651 South Park Gardents Pavil	SC	17	0	0	0
Tamworth Rec Interactive Water Play	SC	160	0	0	0
Mitcham Common Conservators	SC	100	0	0	0
<b>Total Greenspaces</b>		<b>633</b>	<b>250</b>	<b>425</b>	<b>250</b>
<b>Highways General Planned Works</b>					
Surface Water Drainage	SC	62	62	69	69
Highways bridges & structures	SC	370	260	0	260
Maintain AntiSkid and Coloured	SC	90	90	90	90
B497/8 Lombard Rd Improvements	SC	24	0	0	0
B646a Lonbard Industrial Estate	SC	24	0	0	0
B639a Fair Green	SC	43	0	0	0
<b>Total Highways General Planned Works</b>		<b>613</b>	<b>412</b>	<b>159</b>	<b>419</b>
<b>Highways Planned Road Works</b>					
Borough Roads Maintenance	SC	1,500	1,500	1,500	1,500
<b>Total Highways Planned Road Works</b>		<b>1,500</b>	<b>1,500</b>	<b>1,500</b>	<b>1,500</b>
<b>Leisure Centres</b>					
Leisure Centre Plant & Machine	SC	300	300	300	300
Morden Park Pool and LC Invest	SC	1,000	10,000	0	0
Multi Use Games area at Commons	SC	170	0	0	0
St Marks Academy Tennis	SC	56	0	0	0
<b>Total Leisure Centres</b>		<b>1,526</b>	<b>10,300</b>	<b>300</b>	<b>300</b>
<b>Other E&amp;R</b>					
Big Lottery Play Areas	SC	27	0	0	0
<b>Total Other E&amp;R</b>		<b>27</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Regeneration Partnerships</b>					
Industrial Estate Investment	SC	250	500	0	0
Colliers Wd- Regeneration Fund	SC	1,200	0	0	0
Mitcham Major schemes	SC	1,443	0	0	0
Restoration of South Park Gdns	SC	130	0	0	0

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Environment and Regeneration	Scrutiny Panel *	2014/15	2015/16	2016/17	2017/18
Sect106 Bottleneck Skills Grnt	SC	14	0	0	0
B611 – Comm Facilities in WTC	SC	15	0	0	0
Town Centre Investment	SC	750	878	1,037	0
Mitcham Town Centre Improvements	SC	360	0	0	0
Colliers Wood Town Centre Improvements	SC	90	0	0	0
Transport Enhancements	SC	2,500	2,500	0	0
B550 Mitcham means Business	SC	39	0	0	0
<b>Total Regeneration Partnerships</b>		<b>6,791</b>	<b>3,878</b>	<b>1,037</b>	<b>0</b>
<b>Plans and Projects</b>					
Climate Change Initiatives	SC	70	0	0	0
<b>Total Plans and Projects</b>		<b>70</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Street Lighting</b>					
Street Lighting Replacement Pr	SC	410	200	462	290
<b>Total Street Lighting</b>		<b>410</b>	<b>200</b>	<b>462</b>	<b>290</b>
<b>Street Scene</b>					
Street scene enhancements	SC	250	250	0	0
Street Tree Programme	SC	65	65	60	60
<b>Total Street Scene</b>		<b>315</b>	<b>315</b>	<b>60</b>	<b>60</b>
<b>Transport for London</b>					
Unallocated	SC	1,927	1,310	1,271	0
<b>Total Transport for London</b>		<b>1,927</b>	<b>1,310</b>	<b>1,271</b>	<b>0</b>
<b>Traffic and Parking Management</b>					
Traffic Schemes	SC	135	135	150	156
<b>Total Traffic and Parking Management</b>		<b>135</b>	<b>135</b>	<b>150</b>	<b>156</b>
<b>Transport and Plant</b>					
Replacement of Fleet Vehicles	SC	590	500	500	500
Network Rail	SC	9	0	0	0
<b>Total Transport and Plant</b>		<b>599</b>	<b>500</b>	<b>500</b>	<b>500</b>
<b>Safer Merton - CCTV &amp; ASB</b>					
CCTV (match funding)	SC	145	0	0	0
<b>Total Safer Merton - CCTV &amp; ASB</b>		<b>145</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Environmental Health</b>					
Small Repairs Grant	SC	40	40	60	60
<b>Total Environmental Health</b>		<b>40</b>	<b>40</b>	<b>60</b>	<b>60</b>
<b>Waste Operations</b>					
Alley Gating Scheme - Fly Tip	SC	20	20	20	20
Re-use/recycling Site Maintena	SC	40	40	0	0
GPS Vehicle Tracking	SC	130	0	0	0
<b>Total Waste Operations</b>		<b>190</b>	<b>60</b>	<b>20</b>	<b>20</b>
<b>TOTAL</b>		<b>15,920</b>	<b>19,900</b>	<b>7,204</b>	<b>4,555</b>

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<b>Community and Housing</b>	<b>Scrutiny Panel *</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>
		<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
<b>Adult Social Care</b>					
Laptops for Other Staff	HCOP	60			
CareFirst report Development	HCOP	14	0	0	0
Excel Add-ins	HCOP	3			
Captive E-Learning CareFirst	HCOP	8	0	0	0
Telehealth	HCOP	44	0	0	0
Replacement SC System	HCOP	971	0	0	0
<b>Total Adult Social Care</b>		<b>1098</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Housing</b>					
8 Wilton Road	SC	480	0	0	0
Disabled Facilities Grant	SC	1,224	724	724	280
Western Road *	SC	760	0	0	0
<b>Total Housing</b>		<b>2,464</b>	<b>724</b>	<b>724</b>	<b>280</b>
<b>Libraries</b>					
Relocation of Colliers Wood Library	SC	0	0	550	0
Library Self Service IT	SC	0	350	0	0
<b>Total Libraries</b>		<b>0</b>	<b>350</b>	<b>550</b>	<b>0</b>
<b>Total</b>		<b>3,574</b>	<b>1,074</b>	<b>1,274</b>	<b>280</b>

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Department	2014/15	2015/16	2016/17	2017/18
	£000s	£000s	£000s	£000s
Corporate Services	738	689	(10)	2,806
Children, Schools and Families	1,352	3,203	200	9,845
Environment and Regeneration	1,589	(258)	(308)	4,835
Community and Housing	0	350	0	0
<b>Total</b>	<b>3,679</b>	<b>3,984</b>	<b>(108)</b>	<b>17,486</b>

Corporate Services	Scrutiny Panel *	2014/15	2015/16	2016/17	2017/18
		£000s	£000s	£000s	£000s
<b>Infrastructure&amp;Transactions</b>					
Transformation (IT) - I&T**	OSC		(11)		
IT SD Stability**	OSC			(10)	1,806
Multi-Function Devices (MFDs)	OSC	200	200	200	
<b>Business Improvement</b>					
<b>Resources</b>					
Improving Information Systems	OSC	538			
<b>Corporate</b>					
Capital Bidding Fund	OSC		500		
<b>FM Capital Works</b>					
Energy Utilities Invest to Save	SC				150
Invest to Save schemes - General	OSC				150
Water Safety Works	OSC				150
Asbestos Works	OSC				250
FM Capital Works - Facilities	OSC				300
<b>Total</b>		<b>738</b>	<b>689</b>	<b>(10)</b>	<b>2,806</b>

\* OSC= Overview and Scrutiny Commission, CYP = Children and Young People, HCOP = Healthier Communities and Older People SC = Sustainable Communities,

\*\* Negative growth in the capital programme is as a result of identifying some works as revenue rather than capital as part of on-going reviews of the programme.

Children, Schools and Families	Scrutiny Panel *	2014/15	2015/16	2016/17	2017/18
		£000s	£000s	£000s	£000s
School expansion 19FE to 25FE (Garfield)**	CYP	(29)			
24 FE School to be Confirmed	CYP				1600
25 FE School to be Confirmed	CYP				1600
Primary School Expansion Contingency	CYP	569	2,565		
Primary School autism unit	CYP		238		
<b>Primary School Expansions</b>		<b>540</b>	<b>2,803</b>	<b>0</b>	<b>3,200</b>
Schools Capital Maintenance and Accessibility	CYP	100	200	200	600
Free School Meals	CYP	437			
Secondary School expansion	CYP	0	200	0	6,045
<b>Other</b>		<b>812</b>	<b>400</b>	<b>200</b>	<b>6,645</b>
<b>Total</b>		<b>1,352</b>	<b>3,203</b>	<b>200</b>	<b>9,845</b>

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\*\* Negative growth in the capital programme is as a result of identifying some works as revenue rather than capital as part of on-going reviews of the programme



Environment and Regeneration	Scrutiny Panel *	2014/15	2015/16	2016/17	2017/18
		£000s	£000s	£000s	£000s
<b>CCTV and Anti-Social Behaviour (ASB) **</b>	SC	(13)			
<b>Environmental Health</b>					
Disabled Facilities Grant - LBM Contribution	SC	300			280
Small Repairs Grant (Private Sector Housing Programme)	SC				60
<b>Greenspaces</b>					
Tamworth Rec Interactive Water Play	SC	160			
Mitcham Common Conservators	SC	100			
<b>Highway Maintenance</b>					
Bridges and Structures	SC	110			260
<b>Footways</b>					
Footways Planned Works	SC				1,000
<b>General</b>					
Demand for Surface Water Drainage - Flooding	SC				69
Maintenance Anti-Skid and Coloured	SC				90
<b>Roads</b>					
Highways Planned Roadworks	SC			(100)	1,500
<b>Greenspaces</b>					
Parks Investment	SC				250
<b>Leisure Centres</b>					
Replacement of Leisure Centre Plant and Machinery including accelerated schemes in 2009/10	SC				300
Multi Use Games area at Commons	SC	170			
St Marks Academy Tennis	SC	56			
<b>Street Scene</b>					
Street tree programme (25 year programme)	SC				60
<b>Street Lighting</b>					
Street Lighting Replacement Programme	SC	110			290
<b>Transport for London</b>					
Transport for London	SC	626	(228)	(228)	
<b>Transport and Plant</b>					
Replacement of Fleet Vehicles	SC				500
<b>Waste**</b>	SC	(30)	(30)	20	20
<b>TOTAL</b>		<b>1,589</b>	<b>(258)</b>	<b>(308)</b>	<b>4,835</b>

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\*\* Negative growth in the capital programme is as a result of identifying some works as revenue rather than capital as part of on-going reviews of the programme

### Community and Housing

Community and Housing	Scrutiny Panel *	2014/15	2015/16	2016/17	2017/18
		£000s	£000s	£000s	£000s
Library Self Service IT	SC	0	35 0	0	0
<b>Total Community and Housing</b>		<b>0</b>	<b>350</b>	<b>0</b>	<b>0</b>

<b>Corporate Services</b>	<b>Scrutiny Panel*</b>	<b>Indicative 2018/19 Budget</b>	<b>Indicative 2019/20 Budget</b>	<b>Indicative 2020/21 Budget</b>	<b>Indicative 2021/22 Budget</b>	<b>Indicative 2022/23 Budget</b>
		£000s	£000s	£000s	£000s	£000s
<b>Information Technology</b>						
Planned Replacement Programme	OSC	560	575	860	770	0
ITSD Enhancements	OSC	275	0	0	0	0
<b>Total Information Technology</b>		<b>835</b>	<b>575</b>	<b>860</b>	<b>770</b>	<b>0</b>
<b>Facilities Management</b>						
Energy Utility Invest to Save	SC	150	150	150	150	150
Invest to Save schemes-General	OSC	150	150	150	150	150
Water Safety Works	OSC	100	75	50	25	25
Asbestos Safety Works	OSC	250	250	250	250	250
Capital Works - Facilities	OSC	300	300	300	300	300
<b>Total Facilities Management</b>		<b>950</b>	<b>925</b>	<b>900</b>	<b>875</b>	<b>875</b>
<b>Information Technology</b>						
Planned Replacement Programme	OSC	560	575	860	770	0
ITSD Enhancements	OSC	275	0	0	0	0
<b>Total Information Technology</b>		<b>835</b>	<b>575</b>	<b>860</b>	<b>770</b>	<b>0</b>
<b>TOTAL</b>		<b>1,785</b>	<b>1,500</b>	<b>1,760</b>	<b>1,645</b>	<b>875</b>

Children, Schools and Families	Scrutiny Panel*	Indicative 2018/19 Budget	Indicative 2019/20 Budget	Indicative 2020/21 Budget	Indicative 2021/22 Budget	Indicative 2022/23 Budget
		£000s	£000s	£000s	£000s	£000s
<b>Primary School Expansions</b>						
23 FE School Expansion	CYP	2,575	1,600	0	0	0
24 FE School Expansion	CYP	1,600	1,600	0	0	0
25 FE School Expansion	CYP	1,600	1,600	0	0	0
<b>Total Primary School Expansions</b>		<b>5,775</b>	<b>4,800</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other</b>						
Schs Cap Maint & Accessibility	CYP	600	600	600	600	600
Perseid	CYP	850	850	0	0	0
Secondary School expansion	CYP	20,353	0	6,000	4,158	3,320
<b>Total Other</b>		<b>21,803</b>	<b>1,450</b>	<b>6,600</b>	<b>4,758</b>	<b>3,920</b>
<b>TOTAL</b>		<b>27,578</b>	<b>6,250</b>	<b>6,600</b>	<b>4,758</b>	<b>3,920</b>

Community and Housing	Scrutiny Panel*	Indicative 2018/19 Budget	Indicative 2019/20 Budget	Indicative 2020/21 Budget	Indicative 2021/22 Budget	Indicative 2022/23 Budget
		£000s	£000s	£000s	£000s	£000s
Disabled Facilities Grant	SC	280	280	280	280	280
<b>TOTAL</b>		<b>280</b>	<b>280</b>	<b>280</b>	<b>280</b>	<b>280</b>

Environment and Regeneration	Scrutiny Panel*	Indicative 2018/19 Budget	Indicative 2019/20 Budget	Indicative 2020/21 Budget	Indicative 2021/22 Budget	Indicative 2022/23 Budget
		£000s	£000s	£000s	£000s	£000s
<b>Footways Planned Works</b>						
Repairs to Footways	SC	1,000	1,000	1,000	1,000	1,000
<b>Total Footways Planned Works</b>		<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>
<b>Greenspaces</b>						
Parks Investment	SC	350	350	350	350	350
<b>Total Greenspaces</b>		<b>350</b>	<b>350</b>	<b>350</b>	<b>350</b>	<b>350</b>
<b>Highways General Planned Works</b>						
Surface Water Drainage	SC	69	69	69	69	69
Highways bridges & structures	SC	260	260	260	260	260
Maintain AntiSkid and Coloured	SC	90	90	90	90	90
<b>Total Highways General Planned Works</b>		<b>419</b>	<b>419</b>	<b>419</b>	<b>419</b>	<b>419</b>
<b>Highways Planned Road Works</b>						
Borough Roads Maintenance	SC	1,600	1,600	1,600	1,600	1,600
<b>Total Highways Planned Road Works</b>		<b>1,600</b>	<b>1,600</b>	<b>1,600</b>	<b>1,600</b>	<b>1,600</b>
<b>Leisure Centres</b>						
Leisure Centre Plant & Machine	SC	300	300	300	300	300
<b>Total Leisure Centres</b>		<b>300</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>300</b>
<b>Street Lighting</b>						
Street Lighting Replacement Pr	SC	509	535	0	0	0
<b>Total Street Lighting</b>		<b>509</b>	<b>535</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Street Scene</b>						
Street Tree Programme	SC	60	60	60	60	60
<b>Total Street Scene</b>		<b>60</b>	<b>60</b>	<b>60</b>	<b>60</b>	<b>60</b>
<b>Traffic and Parking Management</b>						
Traffic Schemes	SC	306	306	306	306	306
<b>Total Traffic and Parking Management</b>		<b>306</b>	<b>306</b>	<b>306</b>	<b>306</b>	<b>306</b>
<b>Transport and Plant</b>						
Replacement of Fleet Vehicles	SC	500	500	500	500	500
<b>Total Transport and Plant</b>		<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>
<b>Environmental Health</b>						
Small Repairs Grant	SC	60	60	60	60	60
<b>Total Environmental Health</b>		<b>60</b>	<b>60</b>	<b>60</b>	<b>60</b>	<b>60</b>
<b>Waste Operations</b>						
Alley Gating Scheme	SC	20	20	20	20	20
<b>Total Waste Operations</b>		<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>
<b>TOTAL</b>		<b>5,124</b>	<b>5,150</b>	<b>4,615</b>	<b>4,615</b>	<b>4,615</b>

# **A) TREASURY MANAGEMENT POLICY STATEMENT**

## **1. Introduction**

### **1.1 Background and Treasury Management Policy Statement**

The London Borough of Merton's treasury management activities spans across the management of its investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks.

The successful identification, monitoring and control of risk is the prime criteria by which the effectiveness of its treasury management activities will be measured.

The investment environment we operate in remain difficult, whilst counterparty risk appears to have eased, it remains at elevated levels and economic forecast abound with uncertainty. The Council will continue to scrutinise all investment opportunity or products before use regardless of whether other council's are investing in such.

### **1.2 Statutory requirements**

The Local Government Act 2003 (the Act) as amended in 2011 and supporting regulations, requires the council to 'have regard to' the Chartered Institute of Public Finance and Accountancy's (CIPFA) Prudential Code and the CIPFA Treasury Management Code of practice to set Prudential and Treasury Indicators for the next three years and to ensure that the council's capital investment plans are affordable, prudent and sustainable. The Act requires the council to set out its treasury strategy for borrowing and to prepare an Annual Investment Strategy. CIPFA revised code of practice on treasury management has also been adopted.

### **1.3 Balanced Budget Requirement**

Section 33 of the Local Government Finance Act 1992 requires the council to set a balanced budget. This therefore means that increases in capital expenditure must be limited to a level whereby increases in charges to revenue from increases in interest charges caused by increased borrowing to finance additions to capital expenditure and any increases in running costs from new capital projects, are limited to a level which is affordable within the projected income of the council for the foreseeable future.

Part of the Treasury Management operation is to ensure that its cash flow is adequately planned, with cash being available for spend when it is needed. Provision is first made for adequate liquidity before considering investment return.

The capital plans provide a guide to the borrowing need of the council, to manage this, the council has to control and plan its long term cash flow. In addition, the management of longer term cash may involve arranging long or short dated loans, or using longer term cash flow surpluses. On some occasion and after careful thought of the S151 Officer any debt previously drawn may be restructured or repaid to meet council risk or cost objectives.

#### **1.4 The Treasury Management strategy for 2014/15 covers two main areas:**

##### **Capital Issues**

- the capital plans and the prudential indicators;
- the Minimum Revenue Provision strategy.

##### **Treasury Management Issues**

- the current treasury position as at December 2013;
- treasury indicators which will limit the treasury risk and activities of the council;
- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling and early repayment of debt review;
- the Annual Investment Strategy and alternative investment instruments;
- creditworthiness policy
- Treasury Management Principles (Appendix 5);
- cash flow policy and three year cash flow; and
- policy on use of external service providers.

These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, the Communities and Local Government (CLG) MRP Guidance, the CIPFA Treasury Management Code and the CLG Investment Guidance.

## 2. The Current Treasury Position

### 2.1 The Use of the Council's Resources and the Investment Position

The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources for example asset sales.

The table below shows the position as at 31 January 2014

<b>Year End Resources</b>	<b>2012/13 Actual £'000</b>	<b>31 Dec 2013/14 Actual £'000</b>	<b>31 March 2013/14 Estimate £'000</b>	<b>31 March 2014/15 Estimate £'000</b>
Investments	67,470	100,370	75,000	51,000
Interest on investments	978	323	729	522
Borrowing				
Long Term Borrowing	116,976	116,976	116,976	116,976
Short Term Borrowing	8,000			
<b>Total External Debt</b>	<b>124,976</b>	<b>116,976</b>	<b>116,976</b>	<b>116,976</b>
Interest on External Debt				
Long Term	6,696	5,024	6,696	6,696
Short Term	<b>6,696</b>	<b>3,270</b>	<b>6,696</b>	<b>6,696</b>
<b>Total Interest on External Debt</b>				

Interest on investments figures above do not include interest from policy investments.

2.2 The application of resources (reserves and sometimes capital receipts) to finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on investments.

## 3. The Capital Prudential Indicators

3.1 Capital expenditure plans are one of the key drivers of Treasury Management activity, the output of the capital expenditure plans is reflected in prudential indicators which are designed to provide members with an overview and confirm capital expenditure plans.

**Capital Expenditure** – this indicator is a summary of the council’s capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. It should be noted that the figures in the table below do not reflect any slippage in the capital programme.

Capital Expenditure	2012/13 Actual £'000	2013/14 Estimate £'000	2014/15 Estimate £'000	2015/16 Estimate £'000	2016/17 Estimate £'000	2017/18 Estimate £'000
Children Schools & Families	24,370	12,862	27,193	14,722	22,087	21,399
Community & Housing	1,060	1,764	3,574	1,074	1,274	280
Corporate Services	2,583	4,946	7,858	3,091	3,362	2,806
Environment & Regeneration	11,813	12,280	15,920	19,900	7,204	4,555
<b>Total Non-HRA</b>	<b>39,826</b>	<b>31,852</b>	<b>54,545</b>	<b>38,787</b>	<b>33,927</b>	<b>29,040</b>

The table below shows how the capital expenditure plans are being financed by revenue or capital resources. A short fall of resources means a borrowing need. The capital programme expenditure figures used in calculating the financing costs have been adjusted for slippage in the programme.

Capital Expenditure	2012/13 Actual £'000	2013/14 Estimate £'000	2014/15 Estimate £'000	2015/16 Estimate £'000	2016/17 Estimate £'000	2017/18 Estimate £'000
Capital Expenditure	39,826	31,852	54,545	38,787	33,927	29,040
Slippage*		1,354	9,940	-2,582	-3,780	-3,234
Total Capital Expenditure	39,826	30,498	44,605	41,369	37,707	32,274
<b>Financed by:</b>						
Capital Receipts	1,002	582	332	64	5	1
Capital Grants & Contributions	24,251	17,760	27,723	10,038	7,261	5,288
Capital Reserves						
Revenue Provisions	2,936	1,683	3,001	96	0	0
Other Financing Sources						
<b>Net financing need for the year</b>	<b>11,637</b>	<b>10,473</b>	<b>13,549</b>	<b>31,171</b>	<b>30,441</b>	<b>26,985</b>

\*Slippage includes slippage in from the previous year and out to the following year



### 3.2 The Council's Borrowing Need (the Capital Financing Requirement)

The second prudential indicator Capital Financing Requirement (CFR), this is simply the total historical outstanding capital expenditure which has not yet been paid for from either revenue or capital resources i.e. a measure of the underlying borrowing need. Any capital expenditure above, which has not immediately been paid for, will increase the CFR.

The CFR includes any other long term liabilities like PFI schemes and finance leases which have been brought onto the balance sheet. Whilst this increases the CFR, and therefore the council's borrowing requirement, it should be noted that these types of scheme include a borrowing facility and so the council is not required to separately borrow for these schemes.

This council has no Housing Revenue Account (HRA) and no new PFI schemes in 2014/15 is expected.

	2012/13 Actual £'000	2013/14 Estimate £'000	2014/15 Estimate £'000	2015/16 Estimate £'000	2016/17 Estimate £'000	2017/18 Estimate £'000
<b>Capital Financing Requirement</b>						
CFR (non-housing)	213,525	215,186	219,591	241,227	261,170	276,175
<b>Total CFR</b>	<b>213,525</b>	<b>215,186</b>	<b>219,591</b>	<b>241,227</b>	<b>261,170</b>	<b>276,175</b>
<b>Movement in CFR</b>	<b>3,177</b>	<b>1,661</b>	<b>4,405</b>	<b>21,636</b>	<b>19,943</b>	<b>15,005</b>
<b>Movement in CFR represented by</b>						
Net financing need for the year (above)	11,637	10,473	13,549	31,171	30,441	26,985
Less Capital MRP/VRP	(7,347)	(7,626)	(7,617)	(8,027)	(9,102)	(10,425)
Less Other MRP/VRP (leasing, PFI)	(1,113)	(1,186)	(1,527)	(1,508)	(1,396)	(1,555)
Less Other financing movements <ul style="list-style-type: none"> <li>• Adjustment of PFI Liability</li> <li>• Adjustment of MRP</li> </ul>						
<b>Movement in CFR</b>	<b>3,177</b>	<b>1,661</b>	<b>4,405</b>	<b>21,636</b>	<b>19,943</b>	<b>15,005</b>

#### **Actual and estimates of the ratio of financing costs to net revenue stream**

- this indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream. The indicator shows the proportion of the income received from council tax, revenue support grant and NNDR that is spent in paying the consequences of borrowing associated with delivery of capital investment i.e. principal and interest charges of long term borrowing.

	2012/13 Actual %	2013/14 Estimate %	2014/15 Estimate %	2015/16 Estimate %	2016/17 Estimate %	2017/18 Estimate %
Ratio of Financing Costs to Net Revenue Stream (Non HRA)	10.76%	10.92%	11.40%	12.80%	14.12%	15.79%

The table below shows the monetary values for the above ratio

	2012/13 Actual £'000	2013/14 Estimate £'000	2014/15 Estimate £'000	2015/16 Estimate £'000	2016/17 Estimate £'000	2017/18 Estimate £'000
Net Revenue Financing Costs	17,040	17,932	18,528	18,956	20,297	22,549
Net Financing Stream**	158,347	164,260	162,542	148,061	143,704	142,847

### Estimates of the incremental impact of capital investment decisions on council tax as at 10 February 2014

The table below shows the Incremental impact of changes in the capital programme (incorporating the effects of changes in treasury forecasts and investment decisions) on the band D council tax.

%	2012/13 Actual %	2013/14 Estimate %	2014/15 Estimate %	2015/16 Estimate %	2016/17 Estimate %	2017/18 Estimate %
<b>Council tax – band D</b>	-0.13%	1.20%	0.79%	0.57%	1.78%	2.99%

£	2012/13 Actual £	2013/14 Estimate £	2014/15 Estimate £	2015/16 Estimate £	2016/17 Estimate £	2017/18 Estimate £
Incremental Change in Capital Financing Costs	-104,000	892,000	596,000	428,000	1,341,000	2,252,000
Council Tax Base	74,816	66,981	68,087	68,087	68,087	68,087
<b>Incremental Impact on Council Tax - Band D***</b>	<b>-1.39</b>	<b>13.32</b>	<b>8.75</b>	<b>6.29</b>	<b>19.70</b>	<b>33.08</b>
Council Tax - Band D	1106.56	1106.56	1106.56	1106.56	1106.56	1106.56

\*\*\*2013/14 is actual council tax amounts, 2014/15 is proposed and remains unchanged from 2012/13. However the council tax base for future years is an approximation of future years.

#### 4. Minimum Revenue Provision (MRP)

- 4.1 The council is required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (the MRP), although it is also allowed to undertake additional voluntary payments if required (voluntary revenue provision - VRP). The Council has not made any provision for VRP in its capital expenditure.

For capital expenditure incurred before 1 April 2008 or by Supported Capital Expenditure, the MRP policy follows CLG regulations (option 1). This provides for an approximate 4% reduction in the borrowing need (CFR) each year.

From 1 April 2008 for all unsupported borrowing (including PFI and finance leases) the MRP policy will be based on the Asset Life Method – CLG regulations (option 3).

This option will be applied for any expenditure capitalised under a capitalisation direction. It should be noted that this option provides for a reduction in the borrowing need over approximately the asset's life.

Category	Depreciation (Years)
<b>Properties valued over £1m</b>	
Buildings	50
Mechanical & Electrical	20
External	20
<b>Properties valued under £1m</b>	
Buildings	40
Infrastructure (roads etc)	25
Computer software and Computer hardware	5
Large vehicles – e.g. buses, RCVs	7
Small vehicles – e.g. cars, vans	5
Other equipment e.g. CCTV	5

<b>MRP years where there is no depreciation equivalent</b>	
Land	50
Revenue Expenditure Funded by capital Under Statute e.g. Redundancy costs	20

#### 5. Treasury Management Strategy

##### 5.1 The Prospects for Interest Rates and economic forecasts

The following table gives the central position on the council's Treasury Management adviser's view on the prospects on interest rates.

Annual Average %	Bank Rate (%)	PWLB Borrowing Rates (%)			
		5 year	10 year	25 year	50 year
March 2014	0.50	2.50	3.60	4.40	4.40
June 2014	0.50	2.60	3.70	4.50	4.50
Sept 2014	0.50	2.70	3.80	4.50	4.50
Dec 2014	0.50	2.70	3.80	4.60	4.60
March 2015	0.50	2.80	3.90	4.60	4.70
June 2015	0.50	2.80	3.90	4.70	4.80
Sept 2015	0.50	2.90	4.00	4.80	4.90
Dec 2015	0.50	3.00	4.10	4.90	5.00
March 2016	0.50	3.10	4.20	5.00	5.10
June 2016	0.75	3.20	4.30	5.10	5.20
Sept 2016	1.00	3.30	4.30	5.10	5.20
Dec 2016	1.00	3.40	4.40	5.10	5.20
March 2017	1.25	3.40	4.50	5.10	5.20

Source: Capita Asset Services

The council is on the list of qualifying authorities will lend at 0.2% less than the going PWLB rates.

Funding for lending has kept a lid on interest rates in the UK and most of Europe over the past 12 months. UK strong growth of 0.7% in Q2, 0.0% in Q3 and 0.085% in Q4 has meant that unemployment is falling faster towards the threshold of 7% set by the MPC before it said it would consider an increase in Bank Rate.

A sharp fall in inflation (CPI) to 2.1% occurred in November and forward indications are that inflation will continue to be subdued. For the first time in four years UK inflation figures hit the Bank of England target level. December CPI grew 2%.

Short dated gilts experienced a sharp jump in December due to the UK growth and the US Federal Reserve announcement in December that it will start to taper its asset purchases by reducing them by \$10bn per month from January 2014. Wage inflation continues to remain significantly below CPI inflation.

The Eurozone concerns have subsided considerably however sovereign debt difficulties have not gone away.

- Investment returns are likely to remain relatively low during 2014/15 because the 7% unemployment rate is the threshold for reconsidering policy and not the trigger for rate rises according to the MPC although overnight index swap markets have priced a rate rise in Q1 2015. ;
- Interest rates are likely to change when there are fundamental changes in central bank policies in the UK and US because such changes will affect the market, will affect swap prices significantly and affect the forward rate curve.

## 5.2 Borrowing Strategy

### Current Borrowing Portfolio Position

The table below shows the CFR against the gross debt position of the council. The gross debt includes other long term liabilities like PFI and finance lease obligations.

	2012/13 Actual £'000	2013/14 Estimate £'000	2014/15 Estimate £'000	2015/16 Estimate £'000	2016/17 Estimate £'000	2017/18 Estimate £'000
External Debt at 1 April	125,039	124,976	116,976	116,976	116,976	133,913
Expected change in Debt (repayment and new debt)****	-63	-8,000	0	0	16,937	15,528
<b>Closing External Debt</b>	<b>124,976</b>	<b>116,976</b>	<b>116,976</b>	<b>119,976</b>	<b>133,913</b>	<b>149,441</b>
PFI liabilities at 1 April	38,125	37,287	36,216	34,734	33,277	31,932
Expected change in PFI Liabilities	-839	-1,071	-1,482	-1,457	-1,345	-1,481
<b>Closing PFI balance</b>	<b>37,287</b>	<b>36,216</b>	<b>34,734</b>	<b>33,277</b>	<b>31,932</b>	<b>30,451</b>
Finance Leases at 1 April	855	615	501	425	374	323
Expected Change in Finance Leases	-240	-115	-75	-51	-51	-74
<b>Closing Balance Finance Leases</b>	<b>615</b>	<b>501</b>	<b>425</b>	<b>374</b>	<b>323</b>	<b>248</b>
<b>Salix Loan</b>		<b>58</b>	<b>48</b>	<b>38</b>	<b>28</b>	<b>18</b>
<b>Salix in year movement</b>		<b>-10</b>	<b>-10</b>	<b>-10</b>	<b>-10</b>	<b>-10</b>
<b>Closing Balance Salix</b>		<b>48</b>	<b>38</b>	<b>28</b>	<b>18</b>	<b>8</b>
<b>Actual gross debt at 31 March</b>	<b>162,878</b>	<b>153,741</b>	<b>152,173</b>	<b>150,655</b>	<b>166,186</b>	<b>180,148</b>
<b>Capital Financing Requirement</b>	<b>213,525</b>	<b>215,186</b>	<b>219,591</b>	<b>241,227</b>	<b>261,170</b>	<b>276,175</b>
<b>Under/(over) borrowing</b>	<b>50,647</b>	<b>-61,958</b>	<b>-68,462</b>	<b>-92,213</b>	<b>-97,265</b>	<b>-99,039</b>

\*\*\*\*£3.967m of long term debt matures in 2017/18

The council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the CFR), has not been fully funded with loan debt as cash supporting the council's reserves, balances and cash flow has been used as a temporary measure. It should be noted that the PFI and finance lease portion of the CFR will not be funded by additional loan. This strategy is prudent as investment returns still low and counterparty risk remains to a degree. Against this background and the risks within the economic forecast, the Director of Corporate Services will monitor interest rates in financial markets to maximise short term savings. However when interest rates begin to rise faster than expected, the council will consider borrowing in advance of need than current forecast requirements show.

### **Debt Liability Benchmarking**

In defining its borrowing strategy, the council considered the true characteristics of all of the debt instruments in its portfolio, most especially the LOBO's and the various options available to the council. Consideration was given to the fact that in the current economic climate the LOBO's in the council's portfolio will not be called due to their very high interest rate. Should they be called, replacement borrowing will not be required because the council will have cash available in 2014/15 to meet the call options based on the current estimates of the use of internal borrowing for the capital program. However future estimated use of cash to temporarily fund the capital program may be affected.

All Counter parties were contacted and most responded citing a minimum rate they would consider reviewing the call option on the LOBO was over 3%. Bank of England rate is currently 0.50% with rates not expected to rise to 1.00% before Q1 2015.

The borrowing strategy to temporarily finance its capital program, led the council to consider setting a minimum amount of projected liquid cash of £10m. This means that cash outflows for capital purposes would primarily be met from cash investments until £10m was reached and only at that point would external borrowing be undertaken except if interest rates fall well below its borrowing trigger rate then the council will borrow in advance of need or where interest rates are expected to rise significantly. The council will review continue to review through out the year its options around higher and lower levels of cash-backed balances.

The council has given consideration to future borrowing rates for new borrowing and has set a trigger rate of 3.75% for 25 to 30 year PWLB loans.

## Treasury Risk Analysis - Debt

Whilst it is not mandatory for Local Authorities to adopt the CIPFA Risk Toolkit produced by CIPFA's Treasury Management Panel last year in relation to treasury management, the Council has chosen to participate in the risk study and adopt the risk toolkit in 2014/15 as there are some merits for the council in managing its integrated treasury management portfolio and in considering risk mitigation options for its treasury management review process and benchmarking with its peers.

### 5.3 Treasury Indicators: Limits to Borrowing Activity

**The Operational Boundary** - this is the limit beyond which external borrowing is not normally expected to exceed.

Operational boundary £'000	2012/13 Actual £'000	2013/14 Estimate £'000	2014/15 Estimate £'000	2015/16 Estimate £'000	2016/17 Estimate £'000	2017/18 Estimate £'000
External Debt	124,976	116,976	116,976	119,976	133,913	149,441
Other long term liabilities	37,902	36,765	35,159	33,679	32,273	30,707
Operational Boundary	162,262	153,192	152,173	150,655	166,186	180,148

### The Authorised Limit for external borrowing

The limit is the statutory limit determined under section 3 (1) of the Local Government Act 2003. It represents a limit beyond which external borrowing must not go over in the 3 years, and this limit when set is to be revised annually by Council. It reflects the level of external borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

	2012/13 Actual £'000	2013/14 Estimate £'000	2014/15 Estimate £'000	2015/16 Estimate £'000	2016/17 Estimate £'000	2017/18 Estimate £'000
Gross Debt	164,253	162,262	152,173	150,655	166,186	180,148
Authorised Limit	<b>182,262</b>	<b>183,192</b>	<b>212,173</b>	<b>210,655</b>	<b>226,186</b>	<b>240,148</b>

Members are required to note that these authorised limits shows the gross maximum borrowing for the year and, in year regulatory accounting changes which may affect the level of debt in the balance sheet as well as allow for any potential overdraft position and short term borrowing for cash flow purposes. All of which will be counted against the overall borrowing. The authorised limit also provides headroom for any debt rescheduling which may occur during the year and any borrowing in advance of need.

#### 5.4 Treasury Management Limits on Activity

- The table below shows the debt related treasury activity limits.

Members are asked to note that the maturity structure guidance has changed in the CIPFA 2011 guidance notes for Lenders Option Borrowers Option (LOBO) Loans, the maturity dates is now deemed to be the next call date.

As interest rates begin to rise, it may be beneficial for the council to go into some variable rate investments to avoid being locked into long term investments at low rates in a period of rising interest rates.

The table below shows the fixed and variable interest rate exposure

	2013/14	2014/15	2015/16	2016/17	2017/18
<b>Interest rate Exposures</b>	<b>Upper Estimate</b>	<b>Upper Estimate</b>	<b>Upper Estimate</b>	<b>Upper Estimate</b>	<b>Upper Estimate</b>
<b>Upper limit for fixed interest rates based on net debt</b>	100%	100%	100%	100%	100%
<b>Upper limit for variable interest rates based on net debt</b>	50%	50%	50%	50%	50%
<b>Limits on fixed interest rates:</b>					
• <b>Debt only</b>	100%	100%	100%	100%	100%
• <b>Investments only</b>	100%	100%	100%	100%	100%
<b>Limits on variable interest rates</b>					
• <b>Debt only</b>	40%	40%	40%	40%	40%
• <b>Investments only</b>	40%	40%	40%	40%	40%

The table below shows the Limits on the Maturity Structure of Borrowing

	Maturity Structure of fixed interest rate borrowing 2014/15			Maturity Structure of variable interest rate borrowing 2014/15		
	Actual at 31/01/2014	Lower	Upper	Actual 31/01/2014	Lower	Upper
Under 12 months	0.0%	0%	60%	0%	0%	50%
12 months to 2 years	0.0%	0%	60%	0%	0%	50%
2 years to 5 years	3.39%	0%	60%	0%	0%	50%
5 years to 10 years	3.68%	0%	80%	0%	0%	50%
10 years and above	92.93%	0%	100%	0%	0%	50%



## Local Indicators

The table below shows target borrowing and investment rates

	2012/13 Actual %	2013/14 Estimate %	2014/15 Estimate %	2015/16 Estimate %	2016/17 Estimate %	2017/18 Estimate %
<b>Average Investment Target Return</b>	0.81%	0.78%	0.65%	0.75%	1.00%	1.50%
<b>Long Term Borrowing Target</b>						
• Current Portfolio	5.72%	5.72%	5.72%	5.72%	5.72%	5.72%
• New Borrowing trigger rate	0	0	3.75%	3.75%	4.00%	4.00%

The average investment target return above is based on the expected target return for the following periods

Period	Overnight	7 day	1 month	3 month	6 month	12 months
Target Rate	0.20%	0.35%	0.36%	0.40%	0.47%	0.76%

### 5.5 Policy on Borrowing in Advance of Need

The London Borough of Merton will not borrow more than, or in advance of its needs, purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved CFR estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the council can ensure the security of such funds. Should interest rates reach the borrowing trigger rates of 3.75% or less then, borrowing in advance could be made within the constraints that:

- It will be limited to no more than 50% of the expected increase in borrowing need (CFR) over the three year planning period; and
- Would not look to borrow more than 24 months in advance of need. Where possible rates will be locked using forward borrowing to reduce the risk of the council holding cash in low interest rate environment.

Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism. The possibility of this happening is very slim. However should the council need to borrow in advance of need, then the following will apply.

Year	Maximum Borrowing in advance	Notes
2014/15	0%	Borrowing in advance will be limited to no more than 50% of the expected increase in borrowing need (CFR) over the period of the approved Medium Term Capital Programme, a maximum of 2 years in advance.
2015-16	No more than 50% of CFR increase	
2016-17	No more than 50% of CFR increase	
2017-18	No more than 50% of CFR increase	

### 5.6. Debt Rescheduling

The table below shows the maturity profile of the council's current debt as at 31 January 2014

	£'000	% of portfolio
less than 1 year	0	0.00
1 - 2 years	0	0.00
2 - 5 years	3,966,258	3.39
5 -10 years	4,310,000	3.68
10 -15 years	30,700,000	26.24
15- 20 years	1,000,000	0.85
20 - 25 years	11,500,000	9.83
25-30 years	13,500,000.00	11.54
30 - 35 years	0	0.00
35-40 years	7,000,000	5.98
40 -45 years	25,000,000	21.37
45-50 years	20,000,000	17.10
<b>Total</b>	<b>116,976,258</b>	<b>100.00</b>

All of the Council's LOBO's are past their call dates, however should all LOBO's be called at their next interest due date then the maturity profile will be as shown in the table below and even which is very unlikely due to interest rates being so low:

	£'000	% of portfolio
less than 1 year	63,000,000	53.86
1 - 2 years	0	0.00
2 - 5 years	1,966,258	1.68
5 -10 years	310,000	0.27
10 -15 years	26,200,000	22.40
15- 20 years	1,000,000	0.85
20 - 25 years	2,500,000	2.14
25-30 years	0.00	0.00
30 - 35 years	0	0.00
35-40 years	7,000,000	5.98
40 -45 years	15,000,000	12.82
45-50 years	0	0.00
<b>Total</b>	<b>116,976,258</b>	<b>100.00</b>

The review of redemption estimates showed that the premium to be paid on the PWLB loan portfolio total of £52.010m will be £11.359m. Estimates as at 15 January 2014 (Appendix 1).

The Director of Corporate Services will continue to review and identify any residual potential for making savings and provide cabinet with updates when such circumstances present itself. All rescheduling made will be reported to cabinet at the earliest meeting following action.

## 5.7 Key and Future Changes which may affect Treasury Management

- Future changes to money market fund valuation

Proposed EU legislative changes which will require money market funds with constant net asset value to change to variable net asset value. This will mean that investors in the fund will be liable for their share of all losses as a result of counterparty failure.

- Changes to accounting for schools

Proposals to accounting for schools in Local Authority Accounts where by payments of Dedicated Schools Grant to non-controlled schools will be recorded as payment to 3<sup>rd</sup> parties in the Income and Expenditure statement. Likely impacts are cashflow items like teachers payroll.

- Transport Infrastructure Assets

This is expected to start possibly in 2014/15 financial year. It is proposed that liabilities under PFI arrangements (for example road schemes) be recognized like they are financial liability under IAS39. It is anticipated that there will be not impact on MRP, however the impact on borrowing limits is unknown at the moment.

- Proposed changes to leasing  
Future changes to accounting for leasing may mean that the cost of service will increase along with increases in MRP and CFR which affect the underlying borrowing requirement of the Council. It is anticipated that there may be some impact on both capital and revenue income.

## **6. Annual Investment Strategy**

### **6.1 Investment Policy**

The London Borough of Merton's investment policy has regard to the CLG's Guidance on Local Government Investments ("the Guidance") and the 2011 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). The council's investment priorities will be security first, liquidity second, then return.

### **6.2 Investment Strategy**

The council does not place cash with fund managers as all of its cash is managed in house. Base rate is forecast to remain at 0.50% till Q1 2015. The forecast rates have been built on the basis that bank rate is expected to remain unchanged to around quarter one of 2015, however if interest rates do not rise then future income expectations may not be met. Local indicators /benchmark for investments set is included in paragraph 5.4 this report  
Cash available for investments will be split into three categories;

- Operational cash
- Core cash
- Strategic cash

Strategic cash will aim to be locked for longer periods of up to 12 months or more to enable the council to gain the advantage of good rates. However this is also constrained by counterparty risk. Operational cash will predominantly be overnight cash and cash locked away for less than one month.

### **6.3 Alternative investment instruments**

The Council has in the past restricted its treasury activities to simple investment structures like fixed deposits. However in today's market there are a wide range of alternative asset classes available like enhanced money market funds, corporate bonds, property funds and equity funds. There are varying degree of risks associated with each of these asset classes as such these need a good understanding of not just credit risk but interest rate/liquidity and market risk. Should the council choose to invest in these asset classes a comprehensive analysis will be conducted to understand the risk associated them.

**6.4 Investment treasury indicator and limit** - total principal funds invested for greater than 364 days. These limits are set with regard to the council's liquidity requirements and are based on the availability of funds after each year-end.

	31 Dec 2013 Actual £'m	2013/14 Estimate £'m	2014/15 Estimate £'m	2015/16 Estimate £'m	2016/17 Estimate £'m	2017/18 Estimate £'m
Estimated Principal sums invested greater than 364 days	0	20m	40m	40m	30m	30m

For its cash flow generated balances, the council will seek to utilise its, reserve accounts, 15 and 30 day notice accounts, money market funds and short-dated deposits (overnight to three months) in order to benefit from the compounding of interest.

**6.5 The use of Specified and Non-Specified Investments**

Investment instruments identified for use in the financial year are as follows:

**Specified Investments**

An investment is a specified investment if all of the following apply:

- The investment is denominated in sterling and any payments or repayments in respect of the investment are payable only in sterling;
- The investment is not a long term investment;
- The making of the investment is not defined as capital expenditure by virtue of regulation 25(1)(d) of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 [SI 3146 as amended]; and
- The investment is made with a body or in an investment scheme of *high credit quality* or with one of the following public-sector bodies:
  - The United Kingdom Government;
  - A local authority in England or Wales (as defined under section 23 of the 2003 Act).

**Non Specified Investments**

Non-Specified investments are defined as those not meeting the above criteria and exceeding 365 days in duration.

**6.6 Investment Risk Benchmarking**

These benchmarks are simple guides to maximum risk, so they may be breached from time to time, depending on movements in interest rates and counterparty criteria. The purpose of the benchmark is that officers will monitor the current and trend position and amend the operational strategy to manage risk as conditions change

Security - The council's maximum security risk benchmark for the current portfolio, when compared to these historic default tables, is:

- 0.00% historic risk of default which is not due to administrative faults when compared to the whole portfolio.
- Liquidity – in respect of this area the council seeks to maintain:
  - Bank overdraft - £1m
  - Liquid short term deposits of around £5m or more available with a week's notice.

## **6.7 Risk Management and Creditworthiness Policy**

In managing its risk, the London Borough of Merton will only use financial instruments for the prudent management of its financial affairs and never for speculative purposes.

In order to minimise the risk to investments, the council's minimum acceptable credit quality of counterparties for inclusion on its lending list is listed below. Credit ratings including viability ratings are monitored daily in the first instance as prescribed by CIPFA using daily electronic notifications of the three agencies received from the council's treasury adviser.

In addition other monitoring takes the form of;

- Review where possible daily financial news and treasury journals for news on counterparties and sovereigns;
- Receiving and reading direct mail shots from the ratings agencies;
- Share price monitoring of counterparties for early warning signals;
- Monitor other market information and pricing data such as the Credit Default Swaps via data obtained from the council's treasury adviser;
- As part of daily contact with brokers market information will be obtained;
- The counterparties exposure to sovereign debt; and
- Provisions which the counterparty has in place in compliance with Financial Services Authority (FSA) and EU rules e.g. the Individual Liquidity Adequacy Standards – Basle Committee directives.
- European Banking Association Bank Reports and European Securities Market Association report and news
- For money market funds in addition to the credit rating, the Weighted Average Maturity and the constituents counterparties will be monitored daily in addition to comprehensive month end reviews..
- The Council's aggregate exposure to counterparties including its money market constituent funds will be monitored on a monthly basis and where possible daily.

Investment instruments identified for use in the financial year are listed in Appendices 2A and 2B to this report under the categories of specified and non specified investment categories.

Apart from government owned or part owned banks, the minimum credit criteria the council will use for individual counterparties is stated below:

<b>BANKS AND BUILDING SOCIETIES MINIMUM CRITERIA ACROSS ALL THREE RATING AGENCIES</b>			
	FITCH	MOODY's	S&P
Short Term	F1	P-1	A-1
Long Term	A-	A3	A-
<b>OTHER CRITERIA</b>			
Viability / BFSR Rating	Bbb+	c-	n/a
Support	1	n/a	n/a

The rating agency support rating score remain a key criteria and only counterparties with support 1 will be used. For building societies in addition to credit criteria, the council will also use only the top ten building societies in terms of asset value. However credit quality rather than asset size or position in the league table ranking will be the main driver for selection.

	FITCH	MOODY's	S&P
Money Market Funds	AAAmf	Aaa-mf	AAAm
UK Gilts	Assume rating of UK Government Sovereign		
Government Institutions and DMADF	N/A (assume rating of UK Government Sovereign)		
Local authorities, parish councils Collateralised Deposits	N/A (assume rating of UK Government Sovereign)		
Supranational Institutions	AAA	Aaa	AAA
Multilateral Development Banks	AAA	Aaa	AAA

**Duration of use for Counterparties** - In coming to a decision on duration the Council will consider suggested duration from its adviser. Counterparties may therefore fall in to duration categories of:

- not to be used,
- use for three months or less ,
- use for six months or less,
- use for one year or less or
- use for one year or more
- use for two years or less or
- use for five years or less (this will apply to AA+ rated government debt)

The council in addition to the criteria above will also consider the sovereign ratings of each of its counterparties. This is included in Appendix 2 of this report.

## 6.8 Counterparty Downgrades

A counterparty will be removed, suspended or kept on close watch from the council's approved list on the following grounds:

- if a downgrade results in the counterparty / investment scheme no longer meeting the council's minimum criteria, its further use as a new investment will be withdrawn immediately;
- If the council is advised of movements in CDS which shows extreme market movements which may result in downgrade of an institution;
- If market information or market data indicate that there is cause for concern about a counterparty;
- If there are adverse changes to government support for banks or the support is withdrawn; and
- If the Sovereign rating of the counterparty is downgraded below the council's minimum rating for a sovereign.

There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

### Treasury Risk Analysis – Investments

The tables below show the Security/Liquidity/Yield characteristics of the council's investments as at 31 January 2014.

Portfolio Breakdown		Institution Type		Country	
Fixed Deposits	90.70%	Banks	65.51%	UK	100%
Call	9.30%	Building Societies	15.22%	Foreign ex MMF's	0%
MMF	0%	Government/L A	19.28%		
CD's	0%	MMF	0%		
		Other	0%		
<b>Total</b>	<b>100%</b>	<b>Total</b>	<b>100%</b>	<b>Total</b>	<b>100%</b>

### Maturity Structure of Investments as at 31 January 2014

	Number of Investments	£ ('000)	%
< 1 month	4	14,770	15
1 – 3 months	9	28,400	29
3 – 6 months	9	14,500	15
6 – 9 months	8	19,400	20
9 – 12 months	5	16,500	17
12 months+	1	5,000	5
<b>Total</b>		<b>98,570</b>	<b>100</b>



### **6.9 Provisions for Credit Related Losses**

If any of the council's investments appears at risk of loss due to default (i.e. this is a credit-related loss and not one resulting from a fall in price due to movements in interest rates) the council will make revenue provision of an appropriate amount. To avoid this

### **6.10 Banking Arrangements**

The council's bankers are Lloyds bank. The Council's bank accounts include some school accounts and client bank accounts managed as part of its Appointeeship role for residents that require this support. All schools are responsible for the management of their bank accounts.

From time to time the council may open bank accounts with other banks for specific reasons.

### **6.11 Country limits**

The current economic climate has not only affected companies and financial institutions, it has affected sovereigns as well. In addition to counterparty selection, due care will be placed on country selection and only approved counterparties from countries with a minimum sovereign credit rating of AA- (Appendix 3 ).

This does not mean that the council will lend to every sovereign that meets this criteria, the list will be added to, or deducted from, by officers in consultation with the Director of Corporate Services, should ratings change in accordance with this policy. The council is mindful of the fact that investments should not be concentrated in one counterparty or country apart from the UK. Therefore;

- no more than 50% of the council's aggregate investments will be placed with any non-UK country at any time;
- Countries will be monitored weekly as part of the credit rating's monitoring for appropriateness against limits suggested by the council's treasury adviser Capita Asset Services.

**6.12 Nationalised and Part Nationalised Banks** - Part nationalised UK banks – Lloyds Bank and Royal Bank of Scotland these banks will be included on the council's lending list in so far as they continue to be part nationalised or they meet the minimum ratings set by the council. When they cease to be part nationalised then they will be assessed like any other counterparty.

**6.13 Group Limits** - No more that 50% of the council's aggregate funds will be placed in any one banking group. To avoid this happening, the council will invest in a range of strong counterparties.

**6.14 Guarantee from Parent Banks** - The council will use these where the parent bank has provided an appropriate guarantee or has the necessary ratings outlined above to suggest this.

**6.15 Lending to Community Organisations and Other Third Parties** - Any loans to or investments in third parties will be made under the Well Being powers of the council conferred by section 2 of the Local Government Act 2000 or Localism Act of 2012.

The Well Being power can be exercised for the benefit of some or all of the residents or visitors to a local authority's area. The power may also be used to benefit organisations, schools or even individuals. Loans of this nature will be under exceptional circumstances and must be approved by cabinet or by delegated authority to the Director of Corporate Services.

Where it is deemed necessary additional guarantees will be sought. This will be via security against assets and/or through guarantees from a parent company.

In other instances, the council may receive soft loans from government agencies, European Economic Community agencies or organisations like Salix for energy efficiency related loans.

**6.16 Comparative Reviews** - The Council participates in various comparative and benchmarking clubs.

## **7. Cash Flow Management**

**7.1** CIPFA requires all monies to be under the control of the responsible officer and for cash flow projections to be prepared on a regular and timely basis.

Cashflow, actuals and forecast are recorded using Logotech systems. At the end of each day the net receipts and payments is either invested or borrowed to ensure that the council's bank account is kept at a minimum.

The current projection as at 31 January 2014 for 2013/14 year end is a cash balance of £75m.

### **7.2 Purchase and Corporate Credit Cards**

The use of corporate credit cards like other accounts payable methods carries significant risks. The Director of Corporate Services is responsible for ensuring that the council has appropriate controls in place to protect the council's funds.

## **8. Policy on the use of external service providers**

The council recognises CIPFA's guidance on Treasury Management that the responsibility for Treasury Management cannot be delegated outside the authority and recognises that any external service provider used by the council is to support the in-house Treasury Management function. The council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review. The council is aware of the CIPFA Treasury Management Advisors Regulation and Services issues in March 2010.

The council is also mindful of the requirements of the Bribery Act 2011 in its dealings with external providers. A copy of the Council's policy can be found in the link below.

[http://www.merton.gov.uk/democratic\\_services/w-agendas/w-nonexecreports/1115.pdf](http://www.merton.gov.uk/democratic_services/w-agendas/w-nonexecreports/1115.pdf)

## **9. Training**

A key outcome of the recent investigations into Local Authority investments is the need to ensure that all relevant Treasury Management staff receive appropriate training and knowledge in relation to these activities. Training is in-house on the job, via CIPFA seminars and training courses, via treasury adviser seminars and training courses and sometimes counterparties conduct training. In addition members of the team attend national forums and practitioner user groups.

## **10. The Localism Act**

- 10.1 A key element of the Act is the "General Power of Competence": "A local authority has power to do anything that individuals generally may do." CIPFA emphasise that where the legality of the use of derivatives is confirmed, then there is a need for a framework for their use. The council does not use derivatives. Should the need for the use of derivative arise as a requirement for managing its interest rate exposure or hedging its investments, the council will take legal advice and report to members before use.

## **11. Treasury Management Practices**

- 11.1 The 2011 code reinforces a framework of 12 Treasury Management practices (TMPs), which define the manner in which authorities seek to achieve the policies and objectives outlined in their Treasury Management policy statement. The council's detailed Treasury Management practices approved in March 2012/13 can be found on the council's intranet. An updated version is included as Appendix 5

## **12. Appendices**

### 12.1 Appendix 1– Early Repayment of Debt estimate

Appendix 2A – Specified Investments

Appendix 2B – Non Specified Investments

Appendix 3 – Approved Countries for Investment

Appendix 4 – The Treasury Management Role of the S151 Officer

Appendix 5 – Treasury Management Principles 2014/15

Appendix 6 – Cash Flow Statement 2013/14 to 2015/16

## **13. Background Papers**

- CIPFA Treasury Management in Public Services. Code of Practice and Cross –Sectional Guidance Notes 2011
- CIPFA Prudential Code for Capital Finance in Local Authorities 2013 Edition
- 2012/13 Treasury Management Strategy report
- The Guide to Local Government Finance (2013 Edition) Module 4: Treasury Management
- CIPFA Practical Considerations in Using Financial Instruments to Manage Risk in the Public Sector

## APPENDIX 1 – Early Repayment Estimates for Debt

Estimated Repayment cost for PWLB Loans as at 15 January 2014

Internal Reference Number	Type	F/V	Previous Payment	Final Payment	Loan Rate	Discount Rate	Nominal	*** Accrued Interest to 15/01/2014	*** Premium/Discount	Total Due	Counter Party
1097480120	Maturity	Fixed	30/09/2013	31/03/2023	6.62500	2.64000	310,000	6,133	100,325	416,458	PWLB
1097480121	Maturity	Fixed	30/09/2013	31/03/2024	6.50000	2.78000	12,000,000	232,932	3,941,188	16,174,119	PWLB
1097480232	Maturity	Fixed	30/09/2013	31/03/2024	6.75000	2.78000	1,700,000	34,268	595,857	2,330,125	PWLB
1098480925	Maturity	Fixed	31/10/2013	30/04/2024	5.87500	2.78000	6,000,000	75,329	1,651,316	7,726,644	PWLB
1000484711	Maturity	Fixed	31/10/2013	31/10/2024	5.00000	2.84000	5,000,000	53,425	997,294	6,050,718	PWLB
1000484981	Maturity	Fixed	31/10/2013	31/10/2024	4.75000	2.84000	1,500,000	15,226	264,560	1,779,786	PWLB
1005489969	Maturity	Fixed	20/11/2013	20/05/2035	4.45000	3.38000	2,500,000	17,678	404,369	2,922,047	PWLB
1005490706	Maturity	Fixed	21/11/2013	21/11/2031	4.25000	3.30000	1,000,000	6,637	127,341	1,133,978	PWLB
1005490967	Maturity	Fixed	25/07/2013	25/07/2055	3.95000	3.40000	10,000,000	190,466	1,218,635	11,409,101	PWLB
1005490976	Maturity	Fixed	25/07/2013	25/07/2055	3.95000	3.40000	5,000,000	95,233	609,317	5,704,550	PWLB
1006491475	Maturity	Fixed	28/10/2013	28/10/2051	4.40000	3.42000	7,000,000	68,351	1,448,734	8,517,085	PWLB
<b>Total</b>							<b>52,010,000</b>	<b>795,676</b>	<b>11,358,936</b>	<b>64,164,612</b>	

\*\*\*Accrued Interest will vary depending on when the loan is paid. \*\*\*\*Discount rate used in the calculations of the premium is valid only as at 15 January 2014

## APPENDIX 2A – Specified Investments

Organisation/Instrument/ Sovereign	Counter Party Minimum Credit Criteria												Other Data	Maximum Lending Period	Limit (Agg)			
	FITCH			MOODY			STANDARDS & POORS			S&P								
	Fitch L/T	Fitch S/T	Fitch Viability	Fitch Support	Moody L/T	Moody S/T	Moody FSR	S&P L/T	S&P S/T	Moody C	Moody A	Moody A	S&P A-1+	S&P A-1	S&P A-1	CDS DATA		
Term deposits – banks	AA-	F1+	a+	1	Aa3	P-1	C	AA-	A-1+							In range	0 – 12 months	80%
Term deposits – banks	A	F1	a	1	A2	P-1	C	A	A-1							In range	0 – 12 months	60%
Term deposits –building societies	A	F1	a	1	A2	P-1	C	A	A-1							In range	0- 12 months if within limits	30%
Term deposits – Nationalised and Part Nationalised Banks	A	F1	bb+	1	A3	P-2	D	A-	A-2							In range	0 - 12 months if within limits	80%
<b>Structured Deposits</b>																		
Term Deposits in Supranational	AAA	n/a	n/a	n/a	Aaa	n/a	a/a	AAA	n/a							n/a	0 – 12 months	90%
Money Market Funds	AAAmmf	Excellent			Aaa-mf			AAAm	AAAF							n/a	0 – 3 months	60%
Term Deposits – UK Government										Assume AA+ UK Government Sovereign rating Status							100%	
Term Deposits – LA's with or without credit ratings										Assume AA+ UK Government Sovereign rating Status							50%	
Debt Management Agency Deposit										Assume AA+ UK Government Sovereign rating Status							80%	
UK Government Gilts										Assume AA+ UK Government Sovereign rating Status							80%	
Gilt Funds and Bond Funds	AA+	n/a	n/a	n/a	Aa1	n/a	n/a	AA	n/a								0 – 12 months	50%
Certificate of Deposit	AA-	F1+	a+	1	Aa3	P-1	C	AA-	A-1+								0-12 months	30%
Corporate Bond																		
Corporate Bonds LA	AA+				Aa1			AAA								n/a	0 – 12 months	50%

Ratings will become a key criteria should the UK government sells more than 70% of its shares in a part nationalised bank

**APPENDIX 2B - Non Specified Investments** (where rating agencies have issued a counterparty with different ratings score, the lowest ratings score will apply)

Type of investment	Counter Party Minimum Credit Criteria												Other Data	Maximum Lending Period	Limit (Agg)
	FITCH			MOODY			STANDARDS & POORS			CDS DATA					
	Fitch L/T	Fitch S/T	Fitch Viability	Fitch Support	Moody L/T	Moody S/T	Moody FSR	S&P L/T	S&P S/T	AAA	AAA	AAA	In range	1 – 3 years	80%
Term Deposits in Banks	AAA	F1+	n/a	1	Aaa	P-1	-	AAA	A-1+	AAA	AAA	AAA	In range	1 – 3 years	80%
Term Deposits in Supranational	AAA	n/a	n/a	n/a	Aaa	n/a	n/a	AAA	n/a	AAA	AAA	AAA	n/a	1 – 5 years	80%
Collateralised Local Authority Deposits	AA+	n/a	n/a	n/a	Aa1	n/a	n/a	AAA	n/a	AAA	AAA	AAA	n/a	1 – 5 years	80%
Certificates of deposits issued by banks and building societies	AA	n/a	n/a	n/a	Aa3	n/a	n/a	AA-	n/a	AA-	AA-	AA-	In range	1 – 2 years	40%
Term Deposits – UK Governments	AA+				Aa1			AAA		AAA	AAA	AAA	n/a	0 – 5 years	80%
Term Deposits – LA's with or without credit ratings	Assume AA+ Status	Assume AA+ UK Government Sovereign rating	Assume AA+ UK Government Sovereign rating	Assume AA+ UK Government Sovereign rating	Assume Aa1 UK Government Sovereign rating	Assume Aa1 UK Government Sovereign rating	Assume Aa1 UK Government Sovereign rating	Assume AAA UK Government Sovereign rating	Assume AAA UK Government Sovereign rating	Assume AAA UK Government Sovereign rating	Assume AAA UK Government Sovereign rating	Assume AAA UK Government Sovereign rating	n/a	0 – 5 years	80%
Debt Management Office Deposit	AA+				Aa1			AAA		AAA	AAA	AAA	n/a	1 – 2 years	80%
UK Government Gilts	AA+				Aa1			AAA	n/a	AAA	AAA	AAA	n/a	0 – 5 years	80%
Gilt Funds and Bond Funds	AA+	n/a	n/a	n/a	Aa1			AAA		AAA	AAA	AAA	n/a	0 – 2 years	30%
Commercial Paper issuance covered by a specific UK Government (explicit) Guarantee	AA+	n/a	n/a	n/a	Aaa	n/a	n/a	AAA		AAA	AAA	AAA		0 – 2 year	20%
Commercial Paper Other	AA	n/a	n/a	1	Aa3	n/a	n/a	AA-	n/a	AA-	AA-	AA-	n/a	1 year	20%

**APPENDIX 2C – Special Investments – Local Authority Mortgage Scheme**

Should the Council place funds under the local authority mortgage scheme this is classified as special investment rather than treasury management investments and is therefore outside of the specified /non specified categories.

### APPENDIX 3

Approved countries for investments for use by the council's treasury team or countries in which the money markets the council invests in place money based on ratings as at 31 January 2014. It should however be noted that the countries on the council's approved list may change from time to time as Sovereign ratings change. Where rating agencies have awarded different ratings, the lowest credit rating will apply.

<b>Sovereign Benchmark</b>	<b>Fitch Long Term Ratings</b>	<b>Moody's Long Term Ratings</b>	<b>S&amp;P Long Term Ratings</b>
Australia	AAA	Aaa	AAA
Canada	AAA	Aaa	AAA
Denmark	AAA	Aaa	AAA
Finland	AAA	Aaa	AAA
Germany	AAA	Aaa	AAA
Luxembourg	AAA	Aaa	AAA
Norway	AAA	Aaa	AAA
Singapore	AAA	Aaa	AAA
Sweden	AAA	Aaa	AAA
Switzerland	AAA	Aaa	AAA
Hong Kong	AA+	Aa1	AAA
Netherlands	AAA	Aaa	AA+
U.K	AA+	Aa1	AAA
USA	AAA	Aaa	AA+
Abu Dhabi (U.A.E)	AA	Aa2	AA
France	AA+	Aa1	AA
Qatar	-	Aa2	AA
Belgium	AA	Aa3	AA
Saudi Arabia	AA-	Aa3	AA-



## **APPENDIX 4 The Treasury Management role of the section 151 officer**

### **The S151 officer (Director of Corporate Services)**

- recommending clauses, Treasury Management policy / practices for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular Treasury Management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the Treasury Management function;
- ensuring the adequacy of Treasury Management resources and skills, and the effective division of responsibilities within the Treasury Management function;
- ensuring the adequacy of internal audit, and liaising with external audit;
- recommending the appointment of Treasury Management external service providers.
- Approval of appropriate money market funds for the council to invest in.

## **LONDON BOROUGH OF MERTON TREASURY MANAGEMENT PRINCIPLES**

### **2014/15**

#### **TMP1 RISK MANAGEMENT**

The Director of Corporate Services – the responsible officer will implement and monitor all arrangements for the identification, management and control of treasury management risk, will report at least annually on the adequacy / suitability thereof, and will report, as a matter of urgency, the circumstances of any actual or likely difficulty in achieving the organisation's objectives in this respect, all in accordance with the procedures set out in TMP6 Reporting requirements and management information arrangements. In respect of each of the following risks, the arrangements which seek to ensure compliance with these objectives are set out in the schedule to this document.

#### **1.1 Credit and Counterparty Risk Management**

The council regards a key objective of its treasury management activities to be the security of the principal sums it invests. Accordingly, it will ensure that its counterparty lists and limits reflect a prudent attitude towards organisations with which funds may be deposited, and will limit its investment activities to the instruments, methods and techniques referred to in TMP4 Approved Instruments Methods and Techniques and listed in the schedule to this document. It also recognises the need to have, and will therefore maintain, a formal counterparty policy in respect of those organisations from which it may borrow, or with whom it may enter into other financing or derivative arrangements.

Policy on the use of credit risk analysis techniques

- The council will use credit criteria in order to select creditworthy counterparties for placing investments with.
- Credit ratings will be used as supplied from all three rating agencies - Fitch, Moodys and Standard & Poors.
- Treasury Management Consultants will provide regular updates of changes to all ratings relevant to the council.
- The treasury manager will formulate suitable criteria for assessing and monitoring the credit risk of investment counterparties and shall construct a lending list comprising maturity periods, type, group, sector, country and counterparty limits.

## **1.2 Liquidity Risk Management**

The council will ensure it has adequate though not excessive cash resources, borrowing arrangements, overdraft or standby facilities to enable it at all times to have the level of funds available to it which are necessary for the achievement of its business/service objectives. The council will only borrow in advance of need where there is a clear business case for doing so and will only do so for the current capital programme or to finance future debt maturities.

The treasury management team shall seek to minimise the balance held in the council's main bank accounts at the close of each working day. Borrowing or lending shall be arranged in order to achieve this aim. At the end of each financial day any unexpected surplus funds are transferred to the main bank account.

Bank overdraft arrangements – A £1 million net overdraft at 2% over base rate on debit balances has been agreed as part of the banking services contract. The overdraft is assessed on a group basis for the council's accounts. Separate facilities are available for the Pension Fund bank account.

- a. Short-term borrowing facilities  
The council accesses temporary loans through approved brokers on the London money market.
- b. Special payments  
Where an urgent clearing house automated payment system (CHAPS) payment is required, a CHAPS payment request form must be completed and forwarded to the Head of Transactional Services who then checks for correct required signatures and supporting paper work. Further guidance can be found on the Council's intranet.
- c. Inter account transfer  
From time to time transactions occur between the Pension Fund and the Council. Reimbursement where necessary is by inter- account transfers between both bank accounts.

## **1.3 Interest Rate Risk Management and use of Derivatives**

The council will manage its exposure to fluctuations in interest rates with a view to containing its interest costs, or securing its interest revenues, in accordance with the amounts provided in its budgetary arrangements as amended in accordance with TMP6 Reporting requirements and management information arrangements. It will achieve this by the prudent use of its approved financing and investment instruments, methods and techniques, primarily to create stability and certainty of costs and revenues, but at the same time retaining a sufficient degree of flexibility to take advantage of unexpected, potentially advantageous changes in the level or structure of interest rates. This should be the subject to the consideration and, if required, approval of any policy or budgetary implications.

The council does not use derivatives, the council's S151 Officer will ensure that any hedging tools such as derivatives are only used for the management of risk and the prudent management of financial affairs and that the policy for the use of derivatives when used will be clearly stated to members. The treasury management strategy has full details of interest rate exposure limits.

Policies concerning the use of instruments for interest rate management.

- forward dealing

Consideration will be given to dealing from forward period's dependant upon market conditions. When forward dealing is more than a 364 day period forward then the approval of the Chief Financial Officer is required.

- callable deposits

The council may use callable deposits as part as of its Annual Investment Strategy (AIS). The credit criteria and maximum periods are set out in the Schedule of Specified and Non Specified Investments appended to the AIS.

Policy on Use of LOBOS (borrowing under lender's option / borrower's option)

Use of LOBOs is considered as part of the annual borrowing strategy. All long term borrowing must be approved by the S151 Officer.

#### **1.4 Exchange Rate Risk Management**

Occasionally, the council has to make foreign exchange payments, the council will manage its exposure to fluctuations in exchange rates so as to minimise any detrimental impact on its budgeted income/expenditure levels.

#### **1.5 Refinancing Risk Management**

The council will ensure that its borrowing, private financing and partnership arrangements are negotiated, structured and documented, and the maturity profile of the monies so raised are managed, with a view to obtaining offer terms for renewal or refinancing, if required, which are competitive and as favourable to the organisation as can reasonably be achieved in the light of market conditions prevailing at the time.

It will actively manage its relationships with its counterparties in these transactions in such a manner as to secure this objective, and will avoid overreliance on any one source of funding if this might jeopardise achievement of the above.

The council will establish through its Prudential and Treasury Indicators the amount of debt maturing in any year. Any debt rescheduling will be considered when the difference between the refinancing rate and the redemption rate is most advantageous and the situation will be continually monitored in order to take advantage of any perceived anomalies in the yield curve. The reasons for any rescheduling to take place will include:

- a) the generation of cash savings at minimum risk;
- b) to reduce the average interest rate;
- c) amend the maturity profile and /or the balance of volatility of the debt portfolio.

Any rescheduling will be reported to the council at the meeting immediately following the action.

## **1.6 Legal and Regulatory Risk Management**

The council will ensure that all of its treasury management activities comply with its statutory powers and regulatory requirements. It will demonstrate such compliance, if required to do so, to all parties with whom it deals in such activities. In framing its credit and counterparty policy under TMP1 1.1 Credit and Counterparty Risk Management, it will ensure that there is evidence of counterparties powers, authority and compliance in respect of the transactions they may effect with the organisation, particularly with regard to duty of care and fees charged.

The council recognises that future legislative or regulatory changes may impact on its treasury management activities and, so far as it is reasonably able to do so, will seek to minimise the risk of these impacting adversely on the organisation.

The council will ensure that its treasury management activities comply fully with legal statute, guidance, Codes of Practice and the regulations of the council.

The council's powers to borrow and invest are contained in the Local Government Act 2003, section 12 and Local Government Act 2003, section 1. The treasury management scheme of delegation is contained in the corporate services scheme of delegation. This document contains the officers who are authorised signatories. The council's monitoring officer is the Assistant Director Corporate Governance, while the S151 Officer is the Director of Corporate Services.

## **1.7 Fraud, Error and Corruption, and Contingency Management**

Treasury tasks are segregated and adequate internal checks have been implemented to minimise risks and fraud. Procedures are documented and staff will not be allowed to take up treasury management activities until they have had proper training and are then subject to an adequate and appropriate level of supervision.

Records will be maintained of all treasury management transactions so that there is a full audit trail and evidence of the appropriate checks being carried out. Periodic backups will be made to ensure contingency of systems is available.

## **Details of Systems and Procedures to be Followed, Including Internet Services**

The council uses Logotech Treasury systems as its treasury management recording tool.

- The Corporate Services Scheme of Delegation sets out the delegation of duties to officers. While the council's constitution details delegated authority of treasury management to the Section 151 Officer.
- All loans and investments are negotiated by the treasury manager or authorised persons.
- All long term loans must be authorised by the Section 151 Officer.

### **1.8 Market Risk Management**

The council will seek to ensure that its stated treasury management policies and objectives will not be compromised by adverse market fluctuations in the value of the principal sums it invests, and will accordingly seek to protect it from the effects of such fluctuations. This is controlled mainly by setting limits on investment instruments where the principal value can fluctuate. The limits are detailed in the treasury management strategy

#### **TMP 1 SCHEDULE 1 – SPECIFIED AND NON SPECIFIED INVESTMENTS**

This is included in the treasury management strategy.

#### **TMP 2 PERFORMANCE MEASUREMENT**

##### **2.1.1 Evaluation and Review of Treasury Management Decisions**

Periodic reviews during the financial year

The Director of Corporate Services will as and when required may periodically hold treasury management review meetings with the treasury manager to review actual activity against the Treasury Management Strategy Statement and cash flow forecasts.

This will include:

- Total debt (both on-and off balance sheet) including average rate and maturity profile.
- Total investments including average rate and maturity profile and changes to the above from the previous review and against the TMSS.
- Cash flow forecast against the actual.

### **2.1.2 Annual Review after the end of the financial year**

- Annual Treasury Report will be submitted to the Full Council each year after the close of the financial year.

### **2.1.3 Comparative reviews**

Each year or on a quarterly basis, comparative reviews are undertaken to see how the performance of the council on debt and investments compares to other authorities with similar size portfolios (but allowing for the fact that Prudential and Treasury Indicators are locally set). Such reviews are: -

- CIPFA Treasury Management statistics published each year for the last complete financial year
- CIPFA Benchmarking Club
- CIPFA Risk Study
- other

## **2.2 Benchmarks and Calculation Methodology:**

### **2.2.1 Debt management**

- . Average rate on all external debt
- . Average rate on external debt borrowed in previous financial year
- . Average period to maturity of external debt
- . Average period to maturity of new loans in previous year

### **2.2.2 Investment.**

The performance of investment earnings will be measured against any of the following benchmarks: -

- in house benchmark and when necessary other benchmarks such as Bank of England base rate, 7 day LIBID un compounded, 7 day LIBID compounded weekly, 1 month LIBID and 3 month LIBID compounded quarterly

Performance will also be measured against other local authority funds with similar benchmark and parameters managed by other fund managers using the CIPFA treasury management benchmark service.

## **2.3 Policy Concerning Methods for Testing Value for money in Treasury Management**

The process for advertising and awarding contracts will be in line with the council's Contract Standing Orders and procurement guidelines.

### **2.3.1 Money-broking services**

From time to time, the council will use money broking services in order to make deposits or to borrow, and will establish charges for all services prior to using them. An approved list of firm of brokers is maintained by the treasury manager, this takes account both prices and quality of services. No firm of brokers will be given undue preference.

### 2.3.2 Consultants / advisers services

The council's treasury management adviser is Capita Asset services.



## **TMP 3 DECISION-MAKING AND ANALYSIS**

### **3.1 Funding, Borrowing, Lending, and New Instruments/Techniques:**

#### **3.1.1 Records to be kept**

The following records will be retained -

- Daily cash balance forecasts for the day and previous day
- Money market deal booking and deal approval confirmation emails
- Dealing slips for all investment and borrowing transactions
- Brokers' confirmations for all investment and temporary borrowing transactions made through brokers
- Confirmations from borrowing / lending institutions including money market fund portals
- PWLB loan confirmations
- PWLB interest due schedule
- Certificates for market loans, local bonds and other loans
- Deal confirmation letters for deals over one month
- Banking and other contract documents which the treasury team has responsibility for.

#### **3.1.2 Processes to be pursued**

- Cash flow analysis.
- Debt and investment maturity analysis
- Ledger/Logotech/Bank reconciliations
- Review of counterparty limits in addition to monitoring of counterparties
- Review of opportunities for debt restructuring
- Review of borrowing requirement to finance capital expenditure (and other forms of financing where those offer value for money)
- Performance information (e.g. monitoring of actuals against budget for debt charges, interest earned, debt management; also monitoring of average pool rate, investment returns, etc).
- Treasury contracts management

### **3.1.3 Issues to be addressed.**

#### **3.1.3.1. In respect of every treasury management decision made the council will:**

- a) Above all be clear about the nature and extent of the risks to which the council may become exposed
- b) Be certain about the legality of the decision reached and the nature of the transaction, and that all authorities to proceed have been obtained
- c) Be content that the documentation is adequate both to deliver the council's objectives and protect the council's interests, and to deliver good housekeeping
- d) Ensure that third parties are judged satisfactory in the context of the council's creditworthiness policies, and that limits have not been exceeded
- e) Be content that the terms of any transactions have been fully checked against the market, and have been found to be competitive.
- f) Ensure that adequate investigation on security of the council's funds has been conducted

#### **3.1.3.2 In respect of borrowing and other funding decisions, the council will:**

- a) consider the ongoing revenue liabilities created, and the implications for the organisation's future plans and budgets
- b) evaluate the economic and market factors that might influence the manner and timing of any decision to fund
- c) consider the merits and demerits of alternative forms of funding, including funding from revenue, use of reserves, leasing and private partnerships
- d) consider the alternative interest rate bases available, the most appropriate periods to fund and repayment profiles to use.

#### **3.1.3.3 In respect of investment decisions, the council will:**

- a) Consider the optimum period, in the light of cash flow availability and prevailing market conditions;
- b) Consider the alternative investment products and techniques available, especially the implications of using any which may expose the council to changes in the value of its capital;

## **TMP 4 APPROVED INSTRUMENTS, METHODS AND TECHNIQUES**

### **4.1 Approved Activities of the Treasury Management Operation**

- borrowing;
- lending;
- debt repayment and rescheduling;
- consideration, approval and use of new financial instruments and treasury management techniques;
- managing the underlying risk associated with the council's capital financing and surplus funds activities;
- managing cash flow;
- banking activities;
- the use of external fund managers (other than Pension Fund)
- leasing;
- Undertaking all treasury management activities for the Pension Fund including its strategy setting.

### **4.2 Approved Instruments for Investments**

**English and Welsh authorities:** The Annual Investment Strategy has a list of approved instruments.

### **4.3 Approved Techniques**

- Forward dealing
- LOBOs – lenders option, borrower's option borrowing instrument
- Structured products such as callable deposits

#### 4.4 Approved Methods and Sources of Raising Capital Finance

Finance will only be raised in accordance with the Local Government Act 2003 and within this limit the council has a number of approved methods and sources of raising capital finance. These are:

<b>On Balance Sheet</b>	<b>Fixed</b>	<b>Variable</b>
PWLB	●	●
EIB	●	●
Market (long-term)	●	●
Market (temporary)	●	●
Market (LOBOs)	●	●
Stock issues	●	●
Local temporary	●	●
Local Bonds	●	
Overdraft		●
Negotiable Bonds	●	●
Internal (capital receipts & revenue balances)	●	●
Commercial Paper	●	
Medium Term Notes	●	
Leasing (not operating leases)	●	●
Deferred Purchase	●	●

#### **Other Methods of Financing**

Government and EC Capital Grants

Lottery monies

PFI/PPP

Operating and Finance leases

Revenue Contributions

Borrowing will only be done in British Pound Sterling. All forms of funding will be considered dependent on the prevailing economic climate, regulations and local considerations. The Director of Corporate Services has delegated powers in accordance with Financial Regulations, Standing Orders and Scheme of Delegation to Officers to take the most appropriate form of borrowing from the approved sources.

#### 4.5 Investment Limits

The Annual Investment Strategy sets out the limits and the guidelines for use of each type of investment instrument.

#### 4.6 Borrowing Limits

The Treasury Management Strategy Statement and Prudential and Treasury Indicators state all appropriate limits.

## **TMP 5 ORGANISATION, CLARITY AND SEGREGATION OF RESPONSIBILITIES, AND DEALING ARRANGEMENTS**

### **5.1 Allocation of responsibilities**

#### **(i) Council (Budget)**

- receiving and reviewing reports on treasury management policies, practices and activities
- approval of annual strategy.

#### **(ii) Cabinet**

- approval of amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices
- budget consideration and approval
- approval of the division of responsibilities
- receiving and reviewing regular monitoring reports and acting on recommendations

#### **(iii) Overview and Scrutiny Commission (financial monitoring task group)**

- reviewing all treasury management reports and making recommendations to the Cabinet.

## 5.2 Principles and Practices Concerning Segregation of Duties

5.2.1 The following duties are undertaken by separate officers: -

Tasks	Duties	Responsible Officer
Dealing	• Negotiation and approval of deal	Treasury manager
	• Entering of deal into Logotech	Treasury manager/ Fund officer
	• Sending confirmation letter to counterparty (to be signed by authorised signatory)	Treasury Manager/Fund Officer
	• Checking of brokers and counterparty confirmation notes against Logotech	Fund officer
	• Reconciliation of FMIS Codes and reconciliation to bank statement	Fund Officer Treasury manager
	• Sign off of reconciliations	Fund officer
Accounting Entry	• Processing of accounting entry into FMIS (bank reconciliation team)	Bank reconciliation team
Authorisation / Payment of Deal	• Inputting CHAPS on Lloyds link	Treasury Manager/Fund officer
	• Approval of CHAPS on Lloyds link and CHAPS form authorisation	Authorisers per bank mandate

## 5.3 Statement of the treasury management duties/responsibilities of each treasury post

### 5.3.1 The responsible officer

The responsible officer is the person charged with professional responsibility for the treasury management function and in this council it is the Director of Corporate Services and is also the S151 officer. This person or delegated persons will carry out the following duties: -

- a) recommending clauses, treasury management policy / practices for approval, reviewing the same regularly, and monitoring compliance
- b) submitting regular treasury management policy reports
- c) submitting budgets and budget variations
- d) receiving and reviewing management information reports
- e) reviewing the performance of the treasury management function

- f) ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function
- g) ensuring the adequacy of internal audit, and liaising with external audit
- h) recommending the appointment of external service providers.
- i) The responsible officer has delegated powers through this policy to take the most appropriate form of borrowing from the approved sources, and to make the most appropriate form of investments in approved instruments.
- j) The responsible officer may delegate his power to borrow and invest to members of her staff. The Treasury & Insurance Manager, the fund officer. Only treasury management team staff must conduct all dealing transactions, or staff authorised by the responsible officer to act as temporary cover for leave / sickness. All treasury transactions must be authorised by the treasury manager or the S151 officer.
- k) The responsible officer will ensure that Treasury Management Policy is adhered to, and if not will bring the matter to the attention of elected members as soon as possible.
- l) Prior to entering into any capital financing, lending or investment transaction, it is the responsibility of the responsible officer to be satisfied, by reference to the council's legal department and external advisors as appropriate, that the proposed transaction does not breach any statute, external regulation or the council's Financial Regulations
- m) It is also the responsibility of the responsible officer to ensure that the council complies with the requirements of The Non-Investment Products Code (formerly known as The London Code of Conduct) for principals and broking firms in the wholesale markets.

### **5.3.2 Treasury & Insurance Manager**

The responsibilities of this post will be: -

- a) Drafting the treasury management strategy and annual report
- b) execution of transactions
- c) adherence to agreed policies and practices on a day-to-day basis
- d) maintaining relationships with counterparties and external service providers
- e) supervising treasury management staff
- f) monitoring performance on a day-to-day basis
- g) submitting management information reports to the responsible officer
- h) identifying and recommending
- i) opportunities for improved practices

### **5.3.3 The Head of the Paid Service – the Chief Executive**

The responsibilities of this post will be: -

- a) Ensuring that the system is specified and implemented
- b) Ensuring that the responsible officer reports regularly to the full Council / cabinet or General Purpose Committee on treasury policy, activity and performance.

#### **5.3.4 The Monitoring Officer**

The responsibilities of this post will be: -

- a) Ensuring compliance by the responsible officer with the treasury management policy statement and treasury management practices and that they comply with the law.
- b) Being satisfied that any proposal to vary treasury policy or practice complies with law or any code of practice.
- c) Giving advice to the responsible officer when advice is sought.

#### **5.3.5 Internal Audit**

The responsibilities of Internal Audit will be: -

- a) Reviewing compliance with approved policy and treasury management practices.
- b) Reviewing division of duties and operational practice.
- c) Assessing value for money from treasury activities.
- d) Undertaking probity audit of treasury function.

#### **5.4 Absence Cover Arrangements**

*Cover for treasury management staff will be to specific delegated staff.*

#### **5.5 Dealing Limits**

No investment deal must exceed £5million per transaction

No borrowing deal at any point in time must exceed £10 million except when existing loans are being repaid.

#### **5.6 List of Approved Brokers**

A list of approved brokers is maintained within the Treasury team and a record of all transactions recorded against them can be obtained from Logotech.

##### **Policy on Brokers' Services**

It is this council's policy to rotate business between brokers.

#### **5.7 Policy on Taping of Conversations**

The council currently does not tape conversations **but** ensures that confirmations are received from counterparties.

#### **5.8 Direct Dealing Practices**

The council will deal direct with counterparties if it is appropriate and the council believes that better terms will be available. There are certain types of accounts and facilities, however, where direct dealing is required, as follows;

- Business Reserve Accounts:
- Call Accounts:
- Money Market Funds.
- Gilt/CD purchase via custodian
- Fixed period account e.g. 15 day fixed period account



## **5.9 Settlement Transmission Procedures**

A confirmation letter signed by an authorised signatory per the council's bank mandate must be sent to the counterparty if the deal period exceeds one month. Copy of forms folder located in H: /techaccy/treasury/forms

For payments any transfer to be made via Lloyds link CHAPS system must be completed by 2.00 p.m. on the same day to ensure it is authorised. Money market funds may have earlier time deadlines.

## **5.10 Documentation Requirements**

For each deal undertaken a record should be prepared giving details of dealer, amount, period, counterparty, interest rate, dealing date, payment date(s), broker and confirmation fax, email or letter.

## **5.11 Arrangements Concerning the Management of Third-Party Funds.**

The council holds a number of trust funds, appointeeship and custody bank accounts. The cash in respect of these funds is held in the council's bank account but transactions are separately coded.

## **TMP 6 REPORTING REQUIREMENTS AND MANAGEMENT INFORMATION ARRANGEMENTS**

### **6.1 Annual Treasury Management Strategy Statement**

1. The Treasury Management Strategy Statement sets out the specific expected treasury activities for the forthcoming financial year. This strategy will be submitted the cabinet and then to the Council (budget) for approval before the commencement of each financial year.
2. The formulation of the annual Treasury Management Strategy Statement involves determining the appropriate borrowing and investment decisions in the light of the anticipated movement in both fixed and shorter-term variable interest rates. For instance, this council may decide to postpone borrowing if fixed interest rates are expected to fall, or borrow early if fixed interest rates are expected to rise.
3. The Treasury Management Strategy Statement is concerned with the following elements:
  - a) Prudential and Treasury Indicators
  - b) current Treasury portfolio position
  - c) borrowing requirement
  - d) prospects for interest rates
  - e) borrowing strategy
  - f) policy on borrowing in advance of need
  - g) debt rescheduling
  - h) investment strategy
  - i) creditworthiness policy
  - j) policy on the use of external service providers
  - k) any extraordinary treasury issue
  - l) the MRP strategy
4. The Treasury Management Strategy Statement will establish the expected move in interest rates against alternatives.

### **6.2 The Annual Investment Strategy Statement**

At the same time as the council receives the Treasury Management Strategy Statement it will also receive a report on the Annual Investment Strategy which will set out the following: -

- a) The council's risk appetite in respect of security, liquidity and optimum performance
- b) Which specified and non specified instruments the council will use
- c) The council's policy on the use of credit ratings and other credit risk analysis techniques to determine creditworthy counterparties for its approved lending list
- d) Which credit rating agencies the council will use
- e) How the council will deal with changes in ratings, rating watches and rating outlooks
- f) Limits for individual counterparties and group limits
- g) Country limits
- h) Levels of cash balances
- i) Interest rate outlook
- j) Budget for investment earnings
- k) Policy on the use of external service providers

### **6.3 The Annual Minimum Revenue Provision Statement**

This statement sets out how the council will make revenue provision for repayment of its borrowing using the four options for so doing and will be submitted at the same time as the Annual Treasury Management Strategy Statement.

### **6.4 Policy on Prudential and Treasury Indicators**

1. The council approves before the beginning of each financial year a number of treasury limits which are set through Prudential and Treasury Indicators.
2. The responsible officer is responsible for incorporating these limits into the Annual Treasury Management Strategy Statement, and for ensuring compliance with the limits. Should it prove necessary to amend these limits, the responsible officer shall submit the changes for approval to the full Council.

### **6.5 Other reporting**

- Annual report on treasury management activity
- Other management information reports

## **TMP 7 BUDGETING, ACCOUNTING AND AUDIT ARRANGEMENTS**

### **7.1 Statutory / Regulatory Requirements**

The accounts are drawn up in accordance with IFRS. The council has also has also adopted in full the principles set out in CIPFA's 'Treasury Management in the Public Services - Code of Practice' (the 'CIPFA Code'), together with those of its specific recommendations that are relevant to this council's treasury management activities.

## **TMP 8 Cash and Cash Flow Management**

### **8.1 Arrangements for Preparing Cash Flow**

Cash flow projections are prepared annually, monthly and daily. The annual and monthly cash flow projections are prepared from the previous years' cash flow records, adjusted for known changes in levels of income and expenditure, new grant allocations and changes in payments and receipts dates. These details are supplemented on an ongoing basis by information received of new or revised amounts to be paid or received as and when they are known. Logotech is used to record cashflow.

### **8.2 Bank Statements Procedures**

The council receives daily bank statements. On a daily basis download the day's bank statement into the folder below. Estimates on Logotech cash flow is updated with actuals from bank statement.

**H:\TECHACCY\TREASURY\Daily\Bank Statement Export**

## **TMP 9 MONEY LAUNDERING**

### **9.1 Proceeds of Crime Act 2002**

See council's website and intranet for Money laundering process and associated policies  
[http://intranet/anti\\_money\\_laundering\\_policy.pdf](http://intranet/anti_money_laundering_policy.pdf)

### **9.2 The Terrorism Act 2000 and updates**

See council's website and staff intranet on policy. Staff should note that. All individuals and businesses in the UK have an obligation to report knowledge, reasonable grounds for belief or suspicion about the proceeds from, or finance likely to be used for, terrorism or its laundering, where it relates to information that comes to them in the course of their business or employment

### **9.3 The Money Laundering Regulations 2007 and updates**

The council's money laundering officer is the monitoring officer. See council's website and intranet for details [http://intranet/anti\\_money\\_laundering\\_policy.pdf](http://intranet/anti_money_laundering_policy.pdf)

Treasury management and banking staff are required to familiarise themselves with all money laundering regulations.

### **9.4 Procedures for Establishing Identity / Authenticity of Lenders**

It is not a requirement under POCA for local authorities to require identification from every person or organisation it deals with. However, in respect of treasury management transactions, the council does not accept loans from individuals except during a bond issue.

All loans are obtained from the PWLB, other local authorities or from authorised institutions under the Financial Services and Markets Act 2000. This register can be accessed through the FSA website on [www.fsa.gov.uk](http://www.fsa.gov.uk).

### **9.5 Methodologies for identifying Deposit Takers**

In the course of its Treasury activities, the council will only lend money to or invest with those counterparties that are on its approved lending list. These will be local authorities, the PWLB, Bank of England and authorised deposit takers under the Financial Services and Markets Act 2000. The FSA register can be accessed through their website on [www.fsa.gov.uk](http://www.fsa.gov.uk)).

All transactions will be carried out by CHAPS or bacs for making deposits or repaying loans.

## **TMP 10 TRAINING AND QUALIFICATIONS**

The council recognises that relevant individuals will need appropriate levels of training in treasury management due to its increasing complexity.

All treasury management staff should receive appropriate training relevant to the requirements of their duties at the appropriate time.

Additionally, training may also be provided on the job and it will be the responsibility of the treasury manager to ensure that all staff under her authority receives the level of training appropriate to their duties.

### **10.1 Details of Approved Training Courses**

Treasury management staff and members will go on courses provided by our treasury management consultants, CIPFA, money brokers etc.

### **10.2 Records of Training Received by Treasury Staff**

Staff will keep records on their training.

### **10.3 Member training records**

Member training will be provided as required.

## **TMP 11 USE OF EXTERNAL SERVICE PROVIDERS**

### **11.1 Details of Contracts with Service Providers, Including Bankers, Brokers, Consultants, Advisers**

This council may employ the services of other organisations to assist it in the field of treasury management. However, it will ensure that it fully understands what services are being provided and that they meet the needs of this council, especially in terms of being objective and free from conflicts of interest.

#### **11.1.1 Banking Services**

- a) The council's supplier of banking services is Lloyds TSB Bank. The bank is an authorised banking institution authorised to undertake banking activities by the FSA
- b) The branch address is:  
Lloyds Banking Group  
25 Gresham Street, London  
EC2V 7HN

#### **11.1.2 Money-Broking Services**

The council will use money brokers for temporary borrowing and investment and long term borrowing. It will seek to give an even spread of business amongst the approved brokers.

#### **11.1.3 Consultants'/Advisers' Services**

##### **Treasury Consultancy Services**

The council receives mail shots on credit ratings, economic market data and borrowing data. In addition interest rate forecasts, annual treasury management strategy templates and from time to time the council may receive advice the timing of borrowing, lending and debt rescheduling. The performance of consultants will be reviewed by the treasury manager to check whether performance has met expectations.

#### **11.1.4 Credit Rating Information**

The council receives notifications of credit ratings from Capita Asset services.

### **11.2 Procedures and Frequency for Tendering Services**

See TMP2



## **TMP 12 CORPORATE GOVERNANCE**

### **12.1.1 List of Documents to be Made Available for Public Inspection**

- a. The council is committed to the principle of openness and transparency in its treasury management function and in all of its functions.
- b. It has adopted the CIPFA Code of Practice on Treasury Management and implemented key recommendations on developing Treasury Management Practices, formulating a Treasury Management Policy Statement and implementing the other principles of the Code.

Contained in Section 5 and Appendix 15 of the Cabinet Report

# **Appendix 6**

# **Cashflow Statements**

# **2013/14 to 2017/18**









REFDESC	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Total 2016/17
<b>TOTAL OTHER EXPENDITURE</b>													
CAPITAL EXPENDITURE	(3,142,250)	(3,142,250)	(3,142,250)	(3,142,250)	(3,142,250)	(3,142,250)	(3,142,250)	(3,142,250)	(3,142,250)	(3,142,250)	(3,142,250)	(3,142,250)	(37,707,000)
0	0	0	0	0	0	0	0	0	0	0	0	0	0
PFI RELATED PAYMENTS	(400,000)	(400,000)	(400,000)	(400,000)	(400,000)	(400,000)	(400,000)	(400,000)	(400,000)	(400,000)	(400,000)	(400,000)	(4,750,000)
DAILY DEBITS FROM CHEQU	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(1,050,000)
CHEQUES - FMIS	(3,857,750)	(3,857,750)	(3,857,750)	(3,857,750)	(3,857,750)	(3,857,750)	(3,857,750)	(3,857,750)	(3,857,750)	(3,857,750)	(3,857,750)	(3,857,750)	(46,100,000)
CHEQUES (HB/INDR/TAX)	(23,857,750)	(23,857,750)	(23,857,750)	(23,857,750)	(23,857,750)	(23,857,750)	(23,857,750)	(23,857,750)	(23,857,750)	(23,857,750)	(23,857,750)	(23,857,750)	(290,000,000)
BACS RUN FOR INVOICES	(3,479,888)	(3,479,888)	(3,479,888)	(3,479,888)	(3,479,888)	(3,479,888)	(3,479,888)	(3,479,888)	(3,479,888)	(3,479,888)	(3,479,888)	(3,479,888)	(42,000,000)
RATE SUPPORT GRANT	0	0	0	0	0	0	0	0	0	0	0	0	0
MID MONTH PAYROLL	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(42,000,000)
END MONTH PAYROLL MAIN	(2,300,000)	(2,300,000)	(2,300,000)	(2,300,000)	(2,300,000)	(2,300,000)	(2,300,000)	(2,300,000)	(2,300,000)	(2,300,000)	(2,300,000)	(2,300,000)	(27,600,000)
CHAS PAYROLL & OTHER	(34,000)	(34,000)	(34,000)	(34,000)	(34,000)	(34,000)	(34,000)	(34,000)	(34,000)	(34,000)	(34,000)	(34,000)	(408,000)
END MONTH TFFIN	(290,000)	(290,000)	(290,000)	(290,000)	(290,000)	(290,000)	(290,000)	(290,000)	(290,000)	(290,000)	(290,000)	(290,000)	(3,480,000)
TEACHERS PAYROLL	(2,800,000)	(2,800,000)	(2,800,000)	(2,800,000)	(2,800,000)	(2,800,000)	(2,800,000)	(2,800,000)	(2,800,000)	(2,800,000)	(2,800,000)	(2,800,000)	(33,600,000)
TEACHERS PENSION	(1,100,000)	(1,100,000)	(1,100,000)	(1,100,000)	(1,100,000)	(1,100,000)	(1,100,000)	(1,100,000)	(1,100,000)	(1,100,000)	(1,100,000)	(1,100,000)	(13,200,000)
HOUSING BENEFIT	(5,700,000)	(5,700,000)	(5,700,000)	(5,700,000)	(5,700,000)	(5,700,000)	(5,700,000)	(5,700,000)	(5,700,000)	(5,700,000)	(5,700,000)	(5,700,000)	(74,000,000)
H BENEFIT RUN FOR MPH	(1,700,000)	(1,700,000)	(1,700,000)	(1,700,000)	(1,700,000)	(1,700,000)	(1,700,000)	(1,700,000)	(1,700,000)	(1,700,000)	(1,700,000)	(1,700,000)	(21,800,000)
S106 PAYMENTS	(3,400,000)	(3,400,000)	(3,400,000)	(3,400,000)	(3,400,000)	(3,400,000)	(3,400,000)	(3,400,000)	(3,400,000)	(3,400,000)	(3,400,000)	(3,400,000)	(40,500,000)
INLAND REVENUE	(163,000)	(163,000)	(163,000)	(163,000)	(163,000)	(163,000)	(163,000)	(163,000)	(163,000)	(163,000)	(163,000)	(163,000)	(1,956,000)
PAYROLL PENSIONERS (GF)	(55,887,000)	(51,816,887)	(53,016,888)	(56,616,886)	(53,687,212)	(60,916,886)	(53,916,886)	(53,416,888)	(57,966,887)	(59,988,343)	(52,337,000)	(55,337,000)	(664,904,763)
<b>ESTIMATED TOTAL EXPENDITURE</b>	<b>11,326,072</b>	<b>9,446,072</b>	<b>9,240,572</b>	<b>11,036,072</b>	<b>9,536,072</b>	<b>9,040,572</b>	<b>9,656,072</b>	<b>9,206,072</b>	<b>9,610,572</b>	<b>9,156,072</b>	<b>6,966,072</b>	<b>6,670,572</b>	<b>110,890,868</b>
<b>TOTAL OTHER CREDITS</b>	<b>16,849,667</b>	<b>3,164,309</b>	<b>4,009,626</b>	<b>2,008,501</b>	<b>4,084,074</b>	<b>4,154,985</b>	<b>2,031,376</b>	<b>2,965,074</b>	<b>4,154,985</b>	<b>2,008,501</b>	<b>11,250,794</b>	<b>8,264,597</b>	<b>64,946,491</b>
TOTAL	1,200,000	1,100,000	1,100,000	1,100,000	1,100,000	1,200,000	1,100,000	1,100,000	1,100,000	970,000	410,000	546,000	12,026,000
TAX REC'D VIA ALL P	6,420,000	6,300,000	6,250,000	6,250,000	6,250,000	6,250,000	6,250,000	6,250,000	6,250,000	6,228,000	850,000	430,000	63,978,000
COUNCIL TAX D/D	4,700,000	4,700,000	4,700,000	4,700,000	4,700,000	4,700,000	4,700,000	4,700,000	4,700,000	4,700,000	4,700,000	4,700,000	46,100,000
BUSINESS RATES D/D	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000	97,200,000
DEBT OF WORKS AND PENSION	90,534	90,534	90,534	90,534	90,534	90,534	90,534	90,534	90,534	90,534	90,534	90,534	1,086,408
HOUSING BENEFIT ADMIN SUBSIDY	17,502,240	11,668,160	11,668,160	11,668,160	11,668,160	11,668,160	11,668,160	11,668,160	11,668,160	11,668,160	11,668,160	11,668,160	145,852,000
DEBT	2,813,500	0	0	2,813,500	0	0	2,813,500	0	0	2,813,500	0	0	11,254,000
PUBLIC HEALTH GRANT (DoH)	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	84,000,000
SCHOOLS PAYROLL PAYMENT	1,900,000	1,900,000	1,900,000	1,900,000	1,900,000	1,900,000	1,900,000	1,900,000	1,900,000	1,900,000	1,900,000	1,900,000	22,800,000
VAT REIMBURSEMENT	77,902,013	53,469,075	54,058,892	56,666,767	54,428,841	54,104,252	55,309,642	52,979,841	54,574,252	54,634,767	49,035,561	44,969,863	662,133,767
<b>ESTIMATED TOTAL INCOME</b>	<b>22,015,013</b>	<b>1,652,188</b>	<b>1,042,004</b>	<b>49,881</b>	<b>741,629</b>	<b>(6,812,634)</b>	<b>1,392,756</b>	<b>(437,047)</b>	<b>(3,392,635)</b>	<b>(5,353,576)</b>	<b>(3,301,439)</b>	<b>(10,367,137)</b>	<b>(2,770,996)</b>
<b>NET INCOME/ EXPENDITURE</b>	<b>(1,059,121)</b>	<b>(76,875)</b>	<b>(27,847)</b>	<b>(296,250)</b>	<b>0</b>	<b>0</b>	<b>(1,059,121)</b>	<b>(12,174)</b>	<b>(114,904)</b>	<b>(623,763)</b>	<b>0</b>	<b>(3,421,512)</b>	<b>(6,691,566)</b>
INTEREST ON DEPOSITS	(1,039,121)	(56,875)	(7,847)	(276,250)	20,000	20,000	(1,039,121)	7,826	(94,904)	(603,763)	20,000	(3,401,512)	(6,451,566)
INTEREST ON NEW LONG TERM DEBT	0	0	0	0	0	0	0	0	0	0	0	0	0
INTEREST ON SHORT TERM DEBT	0	0	0	0	0	0	0	0	0	0	0	0	0
ESTIMATED TOTAL INTEREST	0	0	0	0	0	0	0	0	0	0	0	0	0
ESTIMATED NEW DEBT	0	0	0	0	0	0	0	0	0	0	0	0	0
REPAYMENT OF DEBT	0	0	0	0	0	0	0	0	0	0	0	0	0
DISCOUNT / PREMIUM	0	0	0	0	0	0	0	0	0	0	0	0	0
ESTIMATED TOTAL PREMIUM/DISCOUNT	0	0	0	0	0	0	0	0	0	0	0	0	0
ESTIMATED CASH BALANCE	23,975,892	25,595,313	26,634,158	26,373,631	27,061,629	37,144,366	37,453,636	36,970,779	33,512,461	27,542,662	24,218,561	10,431,351	10,431,351
CLOSING BALANCE INVESTMENTS	24,000,000	25,600,000	26,600,000	26,300,000	27,000,000	37,100,000	37,400,000	37,000,000	33,500,000	27,500,000	24,200,000	10,400,000	10,400,000
BORROWING	(24,106)	(4,687)	34,158	73,631	61,629	44,366	53,636	(29,221)	12,461	42,662	18,561	31,351	31,351
<b>YEAR END CLOSING CASH BALANCE</b>	<b>(116,976,258)</b>	<b>(116,976,258)</b>	<b>(116,976,258)</b>	<b>(116,976,258)</b>	<b>(116,976,258)</b>	<b>(116,976,258)</b>	<b>(116,976,258)</b>	<b>(116,976,258)</b>	<b>(116,976,258)</b>	<b>(116,976,258)</b>	<b>(116,976,258)</b>	<b>(116,976,258)</b>	<b>(116,976,258)</b>
OUTSTANDING TEMPORARY	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)
LONG TERM DEBT	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)
ADD ESTIMATED NEW LONG TERM DEBT	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)
LESS DEBT REPAID DURING THE YEAR	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)
<b>ESTIMATED CLOSING LONG TERM DEBT</b>	<b>(116,976,258)</b>	<b>(116,976,258)</b>	<b>(116,976,258)</b>	<b>(116,976,258)</b>	<b>(116,976,258)</b>	<b>(116,976,258)</b>	<b>(116,976,258)</b>	<b>(116,976,258)</b>	<b>(116,976,258)</b>	<b>(116,976,258)</b>	<b>(116,976,258)</b>	<b>(116,976,258)</b>	<b>(116,976,258)</b>
LIABILITY BENCHMARK	(92,976,258)	(91,376,258)	(90,376,258)	(90,676,258)	(89,976,258)	(89,813,258)	(96,513,258)	(96,913,258)	(100,413,258)	(106,413,258)	(109,713,258)	(123,513,258)	(123,513,258)

REFDESC	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Total 2017/18
<b>TOTAL OTHER EXPENDITURE</b>													
CAPITAL EXPENDITURE	(2,689,500)	(2,689,500)	(2,689,500)	(2,689,500)	(2,689,500)	(2,689,500)	(2,689,500)	(2,689,500)	(2,689,500)	(2,689,500)	(2,689,500)	(2,689,500)	(26,895,000)
PFI RELATED PAYMENTS	(400,000)	(400,000)	(400,000)	(400,000)	(400,000)	(400,000)	(400,000)	(400,000)	(400,000)	(400,000)	(400,000)	(400,000)	(4,000,000)
DAILY DEBITS FROM CHEQU	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(5,000,000)
CHEQUES - FMIS	(31,310,500)	(24,310,500)	(25,610,500)	(24,510,500)	(26,310,500)	(33,310,500)	(26,310,500)	(25,810,500)	(27,810,500)	(31,310,500)	(27,310,500)	(39,310,500)	(343,226,000)
BAGS RUN FOR INVOICES	0	(3,479,888)	(3,479,888)	(3,479,888)	(3,479,888)	(3,479,888)	(3,479,888)	(3,479,888)	(3,479,887)	(2,651,343)	0	0	(30,490,439)
RATE SUPPORT GRANT	(3,500,000)	(3,400,000)	(3,400,000)	(3,400,000)	(3,400,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(36,000,000)
MID MONTH PAYROLL	(2,300,000)	(2,300,000)	(2,300,000)	(2,300,000)	(2,300,000)	(2,300,000)	(2,300,000)	(2,300,000)	(2,300,000)	(2,300,000)	(2,300,000)	(2,300,000)	(27,600,000)
END MONTH PAYROLL MAIN	(34,000)	(34,000)	(34,000)	(34,000)	(34,000)	(34,000)	(34,000)	(34,000)	(34,000)	(34,000)	(34,000)	(34,000)	(408,000)
CHAS PAYROLL & OTHER	(290,000)	(290,000)	(290,000)	(290,000)	(290,000)	(290,000)	(290,000)	(290,000)	(290,000)	(290,000)	(290,000)	(290,000)	(3,480,000)
END MONTH TIFIN	(2,800,000)	(2,800,000)	(2,800,000)	(2,800,000)	(2,800,000)	(2,800,000)	(2,800,000)	(2,800,000)	(2,800,000)	(2,800,000)	(2,800,000)	(2,800,000)	(33,600,000)
TEACHERS PAYROLL	(1,100,000)	(1,100,000)	(1,100,000)	(1,100,000)	(1,100,000)	(1,100,000)	(1,100,000)	(1,100,000)	(1,100,000)	(1,100,000)	(1,100,000)	(1,100,000)	(13,200,000)
TEACHERS PENSION	(6,000,000)	(6,000,000)	(6,000,000)	(6,000,000)	(6,000,000)	(6,000,000)	(6,000,000)	(6,000,000)	(6,000,000)	(6,000,000)	(6,000,000)	(6,000,000)	(75,500,000)
HOUSING BENEFIT	(1,600,000)	(1,600,000)	(1,600,000)	(1,600,000)	(1,600,000)	(1,600,000)	(1,600,000)	(1,600,000)	(1,600,000)	(1,600,000)	(1,600,000)	(1,600,000)	(21,000,000)
H BENEFIT RUN FOR MPH	(3,400,000)	(3,400,000)	(3,300,000)	(3,300,000)	(3,300,000)	(3,400,000)	(3,400,000)	(3,400,000)	(3,400,000)	(3,400,000)	(3,400,000)	(3,400,000)	(40,500,000)
S106 PAYMENTS	(163,000)	(163,000)	(163,000)	(163,000)	(163,000)	(163,000)	(163,000)	(163,000)	(163,000)	(163,000)	(163,000)	(163,000)	(1,956,000)
INLAND REVENUE													
PAYROLL PENSIONERS (GF)	(56,087,000)	(52,016,887)	(53,216,888)	(56,116,886)	(53,916,888)	(61,116,886)	(54,116,886)	(53,616,888)	(56,966,887)	(58,288,343)	(51,637,000)	(63,637,000)	(670,734,439)
<b>ESTIMATED TOTAL EXPENDITURE</b>	<b>11,626,072</b>	<b>9,446,072</b>	<b>9,240,572</b>	<b>11,036,072</b>	<b>9,536,072</b>	<b>9,040,572</b>	<b>9,656,072</b>	<b>9,206,072</b>	<b>9,610,572</b>	<b>9,156,072</b>	<b>7,166,072</b>	<b>7,170,572</b>	<b>111,890,868</b>
<b>TOTAL OTHER CREDITS</b>	<b>16,849,667</b>	<b>3,164,309</b>	<b>4,009,626</b>	<b>2,008,501</b>	<b>4,084,074</b>	<b>4,154,985</b>	<b>2,031,376</b>	<b>2,965,074</b>	<b>4,154,985</b>	<b>2,008,501</b>	<b>11,250,794</b>	<b>8,264,597</b>	<b>64,946,491</b>
<b>TOTAL GRANTS</b>	<b>1,300,000</b>	<b>1,100,000</b>	<b>1,100,000</b>	<b>1,100,000</b>	<b>1,100,000</b>	<b>1,200,000</b>	<b>1,100,000</b>	<b>1,100,000</b>	<b>1,100,000</b>	<b>970,000</b>	<b>410,000</b>	<b>546,000</b>	<b>12,426,000</b>
CASH REC'D VIA ALL P	6,320,000	6,300,000	6,250,000	6,250,000	6,250,000	6,250,000	6,250,000	6,250,000	6,250,000	6,250,000	1,202,012	430,000	64,252,012
MUNICIPAL TAX D/D	4,700,000	4,700,000	4,700,000	4,700,000	4,700,000	4,700,000	4,700,000	4,700,000	4,700,000	4,700,000	800,000	300,000	48,100,000
BUSINESS RATES D/D	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000	97,200,000
PORT OF WORKS AND PENSION	90,534	90,534	90,534	90,534	90,534	90,534	90,534	90,534	90,534	90,534	90,534	90,534	1,086,408
HOUSING BENEFIT ADMIN SUBSIDY	17,982,240	11,988,160	11,988,160	11,988,160	11,988,160	11,988,160	11,988,160	11,988,160	11,988,160	11,988,160	11,988,160	11,988,160	149,852,000
PUBLIC HEALTH GRANT (DoH)	2,309,050	0	0	0	0	0	2,309,050	0	0	0	0	0	9,236,200
SCHOOLS PAYROLL PAYMENT	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	84,000,000
VA REIMBURSEMENT	1,900,000	1,900,000	1,900,000	1,900,000	1,900,000	1,900,000	1,900,000	1,900,000	1,900,000	1,900,000	1,900,000	1,900,000	22,800,000
<b>ESTIMATED TOTAL INCOME</b>	<b>78,177,563</b>	<b>53,789,075</b>	<b>54,378,892</b>	<b>56,482,317</b>	<b>54,748,841</b>	<b>54,424,252</b>	<b>55,125,192</b>	<b>53,299,841</b>	<b>54,894,252</b>	<b>54,472,317</b>	<b>49,907,573</b>	<b>45,789,863</b>	<b>665,489,979</b>
<b>NET INCOME/ EXPENDITURE</b>	<b>22,090,563</b>	<b>1,772,188</b>	<b>1,162,004</b>	<b>365,431</b>	<b>831,953</b>	<b>(6,692,634)</b>	<b>1,008,306</b>	<b>(317,047)</b>	<b>(2,072,635)</b>	<b>(3,816,026)</b>	<b>(1,729,427)</b>	<b>(17,847,137)</b>	<b>(5,244,460)</b>
INTEREST ON DEPOSITS	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	180,000
INTEREST ON LEASING/LOANS													
DEBT	(1,059,121)	(76,875)	(27,847)	(296,250)	0	0	(948,520)	(12,174)	(114,904)	(623,763)	0	(3,421,512)	(6,580,965)
INTEREST ON SHORT TERM DEBT													
ESTIMATED TOTAL INTEREST													
ESTIMATED NEW DEBT						19,494,000							19,494,000
REPAYMENT OF DEBT	(1,966,268)								(2,000,000)				(3,966,268)
DISCOUNT / PREMIUM													
ESTIMATED TOTAL PREMIUM/DISCOUNT	(1,966,268)	0	0	0	0	19,494,000	0	0	(2,000,000)	0	0	0	15,527,732
ESTIMATED CASH BALANCE	30,524,295	32,272,188	33,462,004	33,765,431	34,531,953	47,301,366	48,308,306	47,982,953	43,927,365	40,183,974	38,370,573	20,452,863	30,663,272
CLOSING BALANCE INVESTMENTS	10,400,000	30,500,000	32,300,000	33,400,000	34,500,000	47,300,000	48,300,000	48,000,000	44,000,000	40,100,000	38,300,000	20,400,000	
BORROWING													
CLOSING BANK BALANCE	24,295	(27,812)	62,004	65,431	31,953	1,366	8,306	(17,047)	(72,635)	83,974	70,573	52,863	
<b>YEAR END CLOSING CASH BALANCE</b>													
OUTSTANDING TEMPORARY													
LONG TERM DEBT	(133,913,258)	(131,946,990)	(131,946,990)	(131,946,990)	(131,946,990)	(131,946,990)	(131,946,990)	(131,946,990)	(129,946,990)	(129,946,990)	(129,946,990)	(129,946,990)	(129,946,990)
ADD ESTIMATED NEW LONG TERM DEBT	1,966,268	0	0	0	0	(19,494,000)	(19,494,000)	(19,494,000)	(19,494,000)	(19,494,000)	(19,494,000)	(19,494,000)	(19,494,000)
LESS DEBT REPAID DURING THE YEAR													
ESTIMATED CLOSING LONG TERM DEBT	(131,946,990)	(131,946,990)	(131,946,990)	(131,946,990)	(131,946,990)	(151,440,990)	(151,440,990)	(151,440,990)	(149,440,990)	(149,440,990)	(149,440,990)	(149,440,990)	(149,440,990)
LIABILITY BENCHMARK	(101,446,990)	(89,646,990)	(98,546,990)	(98,246,990)	(97,446,990)	(104,140,990)	(103,140,990)	(103,440,990)	(105,440,990)	(109,340,990)	(111,140,990)	(129,040,990)	

10M 10M 10M 10M 10M 10M 10M 10M 10M 10M 10M 10M 10M 10M

# **Section B**

## **Other Key Resources**



## **B) Workforce Strategy 2014-2018**

Merton Council is undergoing a period of sustained and conscious transformation in order to best respond to the changing economic environment and customer expectations. We are working together to shape services and the organisation to ensure a successful future for our residents and staff.

We are rightly proud of our achievements over the past years, including the MJ Award for Best Achieving Council, which is testament to the quality of dedication of our workforce.

We are continuously reviewing and updating our delivery models and are at the forefront of new developments, such as partnership working including shared services and flexible working.

We want to employ people who are resilient, ambitious, disciplined in thought and action, people who can take the Council from 'good to great'.

To design the future of our services, we work on developing a Target Operating Model (TOM). TOM documents set a vision for each of the departments and detail the shape of our future business model, covering all aspects of the organisation, including: services, processes, structures, people and technology. Through this process, the Departments have identified the main developments we will have to make to best deliver our services in the future. To support this, the four strategic priorities for workforce strategy and planning are:

**Workforce planning** - Managers are equipped with the skills and competencies to successfully workforce plan to support the organisation to achieve its business objectives and outcomes.

**Recruitment and retention** - Ensure that the organisation has a clear and effective recruitment and retention system and plan of key workforce skills and behaviours, including succession planning and managing turnover.

**Organisational and workforce development** -The workforce is equipped with the skills, competencies and infrastructure to achieve cultural change and the desired organisational behaviours when creating and developing new and improved service delivery models, including flexible working, customer service and IT. To support this the Council will provide new skills, abilities and competencies for the workforce including learning and development of key skills for future service delivery.

**Morale, health and wellbeing** – The organisation understands what a healthy workforce looks like and supports staff to achieve this.

Building on the key workstreams identified within the departmental service plans, a four year workforce transformation action plan is being developed to accompany the Workforce Strategy. The final strategy and plan, mapped against the four strategic priorities will be presented to Cabinet.

## **B) PROCUREMENT PLAN**

### **OUR APPROACH**

During 2014, the Commercial Services Team will continue to build on the work which has been carried out to date both with departments and centrally, to establish an effective vehicle to identify and capture savings and best practice, mitigating commercial risk to the council in response to the unprecedented financial challenges the public sector faces.

In Children Schools and Families the team will continue to support commissioners and managers throughout the year on a wide variety of procurement activity, such as the capital build programme whilst also providing further support, advice and guidance on potential service and delivery models and other commercial matters as required.

In Adult Social Care, the team is working with colleagues in a number of ways to review and update their commercial strategy in the light of the current financial climate. For example, we are assisting with benchmarking and delivery models along as well continuing advice in relation to the use of the e-tendering system and tender specific advice. Other important tender exercises which are underway in the wider department will continue to be supported.

We are working closely with Health colleagues and have run specific training events and provided strategic commercial advice. This will continue.

For Corporate Services Department, among other things, the team will support the tendering of a number of requirements, such as lift replacement and customer contact. The Agency and Civic Centre Windows contracts have now both been let and the team will assist in contract management as required.

During 2014, we will work with departments to introduce a category management approach, which will include approach, reviewing the services around transportation, to deliver savings and improve services. The Procurement Board will retain oversight of the work.

We will also build on the improvements to procurement, governance and control which have been achieved working in partnership with the legal team and the Procurement Board. We are in the process of embedding the new Procurement Strategy, the production of which has been overseen by the Procurement Board, together with the three year rolling procurement plans which we now have for each department. The Procurement Board will focus strongly on these plans during 2014 and intends hold major reviews of each department's plans at least bi annually.

The Procurement Board also recognises the importance of proactive contract management both in terms of potential savings and management of commercial risk. This area is one where it is believed the sector can and should improve. Recognising this and the need for consistency, we will be producing and rolling a set of contract management guidelines for use by officers. Again, this will be overseen by the Procurement Board.

The Operational Procurement Groups, the operating arms of the Procurement Board are managing commercial risk effectively, jointly with departments.

Work will continue with the departments to plan training and development for Merton staff undertaking procurement activity. To complement the workshops that were delivered previously, we have introduced and will continue to run a Procurement Forum, with input from the departments. A series of drop in sessions is also planned for 2014, covering such topics as EU Procurement Regulations, contract management, e-tendering and forms of contract. To complement this, we will issue a prospectus, detailing the training and guidance we are able to make available.

Merton's new e-tendering system is now rolled out and continues to be adopted further by departments. The system allows staff to conduct RFQ's (Requests for Quotations) and tenders online, much more quickly than before. The Contracts Register has now been made available online via the E-tendering system and is accessible by the public and has helped to reduce the time spent on FOI requests.

In the South West London region Merton continues to work with neighbouring boroughs to seek out further opportunities for joint and collaborative procurement. This also provides an excellent opportunity to discuss current issues and share best practice.

Relationships between the Commercial Services Team and our partners continue to be good. Merton's commitment to the voluntary and community sector and to the Compact has been reaffirmed in the new Compact with continued emphasis on the way in which Merton carries out commissioning and procurement activity.

### **CONTRACT ACTIVITY**

The team will continue to provide strategic in relation to key contacts and a selection of tenders planned for 2014 is shown below:

Social Care Information System
Customer Contact
Civic Centre Catering
Cashless parking
NHS Health Checks
SPD Managed Service
MFD retender
Lift Replacement

## Strategic Focus

Area of Strategic Focus	April	May	June	July	Aug	Sep	Oct	Nov	a	Jan	Feb	Marc
<b>1. Improving Leadership &amp; Governance.</b>												
Build on existing governance processes - embed the Procurement Strategy and planning process.												
<b>Deliver Savings - For Direct Spend</b>												
Continue analysis of spend data. Work with departments to identify and capture savings.												
Deliver procurement related aspects of 2012/16 Business Plan												
Deliver procurement supply related aspects of previous & future Service Reviews and TOMs												
<b>Deliver Savings</b>												
In CS support improved approach to commercial activity by promoting Category Management. Initial focus on Agency and Transport contracts												
Benchmarking quality /price with other boroughs and public sector bodies												
<b>2. Developing People &amp; Improving Skills</b>												
Work with Departments to embed proficiency in the use of the e-tendering facility												
In conjunction with HR and the Departments, via OPGs undertake a review of procurement/commercial skills in plan a Workshop programme based on need												
Deliver a programme of Workshops to meet the identified L&D needs												
<b>3. Improving Processes &amp; Systems</b>												
Focus on Procurement Processes – continue to communicate and review procurement gateway processes & improve documentation on intranet including Procurement Toolkit, templates, guidance documents & general intranet pages to support staff.												
Embed use of Contract Register across council and upload on the external portal												
Build upon use of E-tendering system for tenders and contract management processes												
Work with Legal to produce and embed standard terms and conditions												

## **B) INFORMATION TECHNOLOGY STRATEGY – this strategy is currently under review**

### **1. The strategy**

- 1.1 This strategy is designed around six aims which are supported by key objectives. The strategy will influence IT components (covering customer facing technologies, business governance

support, corporate and departmental systems, infrastructure and IT governance). The strategy is linked to the layers in the target operating model (TOM).

1. Services enabled by IT must be designed around the citizen, not the provider, and delivered through modern, co-ordinated delivery channels. This will improve the customer experience, achieve better policy outcomes, and improve efficiency by leveraging delivery capacity, streamlining processes and reducing paperwork, duplication and routine processing.
2. Merton must move to a shared services culture – between the front-office and back-office, in information and in infrastructure, including partners. This will release efficiencies by standardisation, simplification and sharing.
3. There must be broadening and deepening of Merton's professionalism in terms of the planning, delivery, management, skills and governance of IT enabled change. This will result in more successful outcomes, fewer costly delivery failures, and increased confidence by citizens and councillors in the delivery of change through effective use of IT.
4. There must be a systematic focus on innovation to exploit opportunities not only of installed technology, but also new and emerging products. This will lead to more effective introduction of newer technologies and enable faster business change.
5. There must be a focus on processes and outcomes that are underpinned by appropriate technology and a move away from tactical solutions. This will assist in the deployment of end to end solutions that overcome departmental boundaries and focus on deliverables.
6. There must be effective management of ICT to support the delivery of services to meet the other five strategic aims.

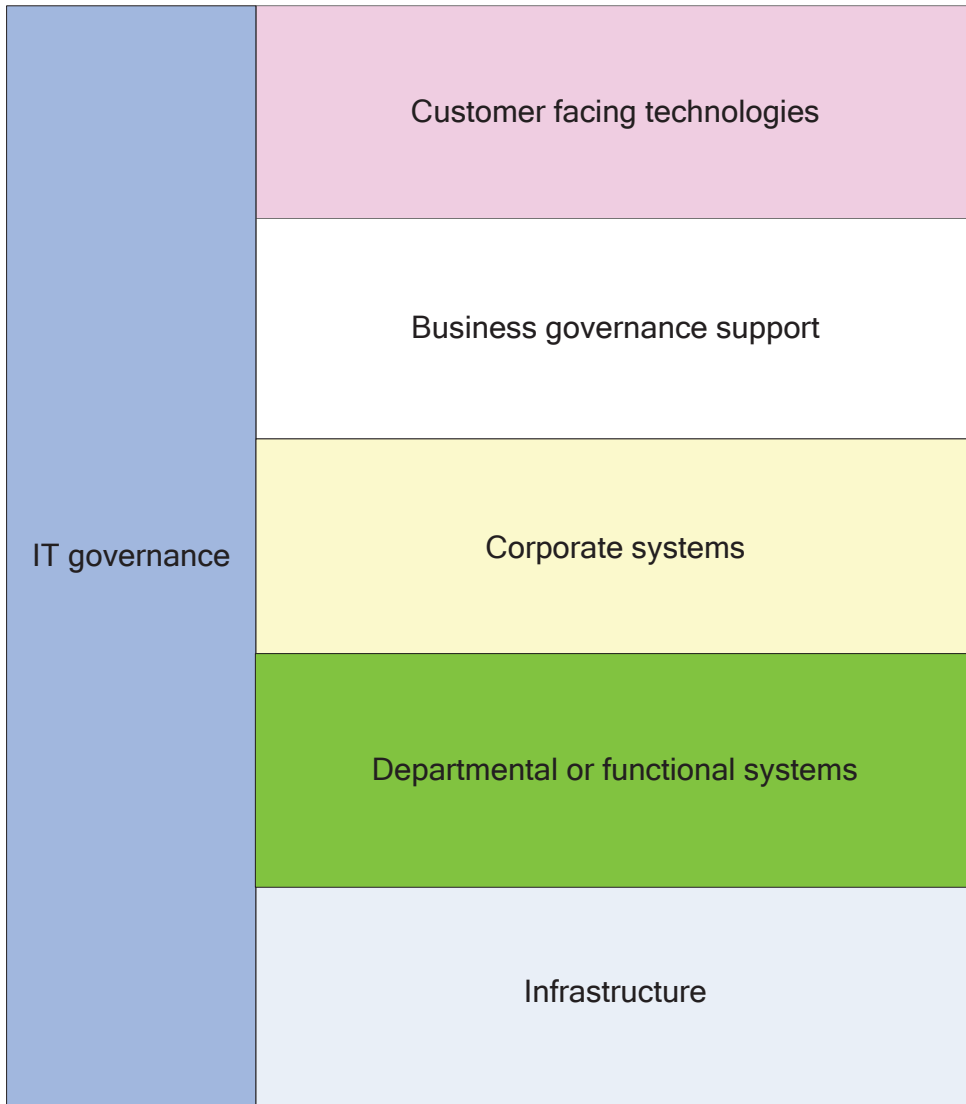
## 2. Design principles

2.1 In order to deliver the strategic aims and objectives, the following design principles will be deployed:

<b>Design principles</b>
Systems supporting services will be designed with customers in mind. They will be delivered via a customer interface with agreed standards. Regardless of the access channel chosen by the customer, they will get the same experience with consistent answers. Customer data will be stored consistently across various systems.
The strategy will support the concept of 'tell us once'. Where possible, evidential items (such as proof of age or residence) will be re-used to reduce the burden on customers. This will also include citizens signing in and reviewing their own data by use of dual factor authentication.
Service delivery will be designed with shared services in mind. In particular, IT will support the move of service delivery to the front office (web, contact centre and Merton Link). The strategy will support the concept of developing shared services with other authorities.
The strategy will support the rationalisation of systems. Tasks such as systems administration will be streamlined.
The need for innovation will be understood, but more importantly, this will be linked to the potential benefits to the council. Risk of innovative ideas will be managed through careful planning and control.
Technology solutions will be in place to underpin automation of processes. It will be possible to model changes to processes before implementation.
Portals will be available on the intranet for each of these, enabling access to information for decision making without reference to skilled technical staff or time-consuming searches for information.
Key data sources will be brought together systematically to provide a comprehensive but a trusted management information system that can be used by decision makers.
The strategy will support an infrastructure that is based on resilient services, shared infrastructure and a formal disaster recovery plan.
Documents will be available electronically at point of use. Paper records will be imaged. All incoming mail will only enter the processing systems electronically.
The strategy supports the mixed economy model of service delivery, namely in-house, shared services and outsourced.
Systems and infrastructure will be geared towards flexibility in methods of working. Staff will be able to move desk location or working style with minimum disruption. Telephone systems and printing will follow the worker. Secure systems will be in place to ensure data protection.
Data storage will be designed around the life of data and to comply with information governance policies. Duplication of data will be electronically managed to single instances. Data will be stored and deleted in line with retention policies.

## 3. IT strategy – components

3.1 The diagram below provides a high level view of the components making up this strategy. Details of each component are provided in the **detailed strategy document** as well as how the strategic aims and design principles are addressed.



# **Section C**

## **Risk Management Strategy**



## **C) RISK MANAGEMENT STRATEGY**

### **Introduction**

Risk management should take place at every level within the council and across our partnerships. Risk management should be a central part of any organisation's strategic management and should be seen as the means by which business opportunities are maximised and potential losses associated with unwanted events are reduced.

Local authorities are under increasing external pressure to improve outcomes for the public and at the same time reduce costs. As such the council is required to rethink how it operates in order to achieve its desired outcomes. Risks have to be understood, managed and controlled if we are to meet our objectives and therefore we need to ensure that we have a robust system of risk management in place. This will ensure that decisions are made on the best available information and the likelihood of success is increased.

### **Risk Management Strategy**

The process of identifying and evaluating risks is known as risk assessment. By understanding the risks we face we are able to be actively aware of where uncertainty surrounding events or outcomes exists and therefore identify steps that can be taken to protect the council, its staff, residents, customers and assets from these risks.

This strategy sets out to provide a structured approach to identifying emerging risks as well as assessing and managing current risk. It builds in a process for regularly reviewing and updating identified risks.

This strategy will be reviewed on annual basis and updated where required.

### **What is risk?**

Risk is the threat that an event or action may adversely affect an organisation's ability to achieve its objectives and to successfully execute its strategies'. A risk can be a threat, obstacle, barrier, concern, problem or event that may prevent us fulfilling our objectives.

Risks should not be confused with issues. Issues are current problems, questions, outstanding items, tasks or a request that is here today. There is a strong element of fact surrounding it. An issue becomes a risk when the issue cannot be addressed and could continue or get worse.

### **Definitions of Risk Management**

Risk Management is the process by which organisations methodically address risks with the goal of achieving sustained benefit within each activity and across the portfolio of all activities.

Organisations exist to achieve their ambitions, aims and objectives. Risk management is the process of how we identify the risks that may prevent us from achieving this, enabling us to anticipate, identify, manage, and where possible mitigate these risks. Ultimately, risk management is about creating a better understanding of the most important problems facing our organisation.

As risk is very much concerned with our objectives, the management of it will be closely linked to the creation of our strategic, service, project and partnership objectives and plans. The established processes for the creation of these plans will act as an "anchor" for the risk management process.

Risk is also implicit in the decisions we make; how we make those decisions will affect how successful we are in achieving our objectives. Decision making is, in turn, an integral part of the day

to day existence and is particularly prominent in times of change. Risk management therefore is a key component in the management of change and to decision making.

Our risk management process will be continuous and will support internal and external change. The risk management process will be fully integrated with the normal business management processes across the authority.

By being aware of and managing the risks we face, it is more likely that we will achieve our objectives and that, should a risk occur, we will be better placed to deal with it.

We endeavour to identify all risks facing the council and to monitor, manage and mitigate (where possible) all those risks which are deemed to be high (scored Amber or Red). Risks are monitored via Departmental Risk Registers, and key crosscutting risks to the council are placed on the Key Strategic Risk Register (KSRR).

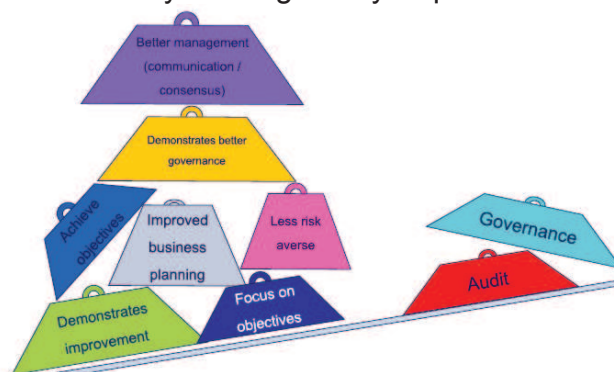
Merton's aims and objectives in relation to risk management are to:

- Establish and maintain a robust framework and procedures for the identification, analysis, assessment and management of risk, including reporting and recording.
- To not expose the council to unacceptable levels of risk, minimise injury, damage, loss and inconvenience to staff, residents and service users.
- Integrate risk management into the day to day activities of staff and the culture of the organisation, raising awareness of the importance and need for risk management.
- Ensure consistent application of our methodology across all of our activities, including partnerships and projects.
- Effectively manage the total cost of risk.

### **The benefits and National drivers behind risk management**

We are required to undertake risk management as it forms part of the Annual Governance Statement, we must demonstrate a systematic strategy, framework and process for managing risk. The council recognises that the benefits of risk management far outweigh the requirement to undertake the activity and such benefits include;

- Achieving our ambitions, aims and objectives as key risks are managed.
- Better decision making as we are more aware of risk.
- Ability to take advantage of opportunities because we understand the risks attached to them.
- Better governance and the ability to demonstrate it to our stakeholders.
- Reduction in failure, loss, damage and injury caused by risk
- Improvement in ability to adapt to change
- Improvement in corporate governance
- Compliance with statutory and regulatory requirements



### **Risk management awareness**

Ensuring awareness of risk management will be undertaken on an on-going basis through training sessions, reviews, departmental meetings, briefings and staff bulletins. Each department has a risk champion who will be able to offer guidance to staff where required. The [risk management intranet page](#) will be regularly reviewed and staff will be signposted to the information they need to pro-actively identify and manage risk e.g. the risk management toolkit and guidance.

### **Risk Appetite**

The council recognises that its risk appetite to achieve its corporate priorities identified within its business plan could be described in general as an informed and cautious approach. Where significant risk arises, we will take effective control action to reduce these risks to an acceptable level.

It is also recognised that a higher level of risk may need to be taken, for example to support innovation in service delivery. To offset this there are areas where the council will maintain a very cautious approach for example in matters of compliance with the law, and public confidence in the council, supporting the overall informed and cautious position on risk.

## How does risk management fit in?

Risk management links closely with Health and Safety, Business Continuity, Emergency Planning and Insurance, by ensuring close links we can enhance the resilience of the organisation . Generally, a single issue or risk will fall into only one of these categories; however some may fall into two or more. As Business Continuity is a way of mitigating risk, the link with risk management is key to ensuring the continuous delivery of services that are important to the community.



## Risk management in projects

Risk management is a key part of the ongoing management of projects and partnerships and is clearly defined in [Merton's Approach to Projects \(MAP\)](#).

## Risk management in partnerships

The council is involved in a wide range of partnerships to achieve our ambitions, aims and objectives. It is vital we assess the risks to achievement within our key partnerships, and ensure that they are monitored regularly.

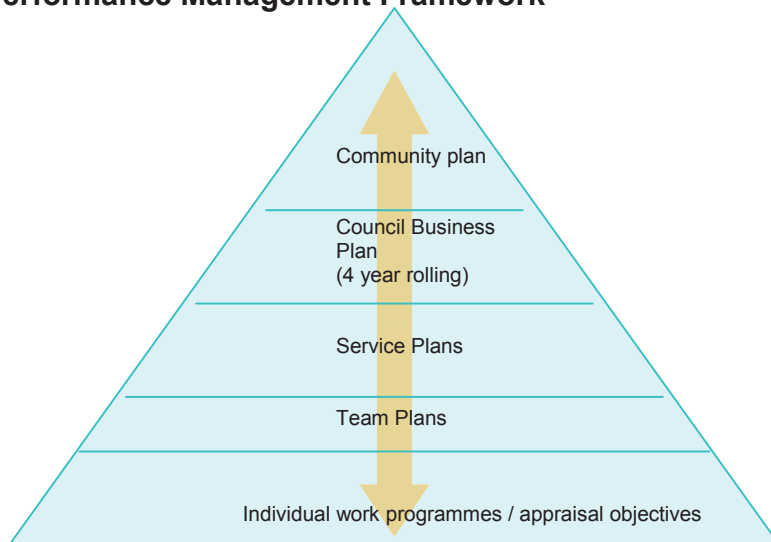
## Risk management and financial planning

Risk management is an important part of financial planning. As part of the budget setting process a robust risk assessment is completed and reviewed on a regular basis.

## Corporate approach to risk management

In order to formalise and structure risk management, it is recognised there is an obvious and clear link with the business planning process and therefore risk management sits within the Business Planning team. The overall council Business Plan and service plans set out what a team, division, department, or the council as a whole, want to achieve in a set time frame, as shown below.

## Merton Performance Management Framework



- CMT is ultimately accountable for delivering the council's Business Plan therefore they are responsible for the corporate KSRR.
- DMTs are responsible for their own service risk registers.
- Divisions or teams are responsible for their own risk registers, if applicable.

It is important that risks identified and assessed at an operational level can be escalated to a departmental or corporate level. However, because a risk may have a great impact on a team it does not necessarily follow that it may have the same impact on the department, or the organisation as a whole. Ultimately, it is the respective management team who decide if a risk is worthy of inclusion on their risk register.

### Scoring Risk

In conjunction with this strategy, more detailed guidance will be issued to assist officers in identifying risks and issues, and the scoring, managing and reporting of those risks identified.

When determining a score for service level risks, definitions of likelihood and impact of risk (Service Level) together with the matrix as detailed below, should be used. Therefore, if the likelihood of a risk is 4, significant, (occurs or likely to occur more than 25%, and up to 50% of the time) and the impact is 3, critical, (service provision - service suspended short term) – then the risk rating will be 12 (4x3) which is amber.

## Defining the Likelihood of Risk

Classification	Definition
6 - Very High	Occurs or likely to occur more than 90% of the time
5 - High	Occurs or likely to occur more than 50%, and up to 90% of the time
4 - Significant	Occurs or likely to occur more than 25%, and up to 50% of the time
3 - Possible	Occurs or likely to occur more than 5% and up to 25% of the time
2 - Low	Occurs or likely to occur more than 1% and up to 5% of the time
1 - Almost Impossible	Occurs or likely to occur up to 1% of the time

## Defining the Impact of Risk (Service Level)

Categories	1 Marginal	2 Significant	3 Critical	4 Catastrophic
<b>Financial Impact - FI</b>	Up to 15% gross budget or turnover	Over 15% and up to 50% of gross budget or turnover	Over 50% and up to 75% of gross budget or turnover	Over 75% of gross budget or turnover
<b>Service Provision - SP</b>	Reduced service	Significant reduction	Service suspended short term	Service suspended long term / statutory duties not delivered
<b>Health and Safety - HS</b>	Broken bones / illness	Major illness / threat not life threatening	Loss of life / major illness	Major loss of life / large scale illness (pandemic)
<b>Objectives - O</b>	Objectives of one service area not met	Departmental objectives not met	Corporate objectives not met	Statutory objectives not met
<b>Reputation - R</b>	Adverse local media lead story short term	Adverse local media story long term. Adverse national publicity short term.	Adverse national publicity longer term	Remembered for years

## Risk Matrix

**Likelihood**

6	= Very High
5	= High
4	= Significant
3	= Possible
2	= Low
1	= Almost Impossible

	6	6	12	18	24
	5	5	10	15	20
	4	4	8	12	16
	3	3	6	9	12
	2	2	4	6	8
	1	1	2	3	4
<b>Likelihood</b>		1	2	3	4
		<b>Impact</b>			

**Impact**

4	= Catastrophic
3	= Critical
2	= Significant
1	= Marginal

### Reporting and escalating risks

Risks on service area risk registers which are red and therefore score 15 and above should be reviewed at Departmental Managers Team (DMT) meetings to determine if any of these (red) risks are to be escalated to the Departmental Risk Register (DRR).

If DMT determine a risk to be significant enough to be escalated to the DRR for monitoring and management, then the risk needs to be checked for any cross cutting implications. If the risk could have an impact across the organisation, then it must be rescored using the Defining the Impact of risk (corporate level) criteria below, prior to escalation to the Key Strategic Risk Register.

### Defining the Impact of Risk (Corporate Level)

Categories	1 Marginal	2 Significant	3 Critical	4 Catastrophic
<b>Financial Impact - FI</b>	Up to £2.5m per annum or up to £10m one off	£2.5m up to £5m per annum or up to £20m one off	£5m up to £7.5m per annum or up to £30m one off	£7.5m up to £10m per annum or above £30m one off
<b>Service Provision - SP</b>	Reduced service	Significant reduction	Service suspended short term	Service suspended long term / statutory duties not delivered
<b>Health and Safety - HS</b>	Broken bones / illness	Major illness / threat not life threatening	Loss of life / major illness	Major loss of life / large scale illness (pandemic)
<b>Objectives - O</b>	Objectives of one service area not met	Departmental objectives not met	Corporate objectives not met	Statutory objectives not met
<b>Reputation - R</b>	Adverse local media lead story short term	Adverse local media story long term. Adverse national publicity short term.	Adverse national publicity longer term	Remembered for years

Having been reviewed / rescored against the definition of likelihood and risk (corporate level), risks with a score of between 10 to 24 (inclusive) and which will impact across the whole organisation are to be escalated to the KSRR. The matrix below shows the re-evaluated risk scores which require escalation.

**Likelihood**

6	= Very High
5	= High
4	= Significant
3	= Possible
2	= Low

	6	6	12	18	24
	5	5	10	15	20
	4	4	8	12	16
	3	3	6	9	12
	2	2	4	6	8
	1	1	2	3	4
<b>Likelihood</b>		1	2	3	4

**Impact**

4	= Catastrophic
3	= Critical
2	= Significant
1	= Marginal



## Monitoring and Managing

During the year, new risks will arise that have not previously been considered and there may be changes to existing risks. Therefore the risk registers need to be regularly managed. The reviews of risk registers should be managed by exception. The reporting cycle as detailed below, takes place during April, July, October and January.

1 <sup>st</sup> week	2 <sup>nd</sup> week	4 <sup>th</sup> week
DMT – review operational service risks and propose KSRs as per the definitions of likelihood and impact for crosscutting risks	Corporate Risk Management Group (CRMG) – review service risks and proposed KSRs	CMT – identify and review KSRs

However, risks with a score of 15 and above (red risks) should be reviewed on a more frequent basis (at least monthly) with the responsible officer ensuring the risk has an action plan in place which is monitored and updated until the risk has been managed down to a score of 12 or below, where this is possible.

## Roles, Responsibilities and Governance

Across the organisation we all have a responsibility to identify and manage risk.

### Councillors

Elected councillors are responsible for governing the delivery of services to the local community. Councillors have a responsibility to understand the key risks the council faces and will be made aware of how these risks are being managed through the annual business planning process. All Councillors will have the responsibility to consider the risks associated with the decisions they undertake and will be informed of these risks in the plans and reports submitted to them.

### Chief Executive and CMT

The Chief Executive and CMT are ultimately accountable in ensuring that risk management is fully embedded in the council's business planning and monitoring processes as well as having overall accountability and responsibility for leading the delivery of the council's Risk Management Strategy and Framework. CMT are to take a leading role in the risk management process ensuring that risk management is communicated, understood and implemented by Councillors, managers and staff, and establish a supportive culture.

CMT will submit an annual report on risk to the General Purposes Committee and Cabinet.

### Directors

Each Director is accountable for proper monitoring of their departmental risk register, action plans and the embedding of risk management into the business planning process of their directorate. They will need to be actively involved in the risk management process within their department and CMT, including nominating an appropriate Risk Champion for their department. Directors are also accountable and responsible for leading the delivery of the council's Risk Management Framework in their respective Directorate.

### Section 151 Officer / Internal Audit

The Section 151 officer and internal audit will be responsible for carrying out independent reviews of the risk management strategy and processes, providing assurance and giving an independent and



objective opinion, to the council on the adequacy of risk management, control procedures and governance.

An annual Audit Plan, based on a reasonable evaluation of risk, will be carried out and an annual assurance statement will be provided to the council based on work undertaken in the previous year. The section 151 officer will chair the CRMG group.

### **Risk Champions**

Risk champions will work with their Director, Heads of Service, Managers and Team Leaders to ensure the RM Strategy and Framework is embedded in the Directorate and departmental planning, performance, project and partnership management, offering support and challenge. They will also represent their directorate at CRMG meetings.

They will assist management teams to identify and record all key risks to service, project and partnership objectives, monitoring and reviewing risks against performance.

### **Service Managers**

Managers have a responsibility not only for the risks for which they are the risk owner, but are also accountable for those risks, within their service, which are owned / managed by others.

They are to maintain an awareness of risk and feed those identified into the risk management process, understanding and acting upon the key risks that could significantly impact on the achievement of their service/team objectives. Managers should encourage staff to be open about risk so that treatment actions can be agreed.

### **Risk Owners**

Risk owners are responsible for Identifying and implementing risk treatment that will bring the risk/s they own to a tolerable level. Regularly reviewing the progress of the risk treatment actions and report on the risk treatment progress to the responsible body.

### **Individual Employees**

Individual employees need to have an understanding of risks and consider risk management as part of their everyday activities, identifying risks surrounding their everyday work, processes and environment. Risks that could impact on service delivery the achievement of objectives or their own or other wellbeing must be identified and actively managed with risk actions in place, where appropriate.

### **Business Planning team**

The business planning team are responsible for ensuring that risk management is embedded throughout the council, as well facilitating and supporting the risk management process and supporting risk owners.

The team will ensure risk management documentation and intranet pages up to date and relevant, as well as updating the KSRR with emerging risks, new risks and updating existing risks.

In addition the Business Planning team will ensure risk is part of the annual service planning process, facilitate the CRMG meetings and submit strategic updates and reports on risk management to CMT, Cabinet, Audit and Assurance Committee etc.

### **Corporate Risk Management Group**

The Corporate Risk Management Group will provide strategic direction and leadership to ensure a risk strategy is maintained and updated and that risks are appropriately identified and managed within the organisation. It will provide a forum that brings together risk specialists for the benefit of the council, it's staff and the wider community.

CRMG will strive to ensure that the risk management framework is embedded within the council's overall strategic and operational policies, practices and processes in a consistent and standardised manner.

In addition it will provide assurance that all risk based systems and processes are operating effectively to minimize the overall risk exposure to the Council. On a quarterly basis the headline departmental risks and planned mitigation activity from each department, project and partnership, will be discussed by CRMG and will then forward for discussion at CMT.

### **Cabinet**

Cabinet will receive reports on the risk management strategy to determine whether corporate risks are being actively managed. They are responsible for agreeing the strategy on an annual basis, or when significant changes are made, and to report to full Council on the risk management framework.

### **General Purposes Committee**

To provide an independent oversight of the adequacy of the risk management framework and the associated control environment. The committee will receive an annual review of internal controls and be satisfied it properly reflects the risk environment and any actions required to improve it. Reports will also be provided regarding the KSRR in order that the committee can determine whether strategic risks are being actively managed.

On an annual basis, the committee will review and recommend the adoption of the risk management strategy to cabinet, or if significant changes are identified, to request a revision.

### **Risk management in committee reports**

When a report is submitted to a committee the author is required to complete a section on Risk Management and Health and Safety Implications. The committee should be informed of any significant risks involved in taking a recommended course of action or if it decides not to follow the recommend course of action. The risk assessment should follow the corporate procedure and scored using the risk matrix. The report should also give details of any controls proposed, or in place, to manage the significant risks identified. Where appropriate, reference should be made to any existing risk.

Report authors are advised to consult with the Business Planning team or their departmental risk champion, for further advice and to propose any risks to be considered for inclusion in the departmental or KSRR.

# **Section D**

# **Performance Management Framework**

## D) PERFORMANCE MANAGEMENT FRAMEWORK

### Introduction

Merton launched its Performance Management Framework in 2004. While the main principles of performance management remain the same, the framework undergoes annual review and updating where and when required, to ensure that it remains up to date with changes within the organisation and outside.

We are committed to delivering customer-focused services. To achieve this, it is essential that we measure our performance, both against our own intentions, and the performance of others, using that information to improve local services.

Performance management enables us to ensure that our goals are constantly being met, whilst allowing us to identify best practice and address areas of concern. It is about how we consistently plan and manage improvements to our services to ensure continuous improvement in line with Lean principles. Sustainable improvements in services are unlikely to happen without it.

Everyone in the organisation has a part to play in monitoring our services and achieving our ambition.

### Why measure performance?

- It highlights areas where we are doing well, and areas which need improving;
- To enable our managers to monitor performance, manage effectively and plan for the future of the service;
- Performance data is required by the decisions makers within the council to help inform their decisions;
- Timely and accurate performance data will help identify problems early and enable us to put actions in place to address / rectify the situation;
- In order to improve, we need to know where we are now and ensure that we are doing the right things for the right reasons;
- Performance Management provides the evidence required for change and improvement, and lastly;
- What gets measured gets done!

### Why do we need a Performance Management Framework?

Since the introduction by Central Government of the Single Data List in April 2011, removing the monitoring of performance to reduce the burden, and reductions of audit and inspection by central government, it is now even more important that we manage and monitor our performance. We must ensure that our Performance Measures are robust, challenging and realistic, ensuring that we are achieving and delivering our priorities.

### What is a Performance Management Framework?

This Performance Management Framework has been created to provide a view of the overall approach the council takes to managing performance.

The Framework should also be considered alongside the council's Risk Management and Data Quality Strategies.

Our framework will help all of us to understand:

- what we are trying to achieve as an organisation
- how we are going to achieve this
- how we will monitor and report progress
- how the contribution of staff, managers, teams and departments relate to each other to help deliver the targets set for the whole organisation

The framework has three parts

1. The planning framework, how the plan fits together - the Golden

Thread

2. The planning, monitoring and review cycle
3. Taking responsibility seriously

***The planning framework - how the plans fit together, the 'Golden Thread'***

The performance management framework is represented by the performance triangle



The key aspects of the Golden Thread are:

- [The Community Plan](#) has been developed by the Merton Partnership and sets the overall direction and vision for the borough until 2019.
- [Business Plan](#) sets out the council's priorities for improvement over the next four years. The plan is reviewed every year to ensure that it always reflects the most important improvement priorities.
- [Service Plans](#) are reviewed every year to ensure they outline the key issues and priorities for the department.
- [Medium Term Financial Strategy](#) (MTFS) outlines how much money we expect to receive over the next four years and in broad terms what we expect to be spending this on.
- [Workforce Development Plan](#) is focused on making the best use of the skills of staff to deliver the services residents demand and deserve
- [Individual Appraisals](#) take place twice a year and are used to agree individual work programmes and targets.

***The planning, monitoring and review cycle - what happens, when and how?***

The planning, monitoring and review cycle shows how we continuously review and revise our performance in order to improve our services.



The cycle has four phases and takes place on an annual basis as part of the development of the next four year rolling Business Plan and agreement of the next year's budget.

**Planning** - Where are we now and where do we want to be?

Where we are now is reflected in our results against our performance indicators detailed in our service plans, the results of satisfaction surveys such as the Annual Residents Survey (ARS), and other inspection results. Our corporate ambitions and objectives that describe where we want to be are laid out in the Community Plan and the Business Plan and reflected at a more local level in service plans and targets in annual appraisals.

**Doing** - How do we get to where we want to be?

To get where we want to be we need to maximise our capacity to deliver the actions laid out in the various plans, and use our performance management and appraisals systems to ensure that we remain on course.

**Reviewing** - How are we doing and are we there yet?

By monitoring and managing performance, consulting with our partners and service users, and benchmarking against other providers we can assess our progress towards achieving our ambitions and learn from the good practice of others.

**Revising** - What do we do next?

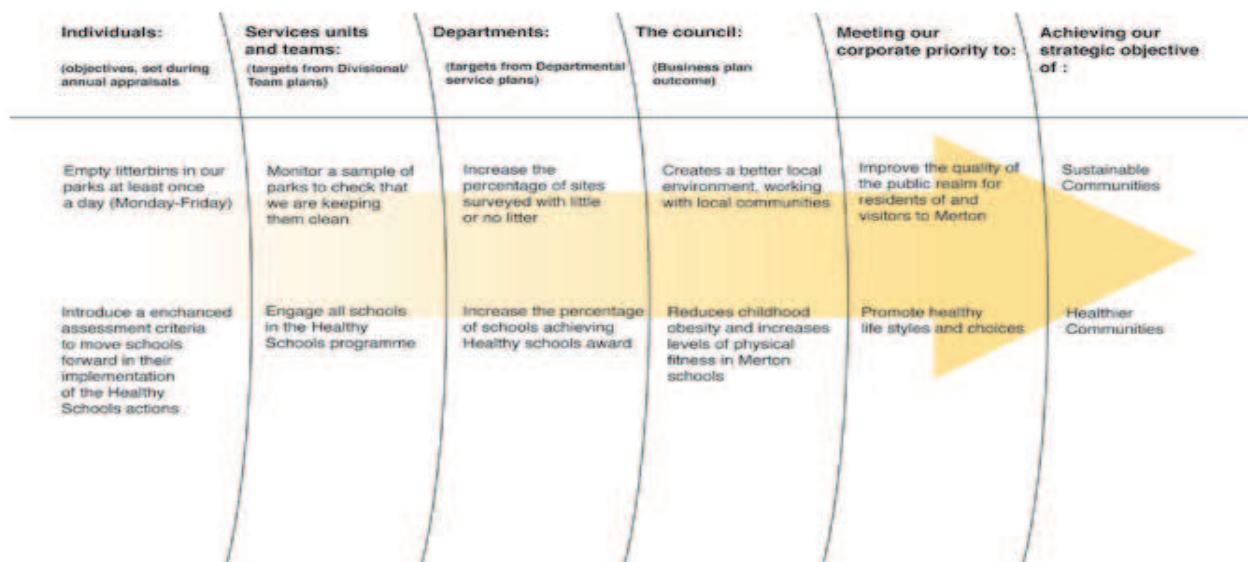
It is important that our services evolve to meet the needs of our residents. Having reviewed our performance we may need to change what we are doing or revise our ambitions and objectives so that we can continuously improve as an organisation.

To maximise the cycle's effectiveness we have an agreed timetable for the process which takes into account both performance and financial considerations. This timetable enables Councillors to agree priorities and allocate resources based on community views and needs, and accurate performance information. These priorities are translated into planned outcomes and performance targets to make sure that the right things get done.

**Taking responsibility for results** – how we go about doing it

Everyone has a responsibility to contribute to improving Merton, working within and using the performance management framework. This ensures that measurable activities at individual, team and service levels translate into outcomes.

It is the responsibility of the owner of the performance measure to ensure that details of the measure are clearly defined and that adequate collection, recording and validation processes are in place to enable effective monitoring and reporting in line with the council's Data Quality Strategy.



### Performance Management Systems and Collection Arrangements

With effective from 1 June 2013 performance against service plan measures is captured and reported via our Performance Management System known as Covalent.

One the first day of each month departmental performance leads are reminded of the deadline date by which performance data needs to be uploaded onto the system.

Performance Monitoring reports are presented to CMT on the fourth Tuesday of every month, Cabinet receives quarterly reports and Full Council annually. In addition, a monthly performance dashboard is published on both the internet and intranet giving staff, Members, residents and the public access to the latest performance data detailing how the council is doing against it targets.

### Roles and responsibilities

The roles and responsibilities are outlined below:

<b>Individuals</b>	All staff have a responsibility to deliver the tasks / actions that have been agreed in their appraisal and understand how their work contributes to the team, departmental and council goals.
<b>Managers</b>	All managers have responsibility for supporting their staff through the appraisal process and regular reviews. They must also show commitment and accountability by leading through example. Managers should ensure that their team have regular meetings to share information, review progress of their divisional and team plans, develop ideas, identify areas for the next plan and agree the way forward on a variety of team and work issues. Managers should use these meetings to raise issues around corporate



	priorities, tell staff about developments within the department and the council and to cascade information about performance to staff.
<b>Heads of service</b>	Heads of service report to Directors and are responsible for overseeing the performance of service units within their remit. They take a key role in the development and monitoring of their service plan at their DMT. They may also take on or contribute to wider corporate projects.
<b>Departmental Management Teams (DMT's)</b>	DMT's monitor their department's performance information and are responsible for taking action to deal with under-performance. DMT's make sure that every manager in the department knows and understands the planning cycle and performance management framework
<b>Directors</b>	Each Director is responsible for the performance of their department. They must make sure that appropriate reporting arrangements are in place with their DMT's to enable them to monitor performance. Directors demonstrate commitment to the performance management framework by leading its implementation within their department. They make sure their service plans are monitored at least every two months and regularly provide progress reports to the Chief Executive and appropriate Cabinet portfolio holder(s). Directors also have collective responsibility for corporate improvement as members of Corporate Management Team (CMT)
<b>Corporate Management Team (CMT)</b>	CMT is made up of the Chief Executive and Directors of the four departments. Its role is to focus on the 'big issues' facing the council and develop the organisation's strategic approach and service delivery. CMT reviews performance monthly and it can ask DMT's to review areas of concern and agree management action to address under-performance.
<b>Cabinet and Elected Members</b>	Ultimately, councillors are responsible for setting the direction of the Council and developing priorities by developing policy, setting strategic targets, monitoring progress, and agreeing the framework for continuous improvement.
<b>Full Council</b>	Members receive regular reports on progress against the strategic themes, including any relevant performance information and can use these meetings as an opportunity to ask questions of Cabinet members about performance issues.
<b>Overview and Scrutiny</b>	Overview and Scrutiny panels have regular performance monitoring task groups to examine performance data, detect trends and identify key areas of concern. They are responsible for challenging Cabinet to ensure that they are fulfilling their responsibilities. If they have areas of concern then they can ask Cabinet members and officers to attend meetings to answer questions. If they have wider concerns about the performance of a service area then they could carry out a scrutiny review into a particular area.

## Help and advice

If you require any guidance or advice with regards to Performance Management or have any queries please contact a member of the [Business Planning team](#).



### Corporate Indicator set 2014-15

The corporate indicator set is a set of ten key measures from each of the four departments. There are 40 performance measures in total which are monitored on a monthly basis by the Corporate Management Team (CMT).

### Corporate Indicator set 2014/15

Dept. / Service Area	PI code and description	13/14 target	14/15 target	Frequency	Polarity
CS – Customer Services	<b>CRP 18</b> - % council tax collected	97	97	Monthly	High
CS – Customer Services	<b>CRP 36</b> - % of business rates collected	97	97.25	Monthly	High
CS – Customer Services	<b>CRP 13</b> - % of positive and neutral coverage tone	91.5	92	Monthly	High
CS – Customer Services	<b>CRP 37</b> - % of complaints progressed to level 2 (quarterly in arrears)	10	9	Quarterly	Low
CS – Customer Services	<b>CRP 43</b> – % Successful website visits	81.5	84	Monthly	High
CS – Corporate Governance	<b>CRP 14</b> - % of ombudsman complaints answered in time	90	90	Monthly	High
CS – Corporate Governance	<b>CRP 41</b> - % of Freedom Of Information requests dealt with in time (monthly in arrears)	90	90	Monthly	High
CS – Corporate Governance	<b>CRP 42</b> - Freedom of Information (FOI) requests answered in full (including information already published or not held)	80	85	Monthly	Low
CS – Human Resources	<b>CRP 04</b> - Average numbers of working days lost to sickness	7	7	Monthly	Low
CS – Infrastructure & transactions	<b>CRP 16</b> - The level of CO2 emissions from the council's main operational buildings (tonnes) – (2014/15 to include ALL council buildings thus increase in target).	1875	4100	Monthly	Low
CS – Infrastructure & Transactions	<b>CRP 074</b> – Number of staff working from Civic Centre	1,275	1,275	Quarterly	High
E&R – Parking Services	<b>CRP 44</b> – Parking services estimated revenue	£11,401,998	£11,789,000	Monthly	High
E&R - Property	<b>CRP 46</b> - Increase the level of capital receipts to support the financial strategy (excluding Merton Priory Homes)	£5,000,000	£2,000,000	Quarterly	High
E&R – Waste Management	<b>CRP 47</b> – No. of refuse collections including recycling and kitchen waste missed per 100,000	60	55	Monthly	Low

Dept. / Service Area	PI code and description	13/14 target	14/15 target	Frequency	Polarity
E&R – Street Cleaning	<b>CRP 48</b> - % sites surveyed on street inspections for litter that are below standard	8.5	7.5	Monthly	Low
E&R – Street Cleaning	<b>CRP 49</b> – Number of fly tips in streets and parks	3,300	3,200	Monthly	Low
E&R – Development & Building Control	<b>CRP 45</b> – Income from development and building control	£1,970,000	£1,970,000	Monthly	High
E&R – Development & Building Control	<b>CRP 50</b> - Volume of planning applications	1,850	2,050	Monthly	High
E&R – Development & Building Control	<b>CRP 51</b> - % of major planning applications processed within 13 weeks	60	45	Monthly	High
E&R – Development & Building Control	<b>CRP 52</b> - % of minor planning applications processed within 8 weeks	65	50	Monthly	High
E&R – Development & Building Control	<b>CRP 53</b> - % of other planning applications processed with 8 weeks	80	75	Monthly	High
C&H – Adult Social Care	<b>CRP 54</b> - No. of adults Inc. carers, in receipt of Direct Payments or Personal Budgets as a % of all customers & carers receiving community based services.	70	Measures will change in line with national Zero Based Review of Adult Social Care collections. The final publication of the 'Handbook of Definitions' for the new measures is due sometime this spring. Base lining and target setting will be finalised by the end of June 2014.	High	
C&H – Adult Social Care	<b>CRP 55</b> – Weekly rate of delayed transfers of care from hospital - (both Merton & NHS responsible)	6.5		Low	
C&H – Adult Social Care	<b>CRP 56</b> – % Carers receiving a service of information and advice	28.5		High	
C&H – Adult Social Care	<b>CRP 57</b> - No. of adults receiving community based Services e.g. Personal Care, to help them continue to live in their own homes, as a % of all customers receiving services	82		High	
C&H – Adult Social Care	<b>CRP 58</b> – No. of adults on the Occupational Therapy waiting list	80		Low	
C&H - Libraries	<b>CRP 59</b> – No. of people accessing the library service by borrowing an item or using a peoples network terminal at least once in the previous 12 months	54,000	54,500	Monthly	High
C&H - Libraries	<b>CRP 60</b> - Number of visitors accessing the library service on	110,000	115,000	Monthly	High

Dept. / Service Area	PI code and description	13/14 target	14/15 target	Frequency	Polarity
	line				
<b>C&amp;H – Housing Needs &amp; Enabling</b>	<b>CRP 61</b> – The number of households in temporary accommodation provided under the homeless legislation	100	100	Monthly	Low
<b>C&amp;H – Housing Needs &amp; Enabling</b>	<b>CRP 62</b> – The number of homelessness cases prevented	550	550	Monthly	High
<b>C&amp;H – Merton Adult Education</b>	<b>CRP 078</b> - % Retention rate	87	87	Monthly	High
<b>C&amp;H – Merton Adult Education</b>	<b>CRP 079</b> - % Achievement rate	95	96	Monthly	High
<b>C&amp;H – Merton Adult Education</b>	<b>CRP 080</b> - % Success rate	83	84	Monthly	High
<b>CSF – Children’s Social Care</b>	<b>CRP 64</b> – % Children and young people on child protection plan for second or subsequent time	10	We are currently reviewing the impact the Children and Families Bill 2013 will have on CSF, measures may change in line with this. Base lining / target setting will be finalised by the end of June unless we are awaiting specific legislation.		Low
<b>CSF – Children’s Social Care</b>	<b>CRP 65</b> - Number of Special guardianship orders and adoptions finalised during the year	12			High
<b>CSF – Children’s Social Care</b>	<b>CRP 71</b> – No. of first time entrants to the Youth Justice System aged 10-17 years.	96			Low
<b>CSF – Children’s Social Care</b>	<b>CRP 72</b> – % 16-19 year olds Not in Education, Employment or Training (NEET)	8.3			Low
<b>CSF - Education</b>	<b>CRP 68</b> - % of Good or Outstanding Ofsted inspections rated as good in children’s centres.	100	100	Quarterly	High
<b>CSF - Education</b>	<b>CRP 69</b> – % Outcome of schools Ofsted inspections rated as good or outstanding	77	85	Monthly	High
<b>CSF - Education</b>	<b>CRP 075</b> - % 5 GCSE A-C including English and math	64	65	Annual	High
<b>CSF - Education</b>	<b>CRP 076</b> - % L4 English and maths at KS2	78	82	Annual	High
<b>CSF – Commissioning, Strategy &amp; Performance</b>	<b>CRP 077</b> - No. of in-house foster carers recruited	16	20	Quarterly	High
<b>CSF – Commissioning, Strategy &amp;</b>	<b>CRP 73</b> - % vacancies in reception year of primary school	2	2	Annual	Low

Dept. / Service Area	PI code and description	13/14 target	14/15 target	Frequency	Polarity
Performance					
<b>CSF – Commissioning, Strategy &amp; Performance</b>	<b>CRP 66</b> - % Looked after children in foster care placed with external agency carers	38	36	Monthly	Low

CS – Corporate Services, E&R – Environment & Regeneration, C&H – Community & Housing, CSF – Children, Schools & Families.

### Help and advice

If you require any guidance or advice with regards to performance management or have any queries, please contact a member of the **Business Planning team**.

# Section E

# **Service Planning 2014/18**

## SERVICE PLANNING 2014-18

The Service Plans agreed by service departments during the 2014/18 Business Planning Process are set out in the following pages. During this process Service Plans were considered by Cabinet on 17 February 2014.

Proposed Final Service Plans were considered and agreed by Council on 5 March 2014 these plans will be subject to scrutiny in April 2014 so may be subject to minor changes.

Interim Service Plans were scrutinised by the Overview and Scrutiny Commission and Panels during the January 2014 cycle of meetings and by the Overview and Scrutiny Commission on 30 January 2014.

The service plan is designed to be a two page document the first page summarises key resources, drivers and performance. The second page focusses on the outcomes and impacts of the major projects identified.

At the start of the Business Planning Process managers were issued with guidance to clarify understanding and improve the quality and consistency of submissions. Each department reviewed the appropriateness of their current service plans. The tables below summarise the 29 service plans over their relevant Scrutiny Panels and departments.

### Scrutiny Panels

<b>Children &amp; Young People</b>	<b>Healthier Communities &amp; Older People</b>	<b>Overview &amp; Scrutiny</b>	<b>Sustainable Communities</b>
Children's Social Care	Adult Social Care	Business Improvement	Commercial Services (Waste)
Commissioning, Strategy & Performance	Public Health	Corporate Governance	Development & Building Control
Education		Customer Services	Environmental Health
		Human Resources	Future Merton
		Infrastructure & Transactions	Housing Needs & Enabling
		Resources	Leisure & Culture Development
		Safer Merton	Libraries
		Shared Legal Services	Merton Adult Education
			Parking
			Parks & Green Spaces
			Property
			Street Cleaning
			Traffic & Highways
			Transport Commissioning
			Transport Passenger Fleet
			Waste Management

## Departments

Children, Schools and Families	Community and Housing	Corporate Services	Environment and Regeneration
Children's Social Care	Adult Social Care	Business Improvement	Commercial Services (Waste)
Commissioning, Strategy & Performance	Housing Needs & Enabling	Corporate Governance	Development & Building Control
Education	Libraries	Customer Services	Environmental Health
	Merton Adult Education	Human Resources	Future Merton
	Public Health	Infrastructure & Transactions	Leisure & Culture Development
		Resources	Parking
		Shared Legal Services	Parks & Green Spaces
			Property
			Safer Merton
			Street Cleaning
			Traffic & Highways
			Transport Commissioning
			Transport Passenger Fleet
			Waste Management

The paragraphs below provide an overview of the approach taken to completing the information requirements on the service plans:

Page 1

- i) Service description – Managers are asked to provide a succinct description of the key activities undertaken by the service.
- ii) Anticipated demand - What their key demand channels are and how best to measure them.
- iii) Anticipated non-financial resources - What are the key resources used to deliver services and products, to aid completion drop down menus can be used to identify accommodation, contractors, staff, transport and voluntary services. Managers may also identify their own resources.
- iv) Corporate strategies – From a drop down menu managers are asked to identify what key strategies they contribute to. These strategies are identified on page 6 of the Business Plan 2013-17.
- vi) Performance indicators – Managers are asked to identify the key performance indicators for their service, they must then indicate whether they should be measured monthly, quarterly, annual or biennial. Polarity indicates whether a higher or lower score are beneficial. Finally, indicators must be allocated one of the following six classifications:
  - **Business critical** - the business critical function of the service often with severe consequences if this is interrupted or not met.
    - e.g. tonnage of waste sent to landfill (a high tonnage can lead to landfill tax which has a detrimental effect to the council)
  - **Outcome** - The success of the service in fulfilling its service description
    - e.g. the % of waste recycled
  - **Output** – The quantity of work or services produced.
    - e.g. the number of Housing Benefit applications processed
  - **Perception** - resident or user satisfaction with the service or part of the service
    - e.g. resident satisfaction with street cleanliness
  - **Quality** - the quality of the service delivery
    - e.g. % of missed refuse collections
  - **Unit cost** - Cost required to provide or produce a unit of a service or product
    - e.g. cost per household per refuse collection

vii) Major projects and/or procurement – Managers are asked to briefly describe up to 10 major projects they are undertaking over the planning period (2014-18). On the second page they are able to provide additional details of the project and the following key impact information:

- **Major expected outcome** - the following eight choices are available to managers:
  - Improved customer satisfaction
  - Improved reputation
  - Improved resident wellbeing
  - Income generation
  - Income loss
  - More efficient way of working
  - To meet budget savings
  - To meet legislative requirements
- **Risk** - managers are asked to consider the risks that could prevent them from achieving projects or work programmes within agreed timescales and budgets and to the required standard and are referred to the corporate guidance on risk management which is contained in Section C of this document

The following pages display service plans for 2014-18 in departmental order.

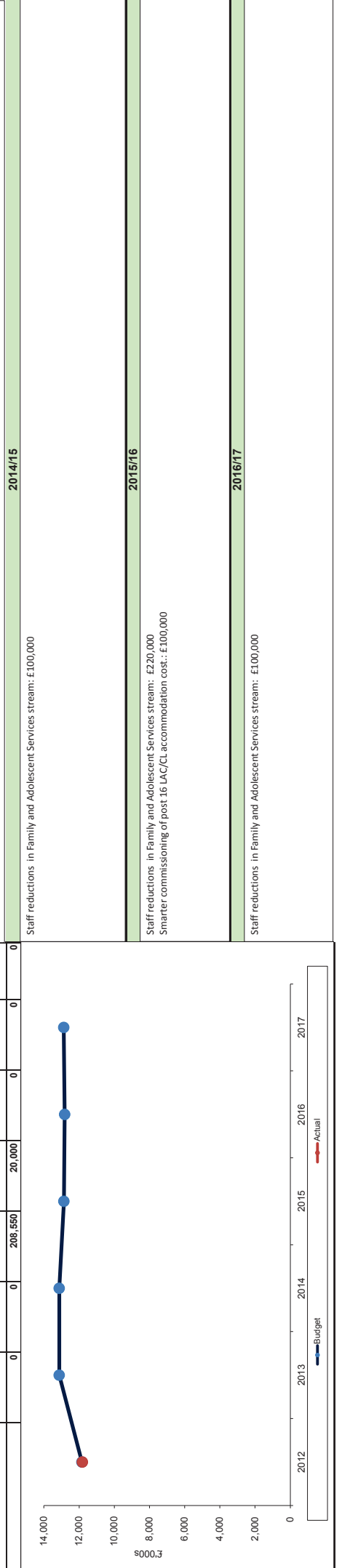


# **Children, Schools and Families Department**

Children's Social Care		Planning Assumptions					The Corporate strategies your service contributes to																								
Cllr Maxi Martin & Cllr Martin Whetton, Cabinet Members for Children Services & Education		2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	Children & Young persons Plan	Anti Social Behaviour	Health & Wellbeing	Social Inclusion Strategy	Community Plan	Corp Equality Scheme	Family Poverty	LAC Strategy	Youth Crime															
<b>Enter a brief description of your main activities and objectives below</b>		Population growth - looked after children																													
Children's Social Care (CSC) delivers a range of government prescribed & legislated functions to children at risk of harm. CSC works with the local authority to ensure that children are well as well as safe. CSC works with an integrated context co-ordinating multi agency support to those families at all levels of Merton's Child & Young Person (CYP) Well-being Model. The service works with approximately 1,300 children at any one time who have the greatest needs in the borough across a range of outcomes: safety, well-being, health, education & life chances. Merton's CYP Well-being Model sets out Merton's approach to supporting families which seeks to provide services at the time they are needed to prevent further need arising & escalation up to more intensive services. This involves the use of resources & CSC undertakes a range of family interventions which are designed to support families to meet their needs, by working with the family at an early stage of childhood. This necessitates a strong commitment to robust assessment & thresholds, which require a quality assurance function to ensure on-going success of the model. Merton has lower numbers of children subject to child protection plans in the care system than the majority of London Boroughs, as well as lower numbers of first time attendees, and seeks to continue this approach, therefore ensuring that we minimise the use of costly high end interventions with our families & promote family strengths to enable them to care for their own children.		Increased pressure on more expensive specialist targeted services due to EIP savings & statutory duty.																													
Youth Inclusion provides a targeted service to support vulnerable young people & their parents to prevent offending & re-offending. It also supports the transforming families programme, helping targeted families to get back into work, improve the outcomes for their children by preventing reoffending or going into care. It also leads on participation for CSP.		More children to be placed for permanency in shorter time																													
<b>Performance indicator</b>		Adoption & fostering																													
% single assessments completed within agreed timescales		n/a																													
26 weeks' time limit for child protection cases		12																													
Children in care adopted or receiving a Special Guardianship Order		10																													
% CYP on Child Protection Plan for 2nd or subsequent time		5.5																													
% NEEET aged 16-19		110																													
Number 'YIS' first time entrants		96																													
<b>Performance Targets (T) &amp; Provisional Performance Targets (PT)</b>		2012/13(T)					2013/14(T)					2014/15(T)					2015/16(PT)					2016/17(PT)					2017/18(PT)				
		90					90					90					90					90					90				
We are currently reviewing the impact the Children and Families Bill 2013 will have on CSF measures may change in line with this. Base lining / target setting will be finalised by the end of June unless we are awaiting specific legislation.																															

DEPARTMENTAL BUDGET AND RESOURCES																
Revenue £'000s	Budget 2012/13	Actual 2012/13	Budget 2013/14	Budget 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21	Budget 2021/22	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26	Budget 2026/27
Expenditure	13,531	13,789	14,894	14,837	14,569	14,522	14,575									
Employees	8,104	8,116	9,217	9,497	9,280	9,183	9,186									
Premises	118	87	122	124	125	127	128									
Transport	205	204	191	186	188	190	192									
Supplies & Services	1,153	1,366	1,198	1,095	1,108	1,121	1,134									
3rd party payments	2,053	1,728	1,844	1,781	1,708	1,735	1,762									
Transfer payments	351	543	412	398	404	410	417									
Support services	1,536	1,724	1,899	1,745	1,745	1,745	1,745									
Depreciation	11	11	11	11	11	11	11									
Revenue £'000s	Budget 2012/13	Actual 2012/13	Budget 2013/14	Budget 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21	Budget 2021/22	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26	Budget 2026/27
Income	1,892	1,975	1,763	1,707	1,707	1,707	1,707									
Government grants	1,369	1,265	933	862	862	862	862									
Reimbursements	357	924	633	534	534	534	534									
Customer & client receipts	8	203	5	5	5	5	5									
Reserves	-442	-442	167	186	186	186	186									
Capital Funded	11,839	11,814	13,131	13,130	12,862	12,815	12,868									
Capital Budget £'000s	Budget 2012/13	Actual 2012/13	Budget 2013/14	Budget 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21	Budget 2021/22	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26	Budget 2026/27
Youth Centres Re-provision			119,010	20,000												
Childrens Disabled Breaks Grant			89,540													

Summary of major budget etc. changes																
Changes prior to 2014/15																
2014/15																
2015/16																
2016/17																
Staff reductions in Family and Adolescent Services stream: £100,000																
Staff reductions in Family and Adolescent Services stream: £220,000 Smarter commissioning of post 16 LAC/CL accommodation cost.: £100,000																
Staff reductions in Family and Adolescent Services stream: £100,000																



1) Employees expenditure increased due to restructuring including transfer of Youth Justice service  
 2) Grant income reduced due to change in accounting practice of EIGP grant (£550k)  
 3) Support services recharge increased due to changes in accounting practice.

DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD

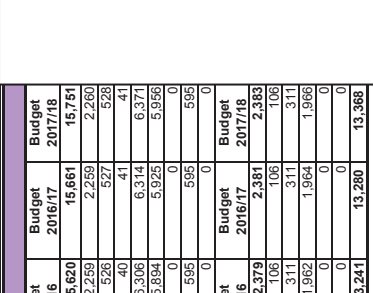
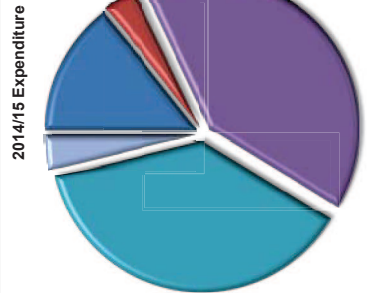
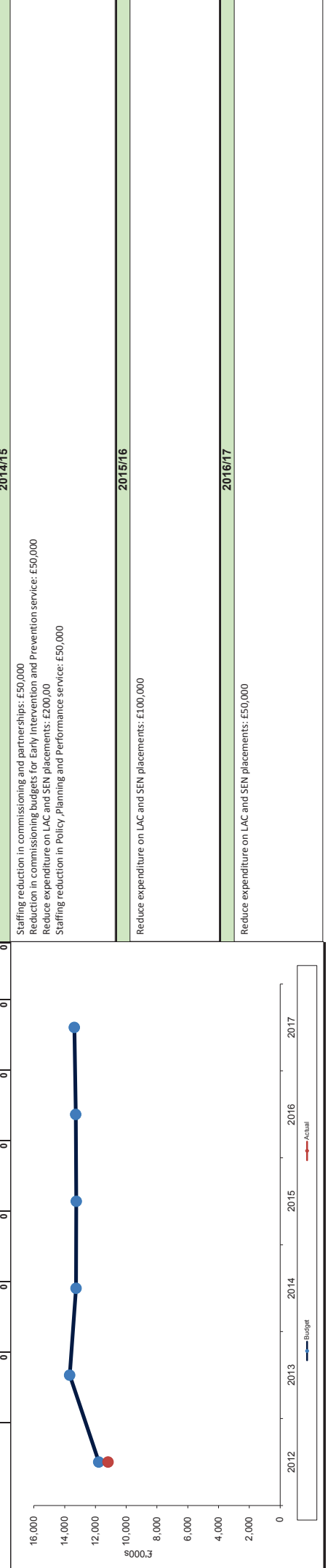
Children's Social Care

PROJECT DESCRIPTION		MAJOR EXPECTED OUTCOME		Likelihood	Risk Impact	Score
<b>Project 1</b>	Deliver transforming families year 2 & year 3 programme  Continues programme of TF programme and claiming of performance based grant funding. Implementation of TF exit strategy & realigning TF team into CSF family intervention for the future. 2015-16 - Claim Transforming Families performance by results funding.	To meet legislative requirements	2	3	6	
Start date						2013-14
End date	2015-16					
<b>Project 2</b>	<b>Social Care Information System procurement &amp; implementation</b> Cross-cutting project to provide system for both CSF & C&H casework, including financial aspects, led by Corporate Services. Will encompass capability to deal with new statutory requirements including C&F Bill in relation to CYP with SEND, management information & reporting for inspection purposes. Implementation phase will include extensive work to improve associated processes. Also interim improvements re data quality & reporting in CF. Involves parts of Education Division dealing with casework. System also used by R&I & ART within CSP.	To improve case records, data quality, & management information on all casework in CSF, & to improve compliance with statutory & regulatory requirements including for inspection purposes	3	3	9	
Start date						2013-14
End date	2015-16					
<b>Project 3</b>	<b>Preparation for new inspection regime</b> To improve data quality, case records & management, filing & retention, & reporting to provide required information for inspection purposes. To improve assessment, case management & associated quality assurance. Primarily CSC project but also involves parts of Education Division & requires substantial input from CSP Division.	To meet legislative requirements	4	3	12	
Start date						2013-14
End date	2014-15					
<b>Project 4</b>	<b>Youth Justice</b> Development of policy framework in response to regulation. Trend analysis.	To meet legislative requirements	3	2	6	
Start date						2014-15
End date	2015-16					
<b>Project 5</b>	<b>Joint work with Housing</b> To develop joint approaches for older LAC, unaccompanied asylum seekers, families with NRTPF. Relates to commissioning under CSP.	Improved resident well being	4	2	8	
Start date						2014-15
End date	2015-16					
<b>Project 6</b>	<b>Post-reorganisation review of staffing structure &amp; processes</b> To review allocation of staffing between teams, caseloads & throughput, recruitment & retention implications. Associated process refinement across assessment, application of thresholds, EIP, specialist & enhanced services. Joint work with legal on 26 week limit.	To improve safeguarding, contain services within limited budgets, & for staff retention	3	2	6	
Start date						2013-14
End date	2014-15					
<b>Project 7</b>	Select one major outcome	Select one major outcome			0	
Start date						
End date						
<b>Project 8</b>	Select one major outcome	Select one major outcome			0	
Start date						
End date						
<b>Project 10</b>	Select one major outcome	Select one major outcome			0	
Start date						
End date						

<b>Commissioning, Strategy and Performance</b> Chris Wax, Martin & Martin Whetton, Cabinet Members for Childrens Services & Education			<b>Planning Assumptions</b>			<b>The Corporate strategies your service contributes to</b>								
Enter a brief description of your main activities and objectives below The Commissioning, Strategy & Performance division provides strategic services for the Children, Schools & Families Department (CSF): policy, planning & performance management; commissioning, procurement & contract monitoring; access to resources for looked after children/pupils with SEN; pupil place planning; school admissions; school expansion & overall CSF capital programme management; some departmental business support. Main activities include: i) leading on strategic & operational planning for CSF; ii) leading on local children's trust & partnership development; iii) production of management information for internal & external reporting Inc. performance management statutory returns; iv) production of policy documents & procedural guidance for professional staff; v) leading on joint commissioning with partners; vi) managing schools Private Finance Initiative & other service contracts; vii) procuring placements for looked after children/pupils with SEN; viii) planning sufficient school places; ix) co-ordinating pupil admissions to Merton schools; x) project managing school expansions & other capital schemes.			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2014/15	2015/16	2016/17	2017/18		
Anticipated demand			Increased demand for primary school			Increased demand for secondary school			Increased demand for special school places			Overall demographic		
Performance indicator			Anticipated demand for special school places			Anticipated demand for primary school			Anticipated demand for secondary school			Anticipated demand for special school places		
Performance indicator			Increased demand for special school places			Increased demand for primary school			Increased demand for secondary school			Increased demand for special school places		
Performance indicator			Increased demand for special school places			Increased demand for primary school			Increased demand for secondary school			Increased demand for special school places		

DEPARTMENTAL BUDGET AND RESOURCES													
		Budget 2012/13		Budget 2013/14		Budget 2014/15		Budget 2015/16		Budget 2016/17		Budget 2017/18	
Revenue £'000s		6,442	6,177	16,571	15,636	15,620	15,661	15,751	15,751	15,661	15,751	15,751	15,751
Expenditure		2,398	2,174	2,118	2,258	2,259	2,259	2,260	2,260	2,259	2,260	2,260	2,260
Employees		208	717	138	526	526	527	528	528	527	527	528	528
Premises		34	45	39	40	40	41	41	41	41	41	41	41
Transport		6,347	6,851	6,949	6,349	6,306	6,314	6,371	6,371	6,314	6,371	6,371	6,371
Supplies & Services		6,953	6,177	6,915	5,862	5,894	5,925	5,956	5,956	5,925	5,956	5,956	5,956
3rd party payments		0	0	0	0	0	0	0	0	0	0	0	0
Transfer to pupils		491	553	512	595	595	595	595	595	595	595	595	595
Support services		0	0	0	0	0	0	0	0	0	0	0	0
Depreciation		0	0	0	0	0	0	0	0	0	0	0	0
Total Revenue		11,782	11,182	13,870	13,259	13,241	13,280	13,368	13,368	13,280	13,368	13,368	13,368
Revenue		0	0	0	0	0	0	0	0	0	0	0	0
Income		4,560	5,335	2,901	2,377	2,379	2,381	2,383	2,383	2,381	2,383	2,383	2,383
Government grants		2,377	2,386	746	106	106	106	106	106	106	106	106	106
Reimbursements		250	310	209	311	311	311	311	311	311	311	311	311
Customer/client receipts		1,933	2,639	1,946	1,960	1,962	1,964	1,966	1,966	1,964	1,966	1,966	1,966
Reserves		0	0	0	0	0	0	0	0	0	0	0	0
Capital grant		0	0	0	0	0	0	0	0	0	0	0	0
Council Funded Net Budget		11,782	11,182	13,870	13,259	13,241	13,280	13,368	13,368	13,280	13,368	13,368	13,368
Capital Budget £'000s		0	0	0	0	0	0	0	0	0	0	0	0

		Budget 2012/13		Budget 2013/14		Budget 2014/15		Budget 2015/16		Budget 2016/17		Budget 2017/18	
Capital Budget £'000s		0	0	0	0	0	0	0	0	0	0	0	0



**Summary of major budget etc. changes Changes prior to 2014/15**

1) Movements in premises cost are due to changes in capital accounting and the revaluation budget adjustments.  
2) The supplies and services actual for 2012-13 are significantly higher than the budget due to free school meal costs which is offset by the higher than budget customer and client receipts income as meal costs are recovered from schools.  
3) The lower spend on third party payments relate to the DSG under spend on ART residential placements.  
4) Grant income reduced due to change in accounting practice of EIP grant (£790k) and the sixth for SEN block grant (£640k).

**2014/15**  
Staffing reduction in commissioning and partnerships: £50,000  
Reduction in commissioning budgets for Early Intervention and Prevention service: £50,000  
Reduce expenditure on LAC and SEN placements: £200,000  
Staffing reduction in Policy, Planning and Performance service: £50,000

**2015/16**  
Reduce expenditure on LAC and SEN placements: £100,000

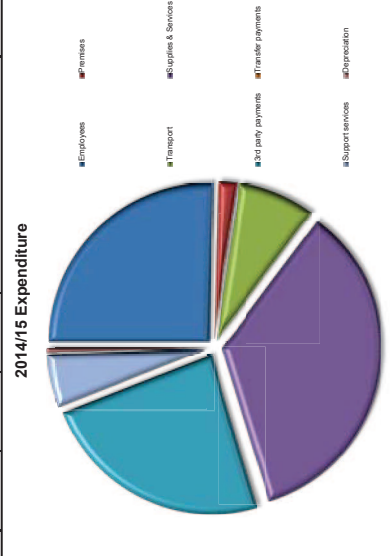
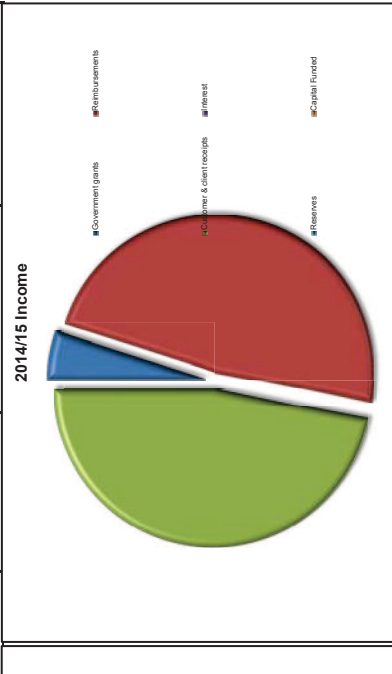
**2016/17**  
Reduce expenditure on LAC and SEN placements: £50,000

DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD

Commissioning, Strategy and Performance

PROJECT DESCRIPTION		MAJOR EXPECTED OUTCOME		Likelihood	Risk Impact	Score
<b>Project 1</b>	Project Title: Commissioning Range of significant changes to CSF commissioning, including working jointly with public health on commissioning of health visitor services for CYP & families; working with CCG to explore options for the future commissioning of health services for CYP & families -initial project to identify the way forward, could develop into a substantial piece of work for major transformational change depending on solution; commissioning of post-16 A&E & RPA places; commissioning of placements for older LAC and care leavers accommodation.	More efficient way of working		3	2	6
Start date 2014-15						
End date 2015-16						
<b>Project 2</b>	Project Title: Implementation of secondary & special school expansion strategy Pupil places planning, development of strategy, statutory processes, planning & delivery of construction contracts. Includes consideration of provision for SEND.	To meet legislative requirements		5	3	15
Start date 2013-14						
End date 2017-18						
<b>Project 3</b>	Project Title: PFI - 5 year review Quinquennial soft services review.	More efficient way of working		4	2	8
Start date 2014-15						
End date 2014-15						
<b>Project 4</b>	Project Title: School Admissions System Procurement Procurement of school admissions system, including consideration of surrounding processes. Also engagement with CC Programme.	More efficient way of working		3	3	9
Start date 2013-14						
End date 2015-16						
<b>Project 5</b>	Project Title: Participation & Engagement Review Review of i) existing participation and engagement capacity in CSF, ii) reprioritisation of activity and iii) model of delivery. Work could lead to internal restructuring or external commissioning of service.	Improved resident well being		3	1	3
Start date 2014-15						
End date 2014-15						
<b>Project 6</b>	Project Title: Increase uptake of Free School Meals Increase proportion of those eligible for free school meals who apply for and then take up entitlement. Work will include reviewing marketing and application procedures and targeted work with schools with lower FSM registrations than would be expected from analysis of deprivation factors.	Improved resident well being		2	2	4
Start date 2014-15						
End date 2014-15						
<b>Project 7</b>	Project Title: Release of Assets To address a range of issues related to CSF property & accommodation, including consideration of further potential for flexible working & consolidation in the Civic Centre; review of caretakers' houses.	More efficient way of working		3	1	3
Start date						
End date						
<b>Project 8</b>	Project Title: Progress existing capital schemes & provide additional FE's in primary schools Completion of construction projects in progress. Consideration of further primary places required, planning & delivery of construction projects.	To meet legislative requirements		3	3	9
Start date 2013-14						
End date 2016-17						

Education	Anticipated demand	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	Planning Assumptions	2013/14	2014/15	2015/16	2016/17	2017/18	The Corporate strategies your service contributes to
Cllrs Maxi Martin & Mervin Whiston, Cabinet Members for Children's Services & Education	Forecast increase in population 5-19	2000		2400				2400						Children & Young person's Plan
Schools Standards & Quality will improve outcomes for all pupils in Merton Schools by: - monitoring, setting & evaluating school performance - working with schools to reduce inequality & improve achievement for vulnerable groups - changing relationships between LA's, HT's & schools in context of new government policies <b>Special Inclusion Needs &amp; Disabilities</b> will improve outcomes for CYP with SEND by: - building capacity in schools & settings, families & the community - focus on early intervention & prevention, as well as direct support for schools & families - implementing the requirements of the Children and Families Bill <b>Early Years Services</b> will improve outcomes for all children aged 0-5 via: - universal, early help & targeted services - children's centres - free nursery places for 2 to 4 year olds - information for families (0-19) - childcare market management <b>Youth Inclusion</b> will improve outcomes for Young People by: - providing universal & targeted in house & commissioned services for YP & schools - providing support to prevent bullying, substance misuse & teenage pregnancy, to improve attendance & to encourage emotional & social development - developing alternative education offerings to enable YP to stay in education, training & employment - leading on the council's partnership with the police & CAMHS for education - improving attendance in Merton schools	Increase in compulsory education to 18			200 - 400				200 - 400						Community Plan
	Forecast increase in targeted SEND services			780				780						Performance Management Framework
	Forecast increase in population 0 - 4	210		251				251						Social Inclusion Strategy
	Staff (FTE)			236				236						LAC Strategy
	School to school support			65				65						Youth crime
	Voluntary Services			85				85						Family poverty
	Voluntary Services			77				77						Health & wellbeing
	Performance Indicator													Main impact if indicator not met
	% 5 GCSE A-C including English & maths	62	64	65				65						Reputational risk
	% outcome of schools Ofsted inspections good or outstanding	75	77	82				82						Inspection outcomes
	% L4 English & maths as KS2	78	78	82				82						Reputational risk
	% secondary school attendance (LA only)	new	new	94.5				94.5						Increased costs
	% primary school attendance (LA only)	new	new	95				95						Breach statutory duty
	Provision of short breaks	520	520	520				520						Reputational risk
	% EY foundation stage profile	63	60	65				65						Increased costs
	% Good or Outstanding children's centres per Ofsted	100	100	100				100						Inspection outcomes
	Youth service participation rate	1800	2000	2000				2000						Reputational risk



Revenue £'000s	Budget 2012/13	Actual 2012/13	Budget 2013/14	Actual 2013/14	Budget 2014/15	Actual 2014/15	Budget 2015/16	Actual 2015/16	Budget 2016/17	Actual 2016/17	Budget 2017/18	Actual 2017/18
Government grants	11,199	12,644	8,444	4,982	5,019	5,056	5,073	5,073	5,073	5,073	5,073	5,073
Revenues	6,473	6,394	2,261	2,501	2,501	2,501	2,501	2,501	2,501	2,501	2,501	2,501
Reserves	2,950	3,958	3,958	2,390	2,390	2,390	2,390	2,390	2,390	2,390	2,390	2,390
Capital Funded	2,111	2,485	2,485	2,225	2,342	2,379	2,416	2,433	2,433	2,433	2,433	2,433
Other	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>22,659</b>	<b>25,481</b>	<b>17,148</b>	<b>10,268</b>	<b>10,260</b>	<b>10,256</b>	<b>10,260</b>	<b>10,256</b>	<b>10,260</b>	<b>10,256</b>	<b>10,260</b>	<b>10,256</b>

**Summary of major budget etc. changes**

**Changes prior to 2014/15**

1) Employee expenditure reduced partly due to transfer of Youth Justice service to Children Social Care.  
2) The Supplies and services budget for 2013-14 increased due to an increase in DSG grant. This is not reflected on grant income as the grant increase was offset by the EIP grant reduction of £5,860. The reduction in 2014-15 is due to the acclimatisation reduction which is paid through the EFA not the LA.  
3) Support services recharge increased due to changes in accounting practice.

**2014/15**

Reduction of the overall detached youth service: £25,000  
Increased income generation and management efficiencies in School Standards and Quality service: £70,000  
Restructuring and realignment to deliver efficiencies in Early Years service: £100,000  
Introduce new models of fulfilling the council's statutory responsibilities for the provision of SEN transport: £140,000  
Reduction in Participation/Advocacy commissioning: £50,000  
Duke of Edinburgh funding provide via schools: £25,000

**2015/16**

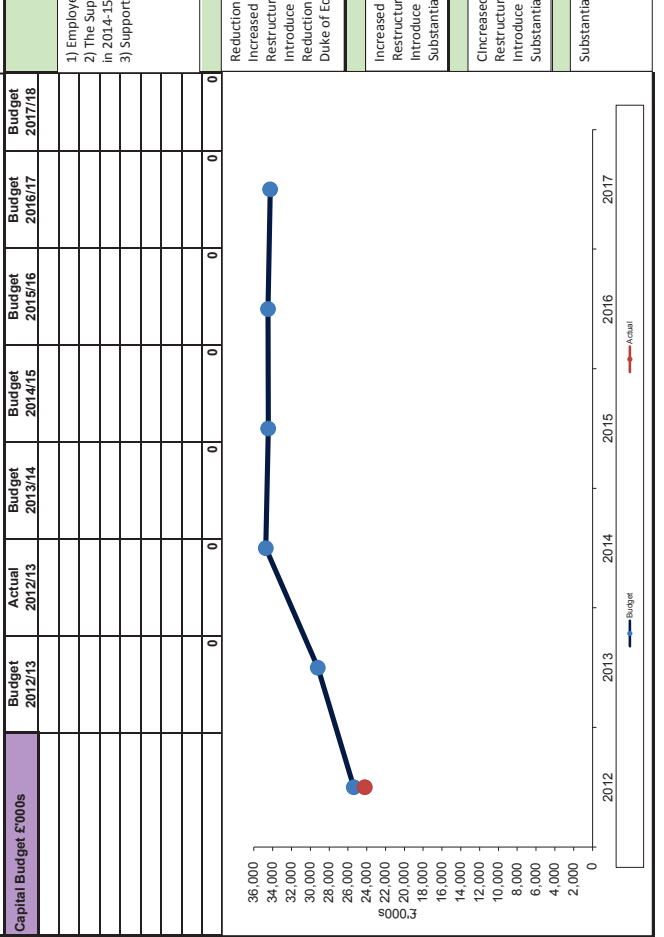
Increased income generation and management efficiencies in School Standards and Quality service: £40,000  
Restructuring and realignment to deliver efficiencies in Early Years service: £10,000  
Introduce new models of fulfilling the council's statutory responsibilities for the provision of SEN transport: £161,000  
Substantial reduction in EY budgets whilst retaining existing Children's Centres targeted work in areas of higher deprivation: £150,000

**2016/17**

Increased income generation and management efficiencies in School Standards and Quality service: £40,000  
Restructuring and realignment to deliver efficiencies in Early Years service: £10,000  
Introduce new models of fulfilling the council's statutory responsibilities for the provision of SEN transport: £50,000  
Substantial reduction in EY budgets whilst retaining existing Children's Centres targeted work in areas of higher deprivation: £7,000

**2017/18**

Substantial reduction in EY budgets whilst retaining existing Children's Centres targeted work in areas of higher deprivation: £250,000





DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD

Education

PROJECT DESCRIPTION		MAJOR EXPECTED OUTCOME		Likelihood	Risk Impact	Score
<b>Project 1</b>	Project Title: Improving pupil outcomes at KS2 & KS4  Project Details: Ongoing work with schools. Challenge and support, monitoring, feedback, including Ofsted. Training and collaboration.	Improved pupil outcomes at KS2 & KS4  Improved resident well being		2	3	6
Start date						
End date	2016-17	<b>School Improvement - development of SLAs</b>  Ongoing development of partnership with schools, including new Ofsted requirements, developing new curricula. Merton Leaders of Education Programme. More commercial approach to SSQ services, and move to a sharper SLA based charging process. to facilitate provision to other organisations and to generate income.		2	2	4
<b>Project 2</b>	Project Title: School Improvement - development of SLAs  Project Details: Ongoing development of partnership with schools, including new Ofsted requirements, developing new curricula. Merton Leaders of Education Programme. More commercial approach to SSQ services, and move to a sharper SLA based charging process. to facilitate provision to other organisations and to generate income.					
<b>Project 3</b>	Project Title: Transforming Early Years  Project Details: Including provision of 2 year-old places to meet legislative requirement - stage 2 is for a further 500 places; ongoing development of the Locality Model to reorganise provision to maximise outcomes within available funding - service realignment & increasingly targeted provision; further alternative / shared / mixed use for the centres.	Improved resident well being		3	2	6
Start date						
End date	2015-16	<b>Implementation of requirements of Children &amp; Families bill</b>  Development to meet legislative requirements including assessment framework, Ed, Health & Care Plan, development of the local offer, joint working with other agencies, secure web portal to access & comment on care plan, also to set out services in the local offer, personal budgets for those families that want them. Related to SCIS & CC Programme. Including addressing new statutory duty for age 19-25. Develop plan and manage process within available funding streams.		4	3	12
<b>Project 4</b>	Project Title: Implementation of requirements of Children & Families bill  Project Details: Development to meet legislative requirements including assessment framework, Ed, Health & Care Plan, development of the local offer, joint working with other agencies, secure web portal to access & comment on care plan, also to set out services in the local offer, personal budgets for those families that want them. Related to SCIS & CC Programme. Including addressing new statutory duty for age 19-25. Develop plan and manage process within available funding streams.					
<b>Project 5</b>	Project Title: Development of AllEd & linked provision  Project Details: Development of Melbury College and commissioning of AllEd provision. Including addressing new statutory duty for age 19-25. Develop plan and manage process within available funding streams.	To meet legislative requirements		3	2	6
Start date						
End date	2015-16	<b>Youth transformation phases 2 &amp; 3</b>  Consolidation of localities - Morden and Wimbledon and roll out of Mitcham provision		4	3	12
<b>Project 6</b>	Project Title: Youth transformation phases 2 & 3  Project Details: Consolidation of localities - Morden and Wimbledon and roll out of Mitcham provision					
<b>Project 7</b>	Project Title: Raising Participation Age  Project Details: Development to provision to meet range of needs. Relates to CSP activity, including processes & accuracy of data from schools and colleges to reduce NEET, EET & unknowns.	To meet legislative requirements		3	2	6
Start date						
End date	2015-16					

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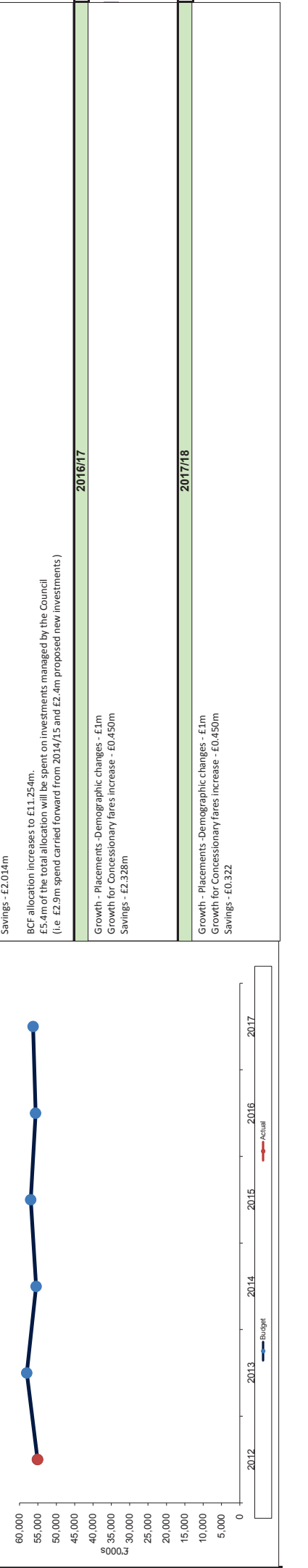


# **Community and Housing Department**

Adult Social Care				Planning Assumptions					The Corporate strategies your service contributes to			
CILR Linda Kirby Cabinet Member for Adult Social Care & Health				2012/13	2013/14	2014/15	2015/16	2016/17	2017/18			
<b>Anticipated demand</b>				6513	6630	6729	6829	6920	7011			
No. of people requiring services				2400	2400	2400	2500	2500	2500			
People aged 85-99				1600	1700	1800	1800	1900	1900			
People aged 95+				1960	1963	1957	2022	2047	2072			
No. of people aged 65+ with dementia				431	444	420	420	418	419			
<b>Anticipated non financial resources</b>												
Staff (FTE)												
<b>Performance indicator</b>												
Performance Targets (T) & Provisional Performance Targets (PT)				2012/13(PT)	2013/14(PT)	2014/15(PT)	2015/16(PT)	2016/17(PT)	2017/18(PT)			
28				28.5	28.5	28.5	28.5	28.5	28.5			
Measures will change in line with national Zero Based Review of Adult Social Care collections. Final publication of the Handbook or Definitions for the new measures is due sometime this spring. Baseline / target set will be finalised by the end of June 2014.												
75				77	77	77	77	77	77			
80				80	80	80	80	80	80			
82				82	82	82	82	82	82			
45				45	45	45	45	45	45			
6.5				6.5	6.5	6.5	6.5	6.5	6.5			
Measures will change in line with national Zero Based Review of Adult Social Care collections. Final publication of the Handbook or Definitions for the new measures is due sometime this spring. Baseline / target set will be finalised by the end of June 2014.												
High				High	High	High	High	High	High			
High				High	High	High	High	High	High			
Low				Low	Low	Low	Low	Low	Low			
Business critical				Business critical	Business critical	Business critical	Business critical	Business critical	Business critical			
Outcome				Outcome	Outcome	Outcome	Outcome	Outcome	Outcome			
Quality				Quality	Quality	Quality	Quality	Quality	Quality			
Business critical				Business critical	Business critical	Business critical	Business critical	Business critical	Business critical			
Unit cost				Unit cost	Unit cost	Unit cost	Unit cost	Unit cost	Unit cost			
Business critical				Business critical	Business critical	Business critical	Business critical	Business critical	Business critical			
Increased costs				Increased costs	Increased costs	Increased costs	Increased costs	Increased costs	Increased costs			
Government intervention				Government intervention	Government intervention	Government intervention	Government intervention	Government intervention	Government intervention			
Increased costs				Increased costs	Increased costs	Increased costs	Increased costs	Increased costs	Increased costs			

DEPARTMENTAL BUDGET AND RESOURCES												
Revenue £'000s	Budget 2012/13	Actual 2012/13	Budget 2013/14	Budget 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18	Budget 2017/18	Budget 2017/18	Budget 2017/18	Budget 2017/18	Budget 2017/18
<b>Expenditure</b>	82,430	82,248	81,775	77,102	78,237	77,071	77,911	77,911	77,911	77,911	77,911	77,911
Employees	15,177	15,223	15,405	14,464	14,509	14,324	14,339	14,339	14,339	14,339	14,339	14,339
Premises	482	501	500	481	489	497	505	505	505	505	505	505
Transport	1,468	1,475	1,390	1,167	1,188	1,209	1,230	1,230	1,230	1,230	1,230	1,230
Supplies & Services	3,825	3,835	3,882	3,974	3,965	4,010	4,055	4,055	4,055	4,055	4,055	4,055
3rd party payments	43,041	42,302	40,964	40,566	41,338	39,633	39,933	39,933	39,933	39,933	39,933	39,933
Transfer payments	12,159	12,209	12,550	9,934	9,831	10,281	10,732	10,732	10,732	10,732	10,732	10,732
Support services	6,630	6,627	7,208	7,041	7,041	7,041	7,041	7,041	7,041	7,041	7,041	7,041
Depreciation	138	76	76	76	76	76	76	76	76	76	76	76
<b>Revenue £'000s</b>	Budget 2012/13	Actual 2012/13	Budget 2013/14	Budget 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18	Budget 2017/18	Budget 2017/18	Budget 2017/18	Budget 2017/18	Budget 2017/18
Government grants	27,306	27,170	23,736	21,604	21,253	21,413	21,611	21,611	21,611	21,611	21,611	21,611
Reimbursements	7,109	6,895	131	135	109	71	71	71	71	71	71	71
Customer & client receipts	8,963	9,287	10,012	7,611	7,806	7,809	8,007	8,007	8,007	8,007	8,007	8,007
Recharges	3,317	3,314	3,317	3,109	3,109	3,109	3,109	3,109	3,109	3,109	3,109	3,109
Reserves	226	226	0	0	0	0	0	0	0	0	0	0
Capital Funded	0	0	0	0	0	0	0	0	0	0	0	0
<b>Council Funded Net Budget</b>	55,124	55,078	58,039	55,498	56,984	55,658	56,300	56,300	56,300	56,300	56,300	56,300
<b>Capital Budget £'000s</b>	Budget 2012/13	Actual 2012/13	Budget 2013/14	Budget 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18	Budget 2017/18	Budget 2017/18	Budget 2017/18	Budget 2017/18	Budget 2017/18
Replacement SC System												
Laptops for Managers & Staff			22,100	60,000								
Other IT Schemes			142,940	79,100								

Summary of major budget etc. changes ~ 2014/15												
2014/15 Expenditure												
Growth - Placements - Demographic changes - £1m												
Growth for Concessionary fares increase - £0.243m												
Savings - £2.187m												
NHS Social Care Transfer funds - £2.676m												
Better Care Fund - £0.623m												
2015/16												
Growth - Placements - Demographic changes - £1m												
Growth for Concessionary fares increase - £0.436m												
Savings - £2.014m												
BCF allocation increases to £11.254m.												
£5.4m of the total allocation will be spent on investments managed by the Council (i.e. £2.9m spend carried forward from 2014/15 and £2.4m proposed new investments)												
2016/17												
Growth - Placements - Demographic changes - £1m												
Growth for Concessionary fares increase - £0.450m												
Savings - £2.328m												
2017/18												
Growth - Placements - Demographic changes - £1m												
Growth for Concessionary fares increase - £0.450m												
Savings - £0.322												



DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD

Adult Social Care

PROJECT DESCRIPTION		MAJOR EXPECTED OUTCOME		Likelihood	Risk Impact	Score
<b>Project 1</b>	<b>Project Title:</b> Brokerage efficiencies	Care and support packages will be negotiated and brokered to deliver the best value solution based on assessed need - includes <i>Mental Health Placements 2014-15 Ref: ASC54</i> , (2014-15 to 2017-18 Ref: CH9 - additional savings for 2015-16, 2016-17 plus proposed savings for 2017-18 awaiting Cabinet approval).		4	2	8
Start date	2013-14					
End date	2017-18	<b>Restructuring supporting people</b> Continue the mainstreaming of the procurement process and reducing overall expenditure within these contracts (2014-15 Ref: CH11).		4	2	8
<b>Project 2</b>	<b>Project Title:</b>					
Start date	2014-15	<b>Voluntary sector grants - reduction in infrastructure</b> Delivering efficiencies through reduction in voluntary organisations' overheads and back office costs (2014-15 Ref: ASC51).		4	2	8
End date	2014-15					
<b>Project 3</b>	<b>Project Title:</b>	<b>Voluntary organisations</b> Delivering efficiencies through reduction in voluntary organisations' overheads and back office costs, or reduction in demand for statutory services (2014-15 Ref: CH6).		4	2	8
Start date	2014-15					
End date	2014-15	<b>Commissioning management restructure</b> Streamlining procurement and commissioning process (2014-15 Ref: ASC52).		3	1	3
<b>Project 4</b>	<b>Project Title:</b>					
Start date	2014-15	<b>Procurement efficiencies</b> Delivering efficiencies through contract negotiations (2014-15 Ref: ASC55; 2015-16-2017-18 Ref: CH10 - additional savings for 2015-16, 2016-17 plus proposed for 2017-18 awaiting Cabinet approval).		4	2	8
End date	2014-15					
<b>Project 5</b>	<b>Project Title:</b>	<b>Meals on wheels contract saving</b> Delivering efficiencies through contract negotiations (2014-15 Ref: ASC63).		4	2	8
Start date	2014-15					
End date	2014-15	<b>Remodelling of reablement service</b> The service will be remodelled to reduce / eliminate downtime and match hours more closely with customer need (2014-15 Ref: ASC44)		4	2	8
<b>Project 6</b>	<b>Project Title:</b>					
Start date	2013-14	<b>Reablement (outcome - care packages)</b> Reduced reablement outcome care packages (2014-15 Ref: ASC45).		4	3	12
End date	2017-18					
<b>Project 7</b>	<b>Project Title:</b>	<b>Promoting independence</b> Public Value Review - Efficiencies to be found in hospital discharge process and customers to be enabled to regain and maintain independence (2014-15 to 201617 Ref: CH2).		4	2	8
Start date	2014-15					
End date	2016-17			4	2	8
<b>Project 8</b>	<b>Project Title:</b>					
Start date	2014-15			4	2	8
End date	2014-15					
<b>Project 9</b>	<b>Project Title:</b>			4	2	8
Start date	2014-15					
End date	2014-15			4	2	8
<b>Project 10</b>	<b>Project Title:</b>					
Start date	2014-15			4	2	8
End date	2016-17					

DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD

Adult Social Care

PROJECT DESCRIPTION		MAJOR EXPECTED OUTCOME		Likelihood	Risk Impact	Score
<b>Project 1</b>	<b>Project Title:</b> Reviewed service packages	To meet budget savings		4	3	12
Start date 2013-14	<b>Project Details:</b> Review of care packages with a view to an overall average reduction in line with promoting independence (2014-15 Ref: ASC46).					
End date 2014-15		To meet budget savings		3	2	6
<b>Project 2</b>	<b>Project Title:</b> Additional reablement funding (PCT)					
Start date 2014-15	<b>Project Details:</b> Additional one off funding from PCT to support health related social care services (2014-15 Ref: ASC47).	To meet budget savings		4	2	8
End date 2014-15						
<b>Project 3</b>	<b>Project Title:</b> Access and assessment staffing restructure	To meet budget savings		3	2	6
Start date 2014-15	<b>Project Details:</b> Access and assessment staffing restructure (2014-15 Ref: CH4, CH13; 2015-16 Ref: CH4 - awaiting Cabinet approval, 2016-17 Ref: CH4).					
End date 2016-17		To meet budget savings		3	2	6
<b>Project 4</b>	<b>Project Title:</b> Transport efficiencies / transport					
Start date 2014-15	<b>Project Details:</b> Day service staff to become responsible for collecting customers and taking them home (2014-15 Ref: ASC49).	To meet budget savings		3	2	6
End date 2014-15						
<b>Project 5</b>	<b>Project Title:</b> Direct provisions - staffing restructure	To meet budget savings		3	2	6
Start date 2013-14	<b>Project Details:</b> Direct provisions - staffing restructure (2014-15 Ref: CH7).					
End date 2014-15		To meet budget savings		6	3	18
<b>Project 6</b>	<b>Project Title:</b> Below inflation uplift to third party suppliers					
Start date 2015-16	<b>Project Details:</b> Continue the below inflation uplift. This will be a total of 7 years at 0% or below inflation uplift (2014-15 Ref: ASC7, 2015-16 & 2016-17 Ref: CH1).	To meet budget savings		4	2	8
End date 2016-17						
<b>Project 7</b>	<b>Project Title:</b> Realise benefits of new prevention programme	To meet budget savings		4	2	8
Start date 2016-17	<b>Project Details:</b> Realise benefits of new prevention programme, in terms of reduced demand for statutory services, or alternatively if these benefits have not occurred then to reduce investment in the prevention programme through reduced grants to voluntary organisations (2016-17 Ref: CH5).					
End date 2016-17		To meet budget savings		4	2	8
<b>Project 8</b>	<b>Project Title:</b> Re-modelling and re-procuring the domiciliary care service					
Start date 2015-16	<b>Project Details:</b> Re-modelling and re-procuring the domiciliary care service following the end of three year contract starting in 2012 (2015-16 Ref: CH09; 2016-17 & 2017-18 Ref: CH09 awaiting Cabinet approval).	To meet budget savings		4	2	8
End date 2017-18						
<b>Project 9</b>	<b>Project Title:</b> Remove Day Care Costs from Residential Customers	To meet budget savings		4	2	8
Start date 2014-15	<b>Project Details:</b> Cessation of day care costs from Residential customers (2014-15 Ref: CH12).					
End date 2014-15		To meet budget savings		3	1	3
<b>Project 10</b>	<b>Project Title:</b> All Saints Respite Extension					
Start date 2014-15	<b>Project Details:</b> Extend All Saints Respite Service offer to PD customers (2014-15 Ref: CH14).	To meet budget savings		3	1	3
End date 2014-15						

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Housing Needs and Enabling Services		Planning Assumptions					Anticipated demand					The Corporate strategies your service contributes to							
Cllr Nick Draper Cabinet Member for Community & Culture		2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Enter a brief description of your main activities and objectives below		Housing advice, options, private tenants advice					Housing register applicants					Homelessness Strategy							
To fulfil statutory housing functions to prevent homelessness and avoid the use of temporary accommodation.		Housing options casework					Demand for temporary accommodation					Housing Strategy							
To plan services in response to changes in national policies and in the housing market, and to develop innovative projects or models of delivery that maximise the use of resources and deliver services that minimise costs to the council.		Anticipated non financial resources					Housing Needs Staff (FTE)					2016/17							
The purpose of this service is to		Environmental Health (Housing)					0					24.5							
- Prevent homelessness in accordance with statutory housing law												6.03							
- Provide homes to people in housing need																			
- Plan for the future delivery of housing via general conformity with the London Housing Strategy																			
- Formulate and deliver statutory housing strategies for the borough																			
- Maintain the housing register and choice based lettings process and nominate households to vacant housing association homes																			
- Maximise supply of affordable homes with registered providers and private landlords																			
- Provide care and housing support to vulnerable adults																			
- Relationship management between the council and stock transfer housing associations																			
- Carry out a statutory duty to enforce Environmental Health (Housing) legislation																			
- Provide grant assistance for improvements and adaptations																			

DEPARTMENTAL BUDGET AND RESOURCES													
Revenue £'000s	Budget 2012/13	Actual 2012/13	Budget 2013/14	Budget 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18	2012/13(T)	2013/14(T)	2014/15(T)	2015/16(T)	2016/17(T)	2017/18(T)
Expenditure	2,230	2,633	2,790	3,666	3,481	3,412	3,357	525	550	550	550	550	550
Employees	632	624	562	1,310	1,233	1,197	1,197	87	100	100	100	100	100
Premises	37	22	1	38	38	38	38	7	7	10	10	10	10
Transport	12	10	18	28	28	28	28	7	7	10	10	10	10
Supplies & Services	230	177	190	200	213	186	153	120	150	70	40	80	30
Transfer Payments	480	1,143	909	1,389	1,403	1,417	1,417	420	450	410	370	390	380
3rd party payments	604	266	480	338	303	247	247	125	90	90	90	90	90
Transfer Payments	0	0	0	0	0	0	0						
Support services	235	291	230	277	277	277	277						
Depreciation	0	0	0	0	0	0	0						
Revenue £'000s	Budget 2012/13	Actual 2012/13	Budget 2013/14	Budget 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18						
Income	1,161	1,626	932	1,359	1,293	1,294	1,296						
Government grants	1,001	1,504	798	1,140	1,140	1,140	1,140						
Reimbursements	0	0	0	0	0	0	0						
Customer & client receipts	30	92	34	147	148	149	151						
Recharges	0	0	0	0	0	0	0						
Reserves	130	19	0	67	0	0	0						
Capital Funded	0	0	0	0	0	0	0						
Council Funded Net Budget	1,069	907	1,958	2,207	2,188	2,118	2,061						

Summary of major budget etc. changes												
2014/15												
Transfer of Environmental Health team from E&R £270k												
Savings - £92k Homelessness Prevention grant												
Temp Accom- Expenditure, Housing Benefit and Client contribution budget's increased												
2015/16												
Savings £35k Reduction of Homelessness Prevention grant												
2016/17												
Savings £56k Reduction of Homelessness Prevention grant												
Savings £30k Rationalisation of admin budget (CH9)												
2017/18												
Savings £36k Rationalisation of admin budget (CH9)												
Savings £36k Deletion of one staffing post (CH10)												



DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD

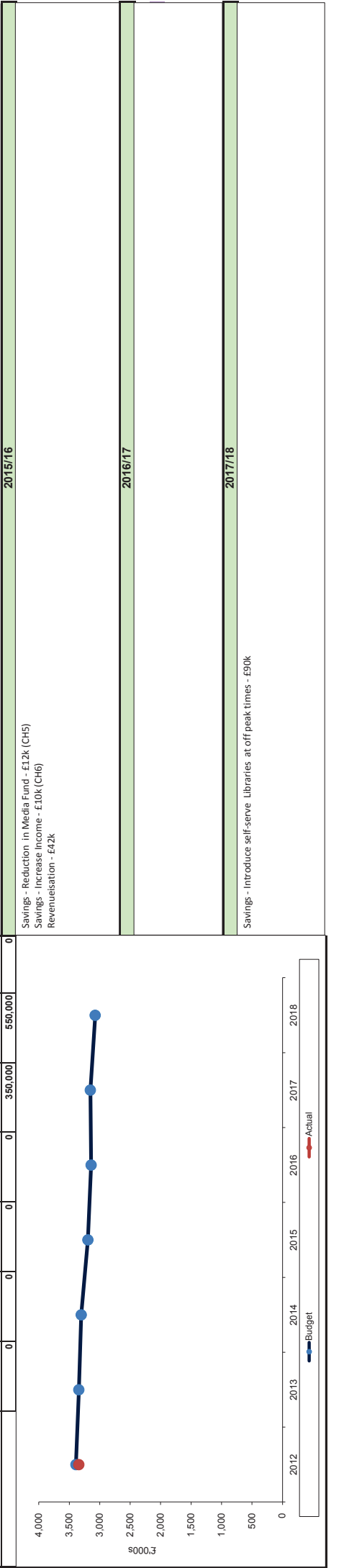
Housing Needs and Enabling Services

PROJECT DESCRIPTION		MAJOR EXPECTED OUTCOME		Likelihood	Risk Impact	Score
Shared lives optimisation		To meet budget savings				
<b>Project 1</b>	Project Title: Project Details:	Optimise the use of Shared Lives thereby reducing the associated spend on Adult Social Care budget.		3	3	9
Start date 2013-14	End date 2014-15					
<b>Project 2</b>	Project Title: Project Details:	Deliver on-line self-assessment tools Implement on-line Housing Self-assessment tools for Housing Options and Housing Register Pre-assessment.		3	1	3
Start date 2014-15	End date 2014-15					
<b>Project 3</b>	Project Title: Project Details:	Maximise use of private rented sector Increase housing supply in Private Rented Sector (PRS) by continuing to consider and implement new and innovative ways to maximise use of the private sector housing market including rehousing through empty homes grants.		2	2	4
Start date 2013-14	End date 2017-18					
<b>Project 4</b>	Project Title: Project Details:	Integrate Environmental Health (Housing) Integrate Environmental Health (Housing) into Community & Housing and develop a suite of performance indicators.		1	3	3
Start date 2014-15	End date 2014-15					
<b>Project 5</b>	Project Title: Project Details:	Review Housing Register and Nominations Policy Review Housing Register and Nominations Policy.		1	1	1
Start date 2014-15	End date 2014-15					
<b>Project 6</b>	Project Title: Project Details:	Feasibility Study: Social Enterprise Private Lettings Agency Commission a feasibility study on benefits of running a Social Enterprise Private Lettings Agency.		3	1	3
Start date 2014-15	End date 2015-16					
<b>Project 7</b>	Project Title: Project Details:	DFG Process Review Review process for the administration of the Disabled Facilities Grant (DFG).		1	3	3
Start date 2014-15	End date 2014-15					
<b>Project 8</b>	Project Title: Project Details:	Welfare Reform Mitigation Contact households in the borough affected by the Benefits Cap and determine impact on homelessness and seek to prevent homelessness by working proactively to mitigate the effects.		1	2	2
Start date 2013-14	End date 2014-15					
<b>Project 9</b>	Project Title: Project Details:	Select one major outcome				0
Start date	End date					
<b>Project 10</b>	Project Title: Project Details:	Select one major outcome				0
Start date	End date					

Libraries		Planning Assumptions										The Corporate strategies your service contributes to	
Cllr Nick Draper Cabinet Member for Community & Culture		2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Enter a brief description of your main activities and objectives below		54,000	54,000	54,500	55,000	56,000	56,000	54,000	54,000	54,500	55,000	56,000	56,000
The purpose of the service is to provide a 'comprehensive and efficient' library service, addressing the needs of adults and children' according to the Public Libraries and Museums Act 1964.		100,000.00	105,000.00	110,000.00	110,000.00	110,000.00	110,000.00	100,000.00	105,000.00	110,000.00	110,000.00	110,000.00	110,000.00
Local authorities have a statutory duty to make provision for a library service but may decide on how this is delivered.		120,000	125,000	130,000	135,000	135,000	135,000	120,000	125,000	130,000	135,000	135,000	135,000
Certain aspects of the service must be provided for free:		1,100,000	1,150,000	1,150,000	1,200,000	1,200,000	1,200,000	1,100,000	1,150,000	1,150,000	1,200,000	1,200,000	1,210,000
Free lending of books		47	46	47	47	47	47	47	46	47	47	47	43.5
Free access to information		7	7	7	7	7	7	7	7	7	7	7	7
Free library membership		144	144	144	144	144	144	144	144	144	144	144	144
The Library Service aims to provide a modern, high quality and cost effective service that is responsive to the needs of customers. Our vision is to remain the most efficient library service in London whilst continuing to achieve some of the highest customer satisfaction levels.													
Performance indicator													
No. of visitors accessing the library service online		95,000	110,000	115,000	125,000	135,000	150,000	95,000	110,000	115,000	125,000	135,000	150,000
Active users - peoples network terminal		54,000	54,500	55,000	56,000	56,000	56,000	54,000	54,500	55,000	56,000	56,000	56,000
% self service usage for stock transactions		95	95	95	95	95	95	95	95	95	95	95	95
Active volunteers in libraries		143	180	180	180	180	180	143	180	180	180	180	180
Maintain income		£282,570	£282,570	£282,570	£292,570	£292,570	£292,570	£282,570	£282,570	£282,570	£292,570	£292,570	£292,570
Partnership numbers		20	25	30	30	30	30	20	25	30	30	30	30
% customer satisfaction (ARS)		78	78	78	78	78	78	78	78	78	78	78	78
Select indicator type		Select	Select	Select	Select	Select	Select	Select	Select	Select	Select	Select	Select
Select indicator type		Select	Select	Select	Select	Select	Select	Select	Select	Select	Select	Select	Select

DEPARTMENTAL BUDGET AND RESOURCES												
Revenue £'000s	Budget 2012/13	Actual 2012/13	Budget 2013/14	Budget 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18	2012/13	2013/14	2014/15	2015/16	
Expenditure	3,831	3,725	3,791	3,634	3,596	3,603	3,529					
Employees	1,337	1,297	1,319	1,327	1,305	1,305	1,216					
Premises	349	337	401	401	407	413	419					
Transport	3	3	3	4	4	4	4					
Supplies & Services	559	547	618	522	543	558	567					
3rd party payments	105	119	66	65	66	67	68					
Transfer payments	907	867	814	689	689	689	689					
Support services	571	563	553	566	566	566	566					
Depreciation												
Revenue £'000s												
Income	441	382	488	441	445	450	454					
Government grants	0	0	0	0	0	0	0					
Reimbursements	82	47	120	114	114	114	114					
Customer & client receipts	359	310	343	327	331	336	340					
Recharges	0	0	0	0	0	0	0					
Reserves	0	25	25	0	0	0	0					
Capital Funded	0	0	0	0	0	0	0					
<b>Council Funded Net Budget</b>	<b>3,390</b>	<b>3,343</b>	<b>3,303</b>	<b>3,193</b>	<b>3,141</b>	<b>3,153</b>	<b>3,075</b>					

Summary of major budget etc. changes			
2014/15	2015/16	2016/17	2017/18
Savings - Reduction in Media Fund - £10k			
Corporate Services Cleaning contract savings - £15k			
Savings - Reduction in Media Fund - £12k (CHS)			
Savings - Increase Income - £10k (CH6)			
Revenue - £42k			





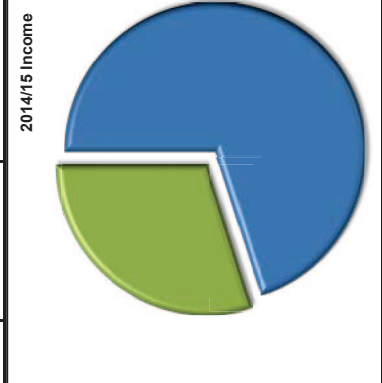
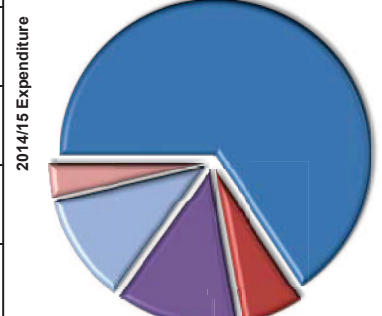
DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD

Libraries

PROJECT DESCRIPTION		MAJOR EXPECTED OUTCOME		Likelihood	Risk Impact	Score
<b>Project 1</b>	E-communications Strategy Continue to channel shift communication through digital methods: 1. Channel shift more customers towards receiving e-mail and SMS notifications; 2. Issue a quarterly customer e-newsletter; 3. Develop a library application for mobile phones; 4. Continue to develop library website.	Project Title: Project Details	More efficient way of working	2	2	4
Start date 2013-14						
<b>Project 2</b>	Heritage Project Monitor the Heritage Strategy and deliver expected outcomes. Complete Heritage Lottery Funded digitisation project 'Merton Memories' and launch new heritage website. Increase income from heritage services by providing online sales facilities.	Project Title: Project Details	Improved customer satisfaction	2	2	4
Start date 2013-14						
<b>Project 3</b>	Stock efficiency program Continue to deliver efficiencies in the way that stock is managed. Deliver media fund savings for 2014/15 and 2015/16. Maximise usage of e-resources.	Project Title: Project Details	Select one major outcome	2	1	2
Start date 2013-14						
<b>Project 4</b>	Children & Young People's projects Complete the rollout of the universal library membership scheme for all school children and students in Merton. Increase engagement with young people by establishing youth panels in libraries.	Project Title: Project Details	Improved resident well being	2	2	4
Start date 2013-14						
<b>Project 5</b>	Outreach and Community Engagement plan Deliver an annual outreach plan to increase usage of libraries. Run the Public Library User Surveys (PLUS) annually. Conduct research and engagement work with under represented groups and shape services accordingly.	Project Title: Project Details	Improved customer satisfaction	2	2	4
Start date 2013-14						
<b>Project 6</b>	IT Projects Tender for replacement self-service technology in 2015/16. Develop payment services online and rollout new hall booking system. Implement self-service libraries at off peak times in branch libraries.	Project Title: Project Details	Improved customer satisfaction	3	2	6
Start date 2013-14						
<b>Project 7</b>	Assisted digital support Increase volunteer numbers and skills in supporting customers with more complex IT needs. Increase partnership numbers to support the assisted digital agenda and link in with other council and partner services. Complete staff IT skills analysis and put development plans in place.	Project Title: Project Details	Improved resident well being	2	1	2
Start date 2013-14						
<b>Project 8</b>	Security services contract Re-tender of contract and on-going monitoring of current performance against contract.	Project Title: Project Details	More efficient way of working	3	2	6
Start date 2015-16						
<b>Project 9</b>	Library redevelopments Progress redevelopment plans where highlighted in Sites & Policies Development Plan. Investigate co-location opportunities with other council services and partners.	Project Title: Project Details	Improved customer satisfaction	3	2	6
Start date 2013-14						
<b>Project 10</b>	London Libraries Consortium Work with LLC to improve systems and drive through efficiencies. Implement actions in LLC 3-year Strategy.	Project Title: Project Details	More efficient way of working	3	2	6
Start date 2013-14						

Merton Adult Education		Planning Assumptions						The Corporate strategies your service contributes to	
Cllr Martin Whetton Cabinet Member for Education		2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2017/18	2017/18
Enter a brief description of your main activities and objectives below		1000	1000	1000	1000	1000	1000	1000	Medium Term Financial Strategy
Our vision is to enrich lives through learning and our mission is to provide high quality qualification and personal development learning responsive to the diverse needs of our communities. It is our ambition for Merton Adult Education to become an innovator and the college of choice for our community.		3000	3000	3000	3000	3000	3000	3001	Community Plan
We are committed to providing the best learning experience for our students, deliver an excellent service to our customers, maximise partnership opportunities, remain financially viable, achieve our Skills Funding Agency contractual targets and develop a range of income generating commercial products.		New	300	500	600	600	601		
Our strategic objective is to increase the skills, knowledge and educational attainment of adults through the provision of a range of accredited and non accredited courses. The course offer is developing local needs. A range of courses are delivered within the following departments, English and Maths, ESOL, IT, Mind and Body, Early Years, Foreign Languages, NEET, Family Learning, Neighbourhood Learning for Deprived Communities, Fitness, Art and Craft and Employability.		154	148	146	146	146	147		
Performance indicator		2012/13	2013/14	2014/15	2015/16	2016/17	2017/18		
Number of accredited learners		1000	1000	1000	1000	1000	1000	Business critical	
% achievement rate		95%	96%	96%	96%	96%	96%	Business critical	
% retention rate		87%	88%	88%	88%	88%	88%	Outcome	
% success rate		83%	84%	84%	84%	84%	84%	Outcome	
Income target		612890	732890	732890	732890	732890	732890	Business critical	
Number of commercial learners		300	500	600	600	600	600	Business critical	

DEPARTMENTAL BUDGET AND RESOURCES											
Revenue £'000s	Budget		Actual		Budget		Budget		Budget		Main impact if indicator not met
	2012/13	2013/14	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2014/15	2015/16	
Expenditure	2,994	2,698	2,673	2,715	2,722	2,729	2,737				
Employees	1,759	1,832	1,813	1,785	1,785	1,785	1,785				
Premises	164	164	176	174	176	178	181				
Transport	3	3	3	3	3	3	3				
Supplies & Services	351	352	332	345	350	355	360				
3rd party payments	0	0	0	0	0	0	0				
Transfer Payments	0	0	0	0	0	0	0				
Support services	232	250	286	311	311	311	311				
Depreciation	86	96	96	97	97	97	97				
Revenue £'000s											
Income	2,394	2,464	2,500	2,676	2,690	2,698	2,698				
Government grants	1,873	1,889	1,873	1,873	1,873	1,873	1,873				
Reimbursements	3	6	3	0	0	0	0				
Customer & client receipts	564	569	624	803	817	825	825				
Recharges	0	0	0	0	0	0	0				
Reserves	0	0	0	0	0	0	0				
Capital Funded	0	0	0	0	0	0	0				
Council Funded Net Budget	210	234	173	39	32	31	39				



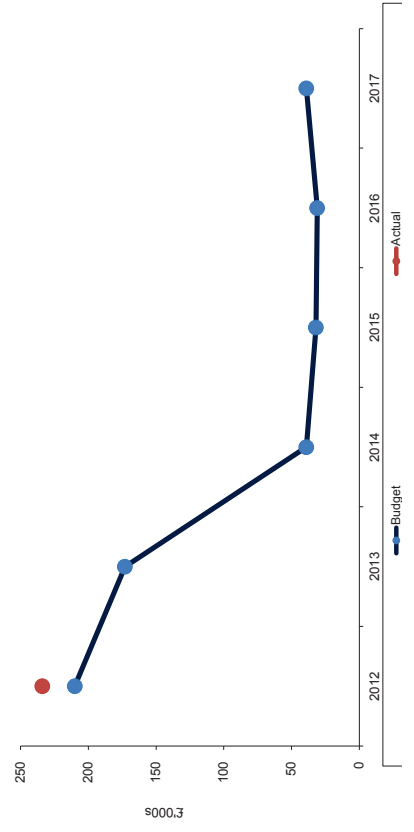
Summary of major budget etc changes					
2014/15		2015/16		2016/17	
Capital Budget £'000s					
Budget 2012/13					
Actual 2012/13					
Budget 2013/14					
Actual 2013/14					
Budget 2014/15					
Actual 2014/15					
Budget 2015/16					
Actual 2015/16					
Budget 2016/17					
Actual 2016/17					
Budget 2017/18					
Actual 2017/18					

£176k Savings  
To be achieved through increased income and some staff reductions, high risks due to income being dependent on external sources which are themselves volatile and liable to change at short notice

£14k Savings  
To be achieved through increased income and some staff reductions, high risks due to income being dependent on external sources which are themselves volatile and liable to change at short notice

£8k Savings  
To be achieved through increased income and some staff reductions, high risks due to income being dependent on external sources which are themselves volatile and liable to change at short notice

Income and saving targets difficult to achieve due to the college received funding from an external source, allocations are awarded annually further reductions will impact on being able to meet saving targets.



DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD

Merton Adult Education

PROJECT DESCRIPTION		MAJOR EXPECTED OUTCOME		Likelihood	Risk Impact	Score
<b>Project 1</b> Introduction of New 24+ Loans Devise and implement an awareness raising campaign to promote the take up of the new 25+ Advanced Loans		To meet legislative requirements		3	2	6
Start date	01/09/2013					
End date	31/07/2014					
<b>Project 2</b> MAE Commercial Business Plan Implement a range of income generating products in line with saving targets. Action plans to be implemented for MAE Adult Social Care short course programme, Event Hosting, Leadership and Management short course programme, Early Years and Schools short course programme		Income generation		3	2	6
Start date	01/01/2014					
End date	31/12/2015					
<b>Project 3</b> Widening Participation in Learning Update and implement the college widening participation strategy focused on increasing participation amongst disadvantaged localities within the borough.		Improved resident well being		2	1	2
Start date	01/09/2013					
End date	31/07/2015					
<b>Project 4</b> Accommodation Strategy In response to Children Schools and Families requiring possible secondary school sites, undertake a full analysis of possible sites across Merton. Undertake explorations with a number of key partners		To meet legislative requirements Respond to growing school population		3	2	6
Start date	01/01/2014					
End date	31/07/2015					
<b>Project 5</b> Virtual Learning Environment Strategy Outline a robust VLE model and implement a range of programmes and services via this medium		More efficient way of working		2	1	2
Start date	01/01/2014					
End date	30/08/2014					
<b>Project 6</b> Increase the use of the E Learning Portal Moodle Provide training and awareness raising for tutors in how to access and use the Moodle on line system for managing resources and communicating with students		More efficient way of working		2	1	2
Start date	01/10/2014					
End date	31/07/2015					
<b>Project 7</b> Adult Skills and Employability Scrutiny Action Plan Implementation Implement the key skills and employability elements of the scrutiny action plan		More efficient way of working		2	1	2
Start date	01/11/2013					
End date	31/03/2016					
<b>Project 8</b> Select one major outcome		Select one major outcome				0
Start date						
End date						
<b>Project 9</b> Select one major outcome		Select one major outcome				0
Start date						
End date						
<b>Project 10</b> Select one major outcome		Select one major outcome				0
Start date						
End date						



DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD

Public Health

PROJECT DESCRIPTION		MAJOR EXPECTED OUTCOME		Likelihood	Risk Impact	Score
<b>Project 1</b>	<b>Project Title:</b> Integrated sexual health service	Commissioning an integrated tier 2 sexual health service which combines existing provision in Contraceptive and Sexual Health (CaSH) and Genito-Urinary Medicine (GUM) clinics. This service would be commissioned on a Payment by Results basis and allowing for cross-charging of non-Merton residents.	Improved customer satisfaction	3	3	9
Start date	01/01/2014					
End date	01/04/2015					
<b>Project 2</b>	<b>Project Title:</b> Embedding Chlamydia screening programme	To move from a separately commissioned service to embedding Chlamydia screening into existing primary care services - GPs, Pharmacists, CaSH. These services will then have responsibility for meeting the diagnostic target for Chlamydia which is a PHOF indicator.	More efficient way of working	3	2	6
Start date	01/01/2014					
End date	01/04/2015					
<b>Project 3</b>	<b>Project Title:</b> Review of local HIV services	Analyse local need in relation to HIV, review existing services which are funded through pan-London and South London partnerships to ensure they are fit for purpose and meet local need, and increase HIV testing in the community.	Improved resident well being	3	3	9
Start date	01/01/2014					
End date	01/04/2015					
<b>Project 4</b>	<b>Project Title:</b> LiveWell	LiveWell is a programme that supports Merton residents to lead a healthy lifestyle and offers motivation support to achieve personalised goals around stopping smoking, reducing alcohol levels, being more physically active and being a healthy weight. The programme has a network of health champions, linked to voluntary sector groups who promote healthy living and signpost their peers to a range of activities.	Improved resident wellbeing	2	1	2
Start date	01/04/2014					
End date	31/03/2015					
<b>Project 5</b>	<b>Project Title:</b> Prevention	Public Health work with a range of partners on the prevention agenda, ranging from the direct commissioning of programmes e.g. LiveWell to the influencing of local policy to create an environment that supports healthy choices e.g. alcohol licensing policy. Work from across the council e.g. the contract to manage the boroughs leisure centres, compliments the public health led activity and has an important role to play in reducing the stark health inequalities between east and west Merton.	Improved resident wellbeing	2	1	2
Start date	01/04/2014					
End date	31/03/2015					
<b>Project 6</b>	<b>Project Title:</b> Transition of responsibility for Health Visiting Service to Local Authority	Responsibility for Health Visiting Services are due to transfer from NHS England to LB Merton in April 2015. Project required to manage transition including establishment of Task group; agreeing vision for health Visiting and Early Years; developing Project Plan with key timelines; participation in pan-London transition programme.	Select one major outcome			0
Start date						
End date						
<b>Project 7</b>	<b>Project Title:</b> National Child Measurement Programme	Children aged reception year and Year 6 are weighed and measured and schools that are identified with larger numbers of children who are overweight or obese are targeted with weight management classes for families.	Improved Health and Wellbeing			0
Start date						
End date						
<b>Project 8</b>	<b>Project Title:</b> NHS Health Checks	People aged 40 -74 with no known heart disease are offered an NHS Health Checks every five years to detect early signs of heart disease and risk factors.	Improved Health and Wellbeing			0
Start date						
End date						
<b>Project 9</b>	<b>Project Title:</b> Drugs and Alcohol Prevention and Treatment		Select one major outcome			0
Start date						
End date						
<b>Project 10</b>	<b>Project Title:</b>		Select one major outcome			0
Start date						
End date						

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# **Corporate Services Department**

Business Improvement Cllr Mark Allison Cabinet Member for Finance	Anticipated demand					Planning Assumptions					The Corporate strategies your service contributes to			
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2016/17	2017/18
Enter a brief description of your main activities and objectives below	4500	4400	3960	3520	3080	3080	4400	4400	3960	3520	3080	3080	3080	3080
Core service request (days)	2000	2000	1900	1620	1450	1450	2000	2000	1900	1620	1450	1450	1450	1450
Non Core service requests (days)	300	300	1000	900	750	800	300	300	1000	900	750	800	800	800
Support for continuous/business improvement (days)	150	300	150	150	100	100	150	300	150	150	100	100	100	100
PVRs	12.8 FTE	12.8 FTE	15 FTE	12 FTE	12 FTE	12 FTE	12.8 FTE	12.8 FTE	15 FTE	12 FTE	12 FTE	12 FTE	12 FTE	12 FTE
Project/Programmes	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2016/17	2017/18
Anticipated non financial resources	4	4	4	4	4	4	4	4	4	4	4	4	4	4
Staff - Programme Office (FTE)	26.5	25.9	25.9	25.9	24.9	23.9	26.5	25.9	25.9	24.9	23.9	23.9	23.9	23.9
Staff - Systems improvement	12.8	12.8	12.8	12.8	12.8	12.8	12.8	12.8	12.8	12.8	12.8	12.8	12.8	12.8
Staff - Programmes and projects (some fixed term)	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Apprentices														
Performance indicator														
Systems availability	N/A	80%	90%	90%	90%	90%	N/A	80%	90%	90%	90%	90%	90%	90%
% projects completed on time	N/A	85%	85%	85%	85%	85%	N/A	85%	85%	85%	85%	85%	85%	85%
Satisfaction with projects / interventions (where measured)	75%	85%	90%	90%	90%	90%	75%	85%	90%	90%	90%	90%	90%	90%

DEPARTMENTAL BUDGET AND RESOURCES												
Revenue £'000s	Budget 2012/13	Actual 2012/13	Budget 2013/14	Budget 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18	Revenue £'000s	Budget 2012/13	Actual 2012/13	Budget 2013/14	Budget 2014/15
Expenditure	2,063	2,812	2,458	2,790	2,892	2,814	2,750	Expenditure	2,063	2,812	2,458	2,790
Employees	1,411	1,789	1,477	1,541	1,491	1,403	1,329	Employees	1,411	1,789	1,477	1,541
Premises	3	1	3	3	3	3	3	Premises	3	1	3	3
Transport	338	280	639	928	1,080	1,090	1,100	Transport	338	280	639	928
Supplies & Services	301	461	339	318	318	318	318	Supplies & Services	301	461	339	318
3rd party payments								3rd party payments				
Depreciation								Depreciation				
Revenue £'000s	1,682	2,662	1,954	2,722	2,727	2,727	2,727	Revenue £'000s	1,682	2,662	1,954	2,722
Government grants	0	8	70	84	89	89	89	Government grants	0	8	70	84
Reimbursements	1,682	2,365	1,875	2,638	2,638	2,638	2,638	Reimbursements	1,682	2,365	1,875	2,638
Customer & client receipts								Customer & client receipts				
Recharges								Recharges				
Reserves								Reserves				
Capital funded								Capital funded				
Council Funded Net Budget	371	-160	504	68	165	87	23	Council Funded Net Budget	371	-160	504	68

Summary of major budget etc changes 2014/15												
Capital Budget £'000s	Budget 2012/13	Actual 2012/13	Budget 2013/14	Budget 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18					
Document management system				740,000								
Customer contact programme				785,000								

Agreed savings:

- CS1 Rationalisation of management costs £50k
- CS3 Generate income through training £5k
- CS4 Expiry of Salary Protection for Head of Programme Office £10k

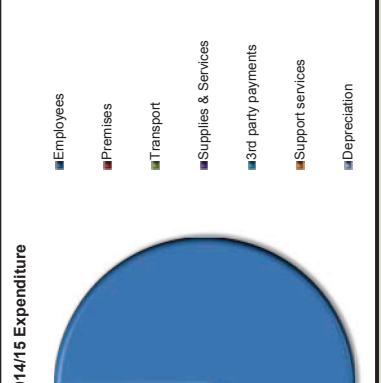
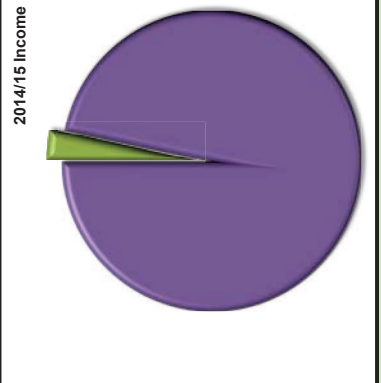
The service's workforce plan will be implemented in 2014/15 and deliver all agreed savings.

CS1 Rationalisation of management costs £50k  
CS3 Generate income through training £5k

Further implementation of the workforce plan in 2015/16 will meet target savings.

Reorganisation of systems development and support arrangements CS63 £88k.

Reorganisation of systems development and support arrangements CS63 £74k.



Performance Targets (T) & Provisional Performance Targets (PT)	2012/13(T)	2013/14(T)	2014/15(T)	2015/16(PT)	2016/17(PT)	2017/18(PT)
Systems availability	N/A	80%	90%	90%	90%	90%
% projects completed on time	N/A	85%	85%	85%	85%	85%
Satisfaction with projects / interventions (where measured)	75%	85%	90%	90%	90%	90%

Performance indicator	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Systems availability	N/A	80%	90%	90%	90%	90%
% projects completed on time	N/A	85%	85%	85%	85%	85%
Satisfaction with projects / interventions (where measured)	75%	85%	90%	90%	90%	90%

2014/15 Income

2014/15 Expenditure

Summary of major budget etc changes 2014/15

Capital Budget £'000s

Agreed savings:

- CS1 Rationalisation of management costs £50k
- CS3 Generate income through training £5k
- CS4 Expiry of Salary Protection for Head of Programme Office £10k

The service's workforce plan will be implemented in 2014/15 and deliver all agreed savings.

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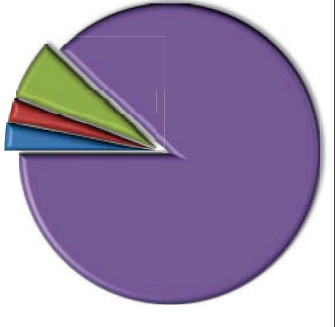
DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD

Business Improvement

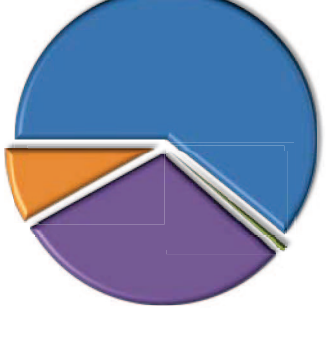
PROJECT DESCRIPTION		MAJOR EXPECTED OUTCOME		Likelihood	Risk Impact	Score
<b>Project 1</b>	IT Strategy and Implementation Plan  Refresh the IT strategy and implementation to ensure fit for purpose to support and enable delivery of TOMs and coordinate and lead on delivery in collaboration with I&T Division.	Project Title:	More efficient way of working  The programme will ensure the systems architecture and IT infrastructure enables and supports businesses to deliver business as usual, continuous improvement and major transformational activity set out in relevant TOMs; and that the Council's systems comply with appropriate standards, legislation and good practice.	1	3	3
Start date		01/04/2014				
End date	31/03/2017					
<b>Project 2</b>	Customer Contact programme  Lead and deliver CC programme; to deliver improvements (technology and service redesign) set out in CC Strategy.	Project Title:	More efficient way of working  The programme is part of the move to a 21st Century organisation, with technology that supports a more comprehensive and cohesive service to customers and recognises the new, modern ways in which they wish to access services. Through channel shift and a reduction in avoidable contact/failure demand we expect the programme to support and enable the achievement of savings and efficiencies within individual services.	3	2	6
Start date		01/04/2013				
End date	31/03/2016					
<b>Project 3</b>	Electronic document and records management system  Procure and implement a replacement EDRMS to support and enable flexible/remote working and Customer Contact.	Project Title:	More efficient way of working  EDRMS will enable flexible and remote working, more efficient and cost effective storage and retrieval of documentation.	3	2	6
Start date		01/04/2013				
End date	31/03/2016					
<b>Project 4</b>	Transformation portfolio design and implementation  Clarify cross-cutting programmes and projects for governance by the Merton 2015 Board and ensure appropriate monitoring and control is in place to provide assurance on delivery and achievement of benefits.	Project Title:	More efficient way of working  Ensuring a coordinated, planned and disciplined approach to change and transformation within the organisation, and that scarce resources are effectively used and interdependencies carefully managed.	2	1	2
Start date		01/04/2014				
End date	31/03/2015					
<b>Project 5</b>	Programme Office Implementation  Design and implement a functioning Programme Office	Project Title:	More efficient way of working  Delivering functions including quality and delivery assurance, highlight and escalation reporting, raising capacity and capability for effective project and programme management, benefits realisation and management of the transformation portfolio.	3	2	6
Start date		01/04/2014				
End date	31/03/2015					
<b>Project 6</b>	Social Care Information System  Procure and implement a Social Care information system to support adults social and children and families integrated care.	Project Title:	To meet legislative requirements	2	3	6
Start date		01/09/2013				
End date	30/08/2016					
<b>Project 7</b>	Continuous Improvement Programme  Design and implement a programme of service/business/process reviews to lead, embed and support continuous improvement.	Project Title:	More efficient way of working  A range of tools and support (business analysis, lean expertise) - based on demand analysis - to support business improvement and embed a culture of continuous improvement.	3	1	3
Start date		01/04/2014				
End date	31/03/2017					
<b>Project 8</b>		Project Title:	More efficient way of working	0	0	0
Start date						
End date						
<b>Project 9</b>		Project Title:	Select one major outcome			0
Start date						
End date						
<b>Project 10</b>		Project Title:	Select one major outcome			0
Start date						
End date						

Corporate Governance	Planning Assumptions							The Corporate strategies your service contributes to								
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2013/14	2014/15	2015/16	2016/17	2017/18					
<p><b>Clr Mark Allison Cabinet Member for Finance</b></p> <p><b>Enter a brief description of your main activities and objectives below</b></p> <p>Corporate Governance is made up of 7 core services:            Information Compliance, NIP &amp; Member enquiries, Freedom of Information requests, ensuring organisational compliance with Data Protection Act and the Transparency agenda, including maintaining the Publication Scheme. Also provides the Local Land Charges function.</p> <p>Internal Audit and Investigations: provides independent, objective appraisal of risk management, governance &amp; internal control processes and fraud risks including planned &amp; unplanned audits. Investigates allegations of poor control and conflicts of interest. Co-ordinates the Annual Governance Statement. Reviews and updates anti fraud policies. Reports poor practice/weak controls to members. Investigations - investigates allegations of fraud for Housing Benefit and internal cases.</p> <p>Safety Services - provides H&amp;S - emergency planning &amp; business continuity service.</p> <p>Democracy Services - maintains independent scrutiny function, support to Councillors &amp; ensure council has robust decision making arrangements.</p> <p>Electional Services - maintains registers of electors whilst managing the move to individual electoral registration, administers elections &amp; referendums and undertakes boundary &amp; electoral reviews. There is also the shared Legal service with the London Borough of Richmond, which has its own Service Plan.</p>	203,247	206,038	208,822	211,569	214,229	216,806	4081	4081	4081	4081	4081					
	203,247	4081	4081	60	60	60	60	60	60	60	60					
<b>Anticipated demand</b>	4081	60	60	60	60	60	4081	4081	4081	4081	4081					
Residents	4081	60	60	60	60	60	4081	4081	4081	4081	4081					
Officers	60	60	60	60	60	60	60	60	60	60	60					
Councillors	60	60	60	60	60	60	60	60	60	60	60					
<b>Anticipated non financial resources</b>	48	48	47	8	8	8	48	47	48	8	8					
Staff (FTE)	6	8	8	8	8	8	6	8	8	8	8					
Staff - LALO	800	800	800	800	800	800	800	800	800	800	800					
Staff - Election	150	150	150	150	150	150	150	150	150	150	150					
Staff - Canvas																
<b>Performance indicator</b>	<b>Performance Targets (T) &amp; Provisional Performance Targets (PT)</b>			<b>Polarity</b>			<b>Reporting cycle</b>			<b>Indicator type</b>						
FOI requests - dealt with in time	2012/13(T)	2013/14(T)	2014/15(T)	2015/16(T)	2016/17(T)	2017/18(T)	90%	90%	92.5%	95%	95%	High	Monthly	Perception	Reduced customer service	
Complaints - dealt with in time	95%	90%	90%	90%	90%	90%	95%	95%	92.5%	95%	95%	High	Monthly	Perception	Reduced customer service	
Audits completed against plan	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	High	Quarterly	Business critical	Increased fraud	
Audit actions implemented by agreed date	60	60	60	60	60	60	60	60	60	60	60	High	Quarterly	Business critical	Increased fraud	
Completed planned H&S inspections	75%	75%	85%	85%	90%	90%	75%	85%	85%	90%	90%	High	Monthly	Outcome	Breach statutory duty	
Priority A H&S actions completed on time	30	28	26	24	24	24	30	28	26	24	24	Low	Quarterly	Outcome	Breach statutory duty	
No. supplementary agencies issued															Rework	

2014/15 Income



2014/15 Expenditure



DEPARTMENTAL BUDGET AND RESOURCES

	Budget 2012/13	Actual 2012/13	Budget 2013/14	Actual 2013/14	Budget 2014/15	Actual 2014/15	Budget 2015/16	Actual 2015/16	Budget 2016/17	Actual 2016/17	Budget 2017/18	Actual 2017/18
<b>Revenue £'000s</b>												
Expenditure	4,068	4,167	4,018	4,031	3,869	3,897	3,926					
Government grants	2,347	2,462	2,449	2,444	2,344	2,344	2,344					
Reimbursements	5	4	5	5	5	5	5					
Transport	25	31	25	26	26	27	27					
Supplies & Services	1,350	1,048	1,166	1,228	1,170	1,198	1,226					
3rd party payments		622	416	324	324	324	324					
Support services	341	0										
Depreciation												
<b>Revenue £'000s</b>												
Income	2,551	2,580	2,534	2,567	2,373	2,377	2,582					
Government grants	70	62	70	70	70	70	70					
Reimbursements	274	108	54	59	60	62	63					
Customer & client receipts	68	311	61	153	158	160	164					
Recharges	2,209	2,124	2,149	2,085	2,085	2,085	2,085					
Reserves		-225										
Capital Funded												
<b>Council Funded Net Budget</b>	1,517	1,787	1,684	1,684	1,496	1,520	1,544					

Summary of major budget etc changes 2014/15

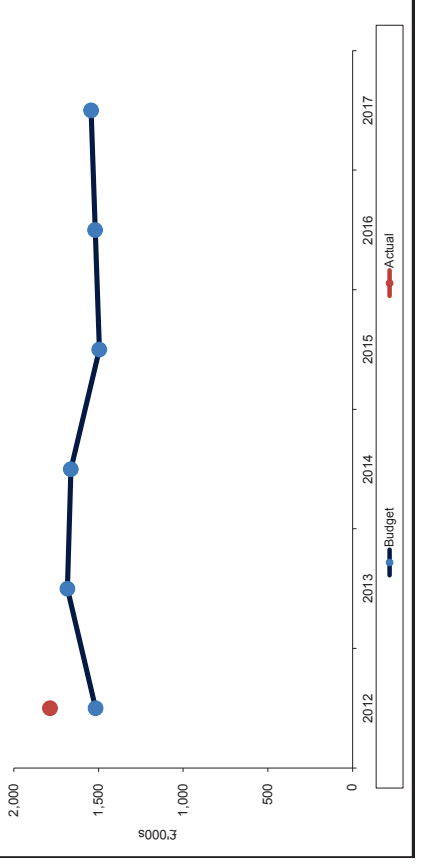
- CS32 Integrate the FOI and Complaints functions - £40k
- CS56 Reduction in overtime payments to staff in Mayor's Office - £1k
- CS54 Delete Deputy Head of Service post - £18k

- CS30 Rationalise benefits and corporate investigation team - possible shared resources £30k
- CS31 Rationalise Health and Safety and Business Continuity planning £35k
- CS33 Rationalise internal audit teams - possible shared service - £40k
- CS34 Services and suppliers savings within Corporate Governance - £86k

2015/16

2016/17

2017/18



DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD

Corporate Governance

PROJECT DESCRIPTION		MAJOR EXPECTED OUTCOME		Likelihood	Risk Impact	Score
<b>Project 1</b>	Support new intake of councillors  To prepare information and support for new intake of councillors following May 2014 council elections. To ensure smooth introduction of any consequent changes to decision making structure or process.	Improved customer satisfaction	1	1	1	1
Start date						
End date	31/03/2015					
<b>Project 2</b>	2013/17 implement individual electoral registration  Introduce new system of Individual Electoral Registration by implementing new processes to register residents, whilst undertaking data matching and public awareness strategies to seek to maximise the accuracy and completeness of the register of electors.	To meet legislative requirements	3	3	3	9
Start date						
End date	31/12/2016					
<b>Project 3</b>	2013/17 Administer statutory elections, referendums and ballots.  Administer London borough council and European Parliament elections in 2014, Parliamentary general election in 2015, GLA elections in 2016, and Willow BID ballot in 2014, together with any other referendums and ballots that may be required	To meet legislative requirements	3	3	3	9
Start date						
End date	31/03/2017					
<b>Project 4</b>	Prepare for and implement changes to single fraud initiative  To prepare for the SFIS and the effect on audit and investigation in relation to the focus on workload from Housing Benefit fraud to other areas of fraud	To meet legislative requirements	2	2	2	4
Start date						
End date	31/03/2015					
<b>Project 5</b>	Committee report workflow  To improve workflow through implementation of features within new software system. Will enable report authors to submit electronically, receive deadline reminders and get legal and finance comments as well as sign off by Directors and Cabinet Members.	More efficient way of working	2	2	1	2
Start date						
End date	01/10/2014					
<b>Project 6</b>	Scrutiny Improvement Programme  To continue to improve effectiveness and impact of the scrutiny function and to engage new councillors in scrutiny activities.	Improved reputation	2	2	1	2
Start date						
End date	31/03/2015					
<b>Project 7</b>	LLC service delivery  Review of LLC service delivery; dependent on national directive	To meet legislative requirements	3	3	1	3
Start date						
End date	31/03/2015					
<b>Project 8</b>	Select one major outcome	Select one major outcome				0
Start date						
End date						
<b>Project 9</b>	Select one major outcome	Select one major outcome				0
Start date						
End date						
<b>Project 10</b>	Select one major outcome	Select one major outcome				0
Start date						
End date						

Customer Services Select your Cabinet Member & Portfolio Enter a brief description of your main activities and objectives below	Planning Assumptions					The Corporate strategies your service contributes to						
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18		
There are 5 core services: <b>Local Taxation</b> - responsible for Council Tax & Business Rates collection, Debt recovery & Bailiff collection services; - this includes a shared bailiff service with Sutton Council <b>Housing Benefit</b> - responsible for administering housing and council tax benefit schemes & identification and prevention of fraud; <b>Merton Link</b> - first point of contact for most council customers & visitors, through either face to face or via telephone - also provide Transition Services; <b>Registration</b> - responsible for registration of births & deaths, marriages & civil partnerships; <b>Communications</b> - responsible for protecting and enhancing the reputation of Merton Council; promoting Merton as a good place to live, work and learn; ensuring residents know about and have access to services; ensuring the community is able to have a say in the council decisions; and engaging council staff so they understand the direction of the council and are committed to putting customers at the heart of all they do. <b>Front line service for Universal Credit</b> - local authorities will be responsible for delivering front line services for universal credit for those claimants that cannot claim and access on-line. It is anticipated that this new service will be delivered sometime during 15/16.	Benefit claimants	16,000	16,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	Customer Services Strategy	
	Telephone callers	400,000	500,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	Homelessness Strategy
Face to face customers	130,000	115,000	100,000	100,000	90,000	90,000	90,000	90,000	90,000	90,000	Medium Term Financial Strategy	
Council tax properties	81,000	82,000	82,000	83,000	83,000	83,000	83,000	83,000	83,000	83,000	Social Inclusion Strategy	
<b>Anticipated non financial resources</b>	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Staff (FTE)	153.0	162.4	139.4	138.4	134.4	133.4						
Apprentices(FTE)		3										
<b>Performance indicator</b>	Business Rates collected											
	Business Rates collected (excluding parking and miscellaneous debt)											
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
% of Merton Bailiff Service files paid in full	58%	58%	58%	58%	58%	58%	97.5%	97.25%	97.5%	97.5%	97.5%	97.5%
HB - COC & new claims processing days	16	16	10	10	10	10	58%	58%	58%	58%	58%	58%
HB overpayments with no recovery action	16%	15.5%	22%	22%	19.00%	18.00%	16	16	10	10	10	10
First contact resolution			60%	65%	70%	75%	60%	65%	70%	75%	75%	75%
Successful website visits	83%	83%	84%	84%	84%	84%	TBA	TBA	TBA	TBA	TBA	TBA
Income from events (marriages, civil partnerships etc) <b>New</b>							83%	84%	84%	84%	84%	84%

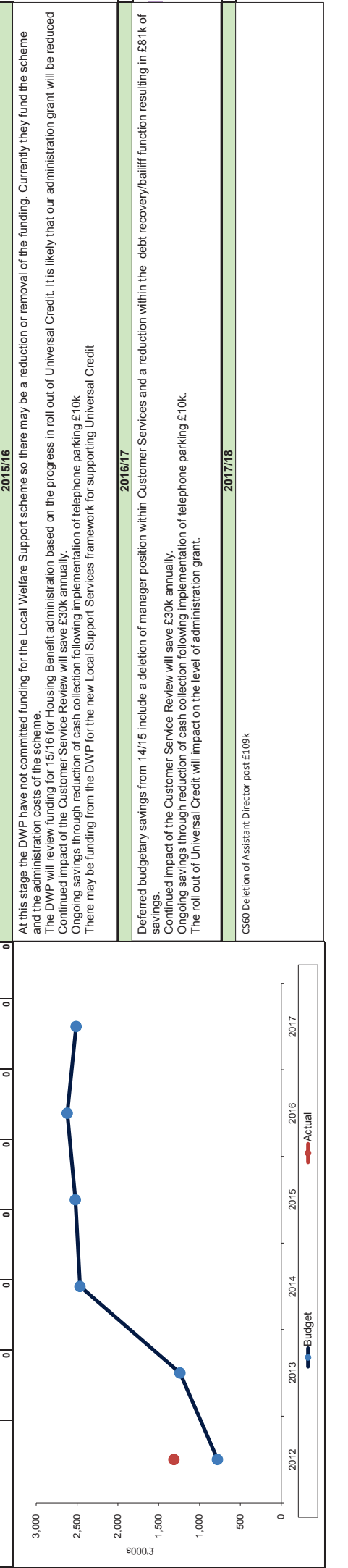
Performance indicator	2014/15 Expenditure						2014/15 Income					
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Employees							Government grants					
Premises							Reimbursements					
Transport							Customer & client receipts					
Supplies & Services							Recharges					
3rd party payments							Reserves					
Support services							Capital Funded					
Depreciation												

**Summary of major budget etc changes 2014/15**

The DWP have confirmed funding for 2014/15 for Housing Benefit administration. Closure of the Cash Office will yield a £30k saving. Retendering of the cash collection contract will save £20k with ongoing savings in future years through the adoption of telephone parking. Review of Welfare Benefits and New Welfare Support program will save £30k. Continued impact of the Customer Service Review will save £30k annually. £20k saving through the rationalisation of Divisional budgets £20k increase in registrars income

At this stage the DWP have not committed funding for the Local Welfare Support scheme so there may be a reduction or removal of the funding. Currently they fund the scheme and the administration costs of the scheme. The DWP will review funding for 15/16 for Housing Benefit administration based on the progress in roll out of Universal Credit. It is likely that our administration grant will be reduced Continued impact of the Customer Service Review will save £30k annually. Ongoing savings through reduction of cash collection following implementation of telephone parking £10k There may be funding from the DWP for the new Local Support Services framework for supporting Universal Credit

Deferred budgetary savings from 14/15 include a deletion of manager position within Customer Services and a reduction within the debt recovery/bailiff function resulting in £81k of savings. Continued impact of the Customer Service Review will save £30k annually. Ongoing savings through reduction of cash collection following implementation of telephone parking £10k. The roll out of Universal Credit will impact on the level of administration grant.



DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD

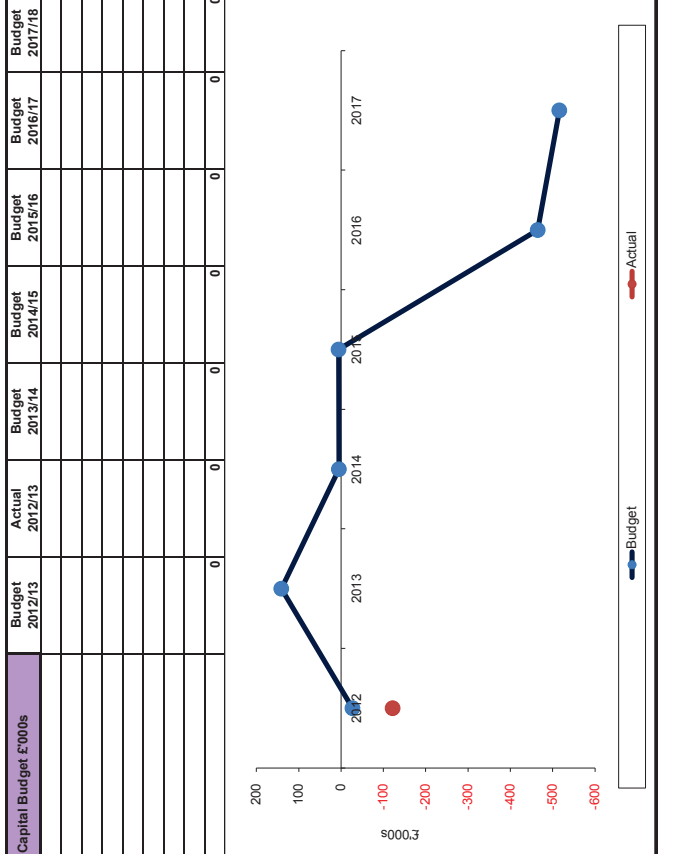
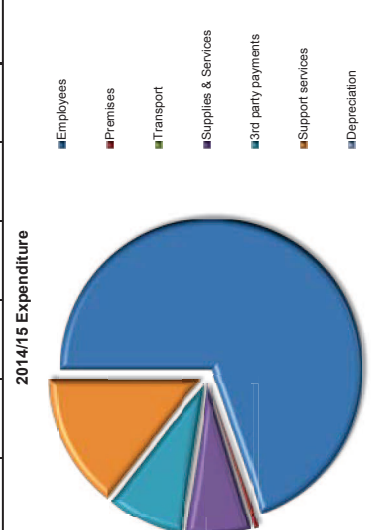
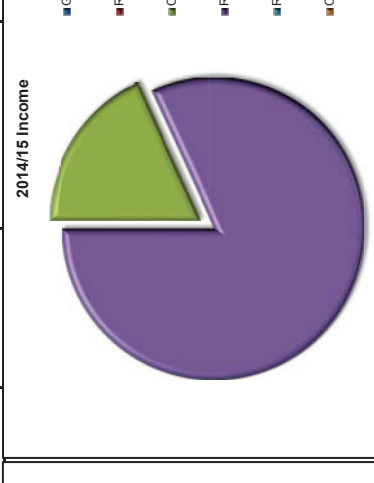
Customer Services

PROJECT DESCRIPTION		MAJOR EXPECTED OUTCOME		Likelihood	Risk Impact	Score
<b>Project 1</b>	Project Title: Customer Service review	More efficient way of working		3	2	6
Start date	01/04/2013	As part of the implementation of the customer contact electronic solution processes and resourcing will be reviewed				
End date	31/03/2015					
<b>Project 2</b>	Project Title: Improve access to on-line services	More efficient way of working		2	2	4
Start date	01/04/2013	Maintain successful visits to the website at 83%., improve the look and feel of the website, implement the recommendations of the customer services review, increase uptake of online transactions.				
End date	31/03/2016					
<b>Project 3</b>	Project Title: Council Tax support scheme	To meet legislative requirements		2	3	6
Start date	01/04/2013	During 14/15 options for a revised scheme will be reviewed for Council decision and possible implementation for 15/16				
End date	31/03/2016					
<b>Project 4</b>	Project Title: Implement and review Welfare Assistance Scheme	Improved resident well being		3	2	6
Start date	01/04/2013	A review of the scheme will be undertaken during 2014/15, however, there is currently uncertainty regarding future funding from 15/16				
End date	31/03/2015					
<b>Project 5</b>	Project Title: Appoint a medical examiner	To meet legislative requirements		2	2	4
Start date	01/04/2014	The Council will need to appoint a medical examiner for registration of deaths. This will be achieved through the sharing of another boroughs recruitment and appointment.				
End date	31/12/2014					
<b>Project 6</b>	Project Title: Local Support Services	To meet legislative requirements		2	2	4
Start date	01/04/2014	In line with implementation and roll out of Universal Credit local authorities have been asked to provide a front line solution for those customers than cannot access and claim on-line. This service may be multi agency and include Job Centre Plus, voluntary sector and neighbouring authorities				
End date	31/03/2016					
<b>Project 7</b>	Project Title: Select one major outcome	Select one major outcome				0
Start date						
End date						
<b>Project 8</b>	Project Title: Select one major outcome	Select one major outcome				0
Start date						
End date						
<b>Project 9</b>	Project Title: Select one major outcome	Select one major outcome				0
Start date						
End date						
<b>Project 10</b>	Project Title: Select one major outcome	Select one major outcome				0
Start date						
End date						

Human Resources	Anticipated demand		Planning Assumptions				The Corporate strategies your service contributes to	
	2012/13	2013/14	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Cllr Mark Allison Cabinet Member for Finance			4,800	4,600	4,400	4,400	4,400	4,400
Enter a brief description of your main activities and objectives below								
1) Support effective people management across the organisation through development of a workforce strategy/TOM people layer								Workforce Development Plan
2) Implement and maintain efficient HR transactions for recruitment, induction, employee data, payroll, performance management, appraisal, learning and development								Economic Development Strategy
3) Provide HR business partner support across the Council								
4) Produce HR metrics, analyse people-related problems and take appropriate actions								
5) Produce HR strategies, policy frameworks and systems to support effective people management								
<b>Anticipated non financial resources</b>								
Select anticipated resources								
Select anticipated resources								
Select anticipated resources								
<b>Performance indicator</b>								
Time to hire	105	90	7	90	90	90	7	7
Sickness absence (Average days per fte)	8	7	7	7	7	7	7	7
% Appraisals completed	98%	98%	98%	98%	98%	98%	98%	98%
% Members L&D satisfaction	80%	81%	82%	83%	83%	83%	83%	83%

DEPARTMENTAL BUDGET AND RESOURCES												
	Budget	Actual	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	2012/13	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2015/16	2016/17	2017/18	2015/16	2016/17
<b>Revenue £'000s</b>												
<b>Expenditure</b>												
Employees	2,882	2,907	3,242	3,133	3,140	2,674	2,629					
Premises	2,030	2,010	2,220	2,185	2,185	1,625	1,767					
Transport	17	5	17	15	15	15	15					
Supplies & Services	238	383	210	218	222	152	161					
3rd party payments	108	174	255	262	262	226	230					
Support services	482	334	533	451	451	451	451					
Depreciation												
<b>Revenue £'000s</b>												
Government grants	2,998	3,029	3,101	3,128	3,134	3,139	3,145					
Rebourses	602	523	533	569	575	580	586					
Customer & client receipts	2,307	2,506	2,566	2,559	2,559	2,559	2,559					
Recharges												
Reserves												
Capital funded												
<b>Council Funded Net Budget</b>	-37	-122	141	5	6	-465	-516					
<b>Capital Budget £'000s</b>												
Budget	2012/13	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18					
Actual	2012/13	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18					
	0	0	0	0	0	0	0					

	2015/16	2016/17	2017/18
<b>Summary of major budget etc changes 2014/15</b>			
CS46 Co-locate all recruitment jobs £60k			
CS47 CRB income generation via sales to PVI £30k			
CS49 Introduction of new application tracking system £5k			
CS48 Further rationalisation of HR Services £130k			
CS49 (2013-2017) introduction of new application tracking system £10k			
CS50 Occupational Health & Employee Assistance programme £40k			
CS51 HR Transactions - including COT £90k			
CS49(2012-2016) Further consolidation of HR advisory work £1,40k			
CS74 Review of L&D £69k			
CS75 Review of COT staffing in light of 4 borough shared service opportunities £58k			



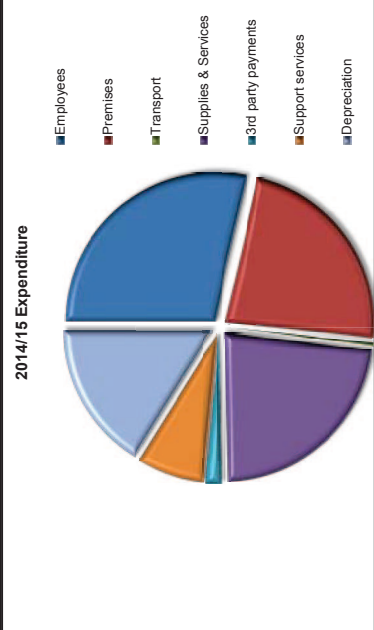
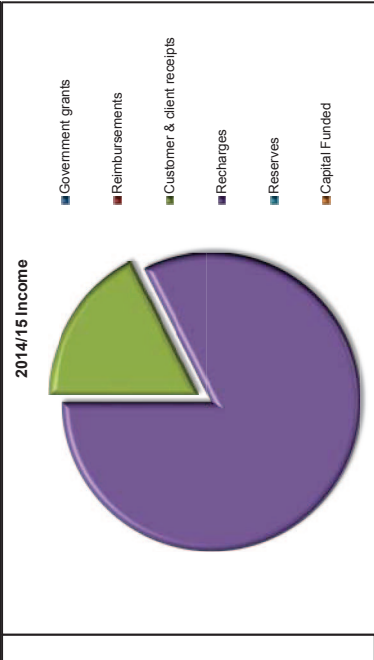
DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD

Human Resources

PROJECT DESCRIPTION		MAJOR EXPECTED OUTCOME	Likelihood	Risk Impact	Score
Occupational Health Service		More efficient way of working	3	3	9
Employee Assistance programme		More efficient way of working	3	4	12
Flexible working - policy development and learning and development to support culture and technical change.		More efficient way of working	3	3	9
Leadership and management development		More efficient way of working	3	3	9
Centralisation of L&D and appraisal systems within iTrent system.		More efficient way of working	3	3	9
Recruitment - agency and executive search via the LBRP		More efficient way of working	3	3	9
Project 1		Project Title:			
Start date	01/04/2014	Project Details:			
End date	31/03/2015				
Project 2		Project Title:			
Start date	01/04/2014	Project Details:			
End date	31/03/2015				
Project 3		Project Title:			
Start date	01/04/2014	Project Details:			
End date	31/03/2015				
Project 4		Project Title:			
Start date	01/04/2015	Project Details:			
End date	31/03/2016				
Project 5		Project Title:			
Start date		Project Details:			0
End date					
Project 6		Project Title:			
Start date		Project Details:			0
End date					
Project 7		Project Title:			
Start date		Project Details:			0
End date					
Project 8		Project Title:			
Start date		Project Details:			0
End date					
Project 9		Project Title:			
Start date		Project Details:			0
End date					
Project 10		Project Title:			
Start date		Project Details:			0
End date					



Infrastructure and Transactions Clir Mark Allison Cabinet Member for Finance	Anticipated demand						Planning Assumptions						The Corporate strategies your service contributes to		
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2015/16	2016/17	2017/18
Repairs & Maintenance of Corporate Buildings (Revenue)	600,000	600,000	805,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000
IT Service Calls	21,640	21,640	21,000	20,000	19,000	17,000	20,000	21,000	19,000	18,000	17,000	20,000	19,000	18,000	17,000
Service Requests	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Transactions requested by departments	90,000	90,000	130,000	130,000	120,000	120,000	130,000	130,000	120,000	115,000	120,000	130,000	115,000	120,000	120,000
<b>Anticipated non-financial resources</b>															
FM (FTE)	35	35	36	35	29	28	35	36	29	29	28	35	29	28	28
Transactional Services (FTE)	14.7	14.7	14.7	14.7	13	13	14.7	14.7	13	13	13	14.7	13	13	13
IT Service Delivery (FTE)	33	33	33	33	32.2	27.2	33	33	32.2	27.2	27.2	33	32.2	27.2	27.2
Staff (Apprentices)	1	2	2	2	4	0	5	5	4	3	0	5	4	0	0
<b>Performance indicator</b>															
Repairs & Maintenance ratio of Reactive to Planned	60/40	50/50	40/60	30/70	30/70	30/70	40/60	30/70	30/70	30/70	30/70	40/60	30/70	30/70	30/70
Total external fee income	175,000	200,000	225,000	235,000	245,000	250,000	200,000	225,000	235,000	245,000	250,000	200,000	225,000	235,000	245,000
CO2 emissions corporate buildings (tonnes)	4,050	4,200	4,100	4,000	3,900	3,800	4,050	4,200	4,100	4,000	3,900	4,050	4,200	4,100	4,000
First time fix rate for IT Service Desk	62%	63%	64%	64%	65%	65%	62%	63%	64%	65%	65%	62%	63%	64%	65%
Customer Satisfaction - Incident resolution	85%	85%	90%	90%	90%	90%	85%	85%	90%	90%	90%	85%	85%	90%	90%
Invoices paid within 30 days of receipt by LBM	89%	91%	93%	95%	95%	95%	89%	91%	93%	95%	95%	89%	91%	93%	95%
Carefirst invoices paid within 30 days from invoice date	87%	88%	90%	90%	91%	92%	87%	88%	90%	91%	92%	87%	88%	90%	92%



Revenue £'000s	DEPARTMENTAL BUDGET AND RESOURCES						Budget 2017/18
	Budget 2012/13	Actual 2012/13	Budget 2013/14	Budget 2014/15	Budget 2015/16	Budget 2016/17	
Expenditure	11,901	14,042	11,968	11,815	11,061	10,807	10,768
Employees	3,212	3,415	3,304	3,365	3,222	3,080	2,995
Premises	2,936	3,249	2,908	2,733	2,185	2,132	2,160
Transport	39	33	33	33	33	33	34
Supplies & Services	2,002	3,003	2,628	2,687	2,620	2,558	2,573
3rd party payments	272	103	274	206	210	213	215
Support services	866	2,077	930	830	875	875	875
Depreciation	1,674	1,522	1,685	1,816	1,816	1,816	1,816
<b>Revenue £'000s</b>							
Government grants	10,802	13,550	11,797	11,815	11,864	11,868	11,907
Reimbursements		271					
Customer & client receipts	2,279	2,114	1,990	2,063	2,112	2,116	2,155
Recharges	8,823	10,598	9,807	9,752	9,752	9,752	9,752
Reserves		567					
Capital Funded							
<b>Council Funded Net Budget</b>	<b>1,099</b>	<b>482</b>	<b>171</b>	<b>0</b>	<b>-803</b>	<b>-1,061</b>	<b>-1,139</b>
<b>Capital Budget £'000s</b>							
Information Technology							
Facilities Management							

**Summary of major budget etc changes 2014/15**

CS5 Review procurement of support, maintenance & license contracts £29k  
 CS6 Consolidation of budgets £34k, CS7 re-procurement of mobile telephone contract £10k  
 CS9 Fallout of pay protection £15k, CS11 Deletion of van £5k, CS13 Cancellation of Escrow agreements £4k  
 CS14 Cancellation of T-Mobile contract £35k  
 CS19 Energy refit £100k  
 CS24 Delete Accommodation manager £46k  
 CS26 Renegotiation of corporate cleaning contract £39k

**2015/16**

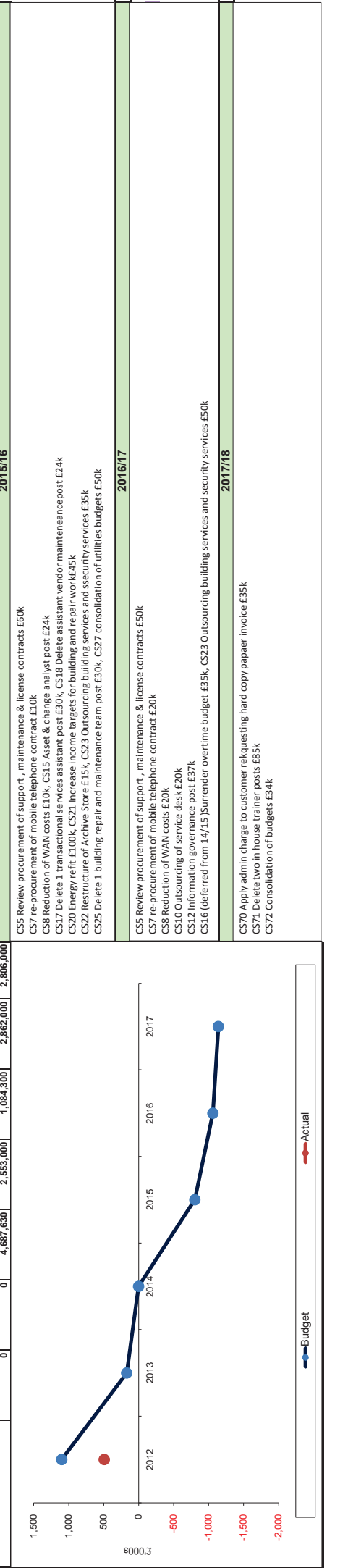
CS5 Review procurement of support, maintenance & license contracts £60k  
 CS7 re-procurement of mobile telephone contract £10k  
 CS8 Reduction of WAN costs £10k, CS15 Asset & change analyst post £24k  
 CS17 Delete 1 transactional services assistant post £30k, CS18 Delete assistant vendor maintenance post £24k  
 CS20 Energy refit £100k, CS21 Increase income targets for building and repair work £45k  
 CS22 Restructure of Archive Store £15k, CS23 Outsourcing building services and security services £35k  
 CS25 Delete 1 building repair and maintenance team post £30k, CS27 consolidation of utilities budgets £50k

**2016/17**

CS5 Review procurement of support, maintenance & license contracts £50k  
 CS7 re-procurement of mobile telephone contract £20k  
 CS8 Reduction of WAN costs £20k  
 CS10 Outsourcing of service desk £20k  
 CS12 Information governance post £37k  
 CS16 (deferred from 14/15) Surrender overtime budget £35k, CS23 Outsourcing building services and security services £50k

**2017/18**

CS70 Apply admin charge to customer requesting hard copy paper invoice £35k  
 CS71 Delete two in house trainer posts £85k  
 CS72 Consolidation of budgets £34k



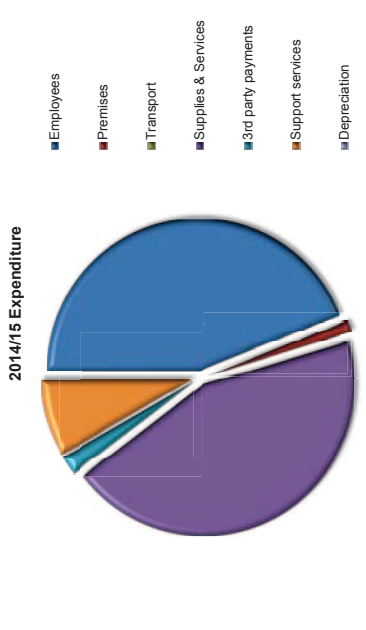
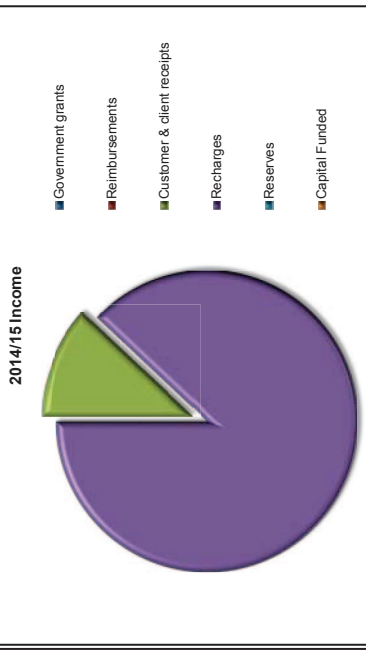


DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD

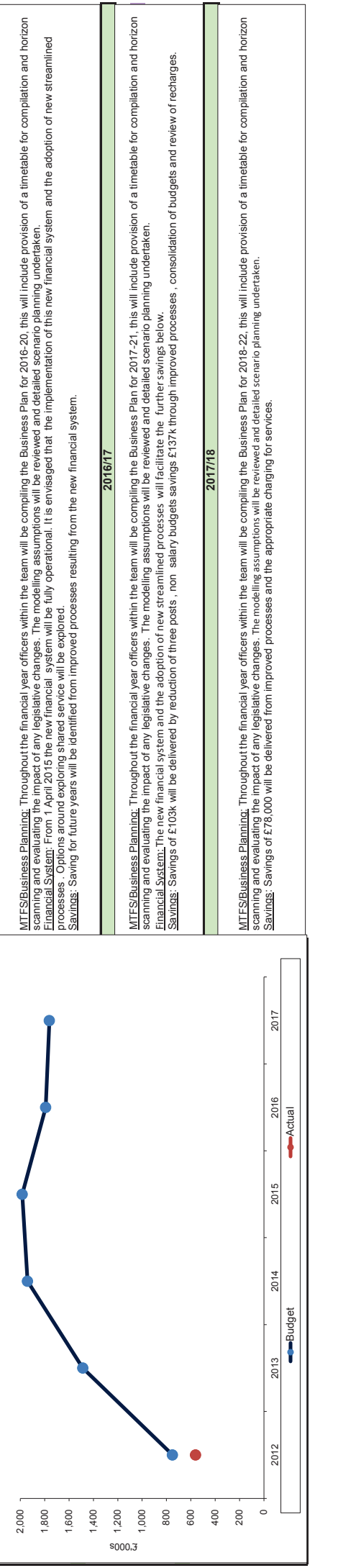
Infrastructure and Transactions

PROJECT DESCRIPTION		MAJOR EXPECTED OUTCOME		Likelihood	Risk Impact	Score
<p><b>Project 1</b>                      Replacement of IT Infrastructure and desktop equipment                      Replacement of desktop equipment and standardisation of operating systems including Microsoft Office to enable hot desking, mobile and flexible working through the use of the Virtualised Desktop Infrastructure and unified telephone communications.</p>		<p>Improve the efficiency of IT systems across the whole organisation</p>		1	2	2
Start date	01/04/2013					
End date	31/03/2015					
<p><b>Project 2</b>                      Backscanning of existing paper records                      Backscanning of paper records into a digital format which will be prioritised in order to support the roll out of the Flexible Working Programme. This project also links directly to the Customer Contact programme which includes the implementation of a new Electronic Documents and Records Management System (EDRMS).</p>		<p>More efficient way of working</p>		1	2	3
Start date	01/06/2014					
End date	31/03/2018					
<p><b>Project 3</b>                      Upgrading of IT Disaster Recovery Arrangements                      Replacement of Storage Area Network (SAN) equipment and associated hardware to provide improved disaster recovery arrangements for the Councils main IT systems and minimise any potential loss of service in the event of a major incident or IT equipment failure.</p>		<p>Improve Disaster Recovery and Business Continuity arrangements</p>		2	3	6
Start date	01/12/2013					
End date	31/12/2014					
<p><b>Project 4</b>                      Flexible Working Programme                      The Flexible Working Programme is the innovative use of modern IT technology, infrastructure and office accommodation to enable the council to deliver services in the most efficient and cost effective manner possible.</p>		<p>More efficient way of working</p>		2	2	4
Start date	01/04/2012					
End date	31/12/2015					
<p><b>Project 5</b>                      Refurbishment of 4 main passenger lifts at Civic Centre                      Project to refurbish the 4 main passenger lifts at the Civic centre which were installed in 1960 and that are now 'Life Expired' in terms of maintenance and obtaining spare parts in the event of a breakdown or mechanical failure. The project is essential to ensure that the premises are safe and compliant with statutory requirements.</p>		<p>Improved customer satisfaction</p>		1	2	2
Start date	01/10/2013					
End date	31/03/2015					
<p><b>Project 6</b>                      Energy "Invest to Save" Initiatives                      Completion of a range of projects across the councils entire portfolio of properties which will reduce energy consumption and associated CO2 emissions and that are designed to have a maximum financial pay back of between 7 and 10 years.</p>		<p>More efficient way of working</p>		1	1	1
Start date	01/04/2007					
End date	01/04/2018					
<p><b>Project 7</b>                      Review Civic Centre Building Services &amp; Security arrangements                      Review of both the scope and method of delivery of the Civic Centre building services and security arrangements to produce the best balance of a cost effective solution and one that protects the reputational risks inherent in managing a front-line service in the highest profile corporate building within the authority.</p>		<p>To meet budget savings</p>		2	2	4
Start date	01/07/2013					
End date	01/04/2015					
<p><b>Project 8</b>                      Civic Centre Accommodation Strategy and Refurbishment Programme                      Project to refresh the Civic Centre accommodation strategy to ensure that the building is refurbished and managed in a consistent manner with the delivery of key council objectives in relation to the rationalisation and more efficient use of space. The strategy needs to be closely aligned with corporate guidelines to support the introduction of Flexible Working as well as the Councils wider strategic review of assets.</p>		<p>More efficient way of working</p>		1	2	2
Start date						
End date						
<p><b>Project 9</b>                      Continuation of work on the Locations Layer of the Corporate TOM                      Works to develop an online corporate asset register covering all of the property related assets owned and operated by the council which will be an essential element of a larger piece of work relating to the longer term strategic management of property and assets across the authority.</p>		<p>More efficient way of working</p>		2	2	4
Start date	01/10/2013					
End date	31/03/2015					
<p><b>Project 10</b>                      Select one major outcome</p>						0
Start date						
End date						

Resources	Planning Assumptions					The Corporate strategies your service contributes to														
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	Asset Management Plan	Capital Programme	Central Government	Corp Equality Scheme	Corp Procurement Strategy	Medium Term Financial Strategy	Risk Management Strategy	Treasury Management Strategy	Voluntary Sector Strategy	Select Strategy delivery				
<p><b>Cllr Mark Allison Cabinet Member for Finance</b></p> <p>Enter a brief description of your main activities and objectives below</p> <p>Resources is made up of four major areas of activity:  <b>Accountancy</b> - manage financial health of the council through advice &amp; support to officers and Members; production of council's financial accounts, revenue &amp; budget setting, profiling, reporting &amp; monitoring; councils day to day cash flow, insurance services, treasury management &amp; pensions. Over the next four years we will transform by improving use of technology/reviewing processes. New information is shared in financial systems.  <b>Business Liaison &amp; Development</b> - Business &amp; Service Planning, Performance Management (PM) &amp; Risk Management, developing key business metrics to help services transform &amp; facilitate multi-year planning, target resources, manage risk &amp; integrate financial, business &amp; performance challenge. Over the next four years we will improve robustness of our systems &amp; projections, information services to improve their performance management to facilitate transformation, data and risk management.  <b>Commercial &amp; procurement</b> - The purpose of the Commercial Services and Procurement team is to be a strategic centre of excellence for procurement and contract management, guidance, training and advice including ownership of the Council's Procurement Strategy, involvement in key tender processes, identification of savings opportunities and commercial benefits, compliance with EU and UK procurement legislation, benchmarking and best practice and membership of the contracts register.  <b>Policy Development</b> - across the council, promote a positive relationship with the voluntary and community sector; ensure the council meets its responsibilities under equalities &amp; community cohesion policy; lead on effective partnership working by managing the local strategic partnership, including leading on the Stronger Communities agenda and delivery of the Sustainable Community Strategy; and provide a secretariat function for CMT and LSG.</p>	150	23	23	23	23	147	147	23	8 Reports	8 Reports	2 Reports	2 Reports	65.2	0						
	Anticipated demand	Revenue Budget Managers	Capital Budget Managers	Budget, Service, Performance & Risk Setting	Budget, Service, Performance & Risk Monitoring	Budget, Service, Performance & Risk Closing	Anticipated non financial resources	Staff (FTE)	Apprentices											
	Performance indicator	Accuracy of P8 Revenue Forecast - New	Accuracy of P8 (P9 to 2013/14) Capital Forecast	Number of Adjustments to Draft Accounts	Unallocated identified balances over 3 days old	Spend Overseen by Procurement Board	Risk Action Plans In Place													
	Performance Targets (T) & Provisional Performance Targets (PT)	2012/13(T)	2013/14(T)	2014/15(T)	2015/16(PT)	2016/17(PT)	2017/18(PT)	2012/13(PT)	2013/14(PT)	2014/15(PT)	2015/16(PT)	2016/17(PT)	2017/18(PT)	2012/13(PT)	2013/14(PT)	2014/15(PT)	2015/16(PT)	2016/17(PT)	2017/18(PT)	
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		25%	30%	30%	35%	40%	45%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%
		High	High	Low	Low	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High
		Annual	Annual	Annual	Monthly	Quarterly	Quarterly	Outcome	Outcome	Outcome	Business critical	Business critical	Quality	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome
		High	High	Low	Low	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High
		High	High	Low	Low	High	High	High	High	High	High	High	High	High	High	High	High	High	High	High



DEPARTMENTAL BUDGET AND RESOURCES	Budget			Actual		
	2012/13	2013/14	2014/15	2012/13	2013/14	2014/15
Revenue £'000s	8,728	9,223	8,660	8,717	8,539	8,524
Expenditure	3,944	4,159	4,030	3,815	3,643	3,596
Employees	91	103	105	106	107	109
Premises	4	4	4	4	4	4
Transport	3,707	4,539	4,198	3,834	3,889	3,919
Supplies & Services	239	11	23	178	178	178
3rd party payments	743	404	823	718	718	718
Support services	0	0	0	0	0	0
Depreciation	0	0	0	0	0	0
Revenue £'000s	7,977	8,662	7,694	6,732	6,747	6,762
Income	0	9	0	0	0	0
Government grants	0	109	0	0	0	0
Reimbursements	856	962	789	804	833	848
Customer & client receipts	7,121	6,716	6,905	5,914	5,914	5,914
Recharges	0	867	0	0	0	0
Reserves	0	0	0	0	0	0
Capital Funded	751	561	1,487	1,942	1,792	1,762
Council Funded Net Budget	0	0	0	0	0	0
Capital Budget £'000s	0	0	0	0	0	0
Financial System re-engineering	0	0	0	0	0	0
Acquisitions Budget	30,730	1,042,340	500,000	500,000	500,000	500,000
Transformation Budgets	638,000	507,000	1,000,000	1,000,000	1,000,000	1,000,000
Capital Bidding Fund	0	0	0	0	0	0
Council Total Net Budget	0	0	0	0	0	0
Capital Budget £'000s	0	0	0	0	0	0
Acquisitions Budget	30,730	1,042,340	500,000	500,000	500,000	500,000
Transformation Budgets	638,000	507,000	1,000,000	1,000,000	1,000,000	1,000,000
Capital Bidding Fund	0	0	0	0	0	0
Council Total Net Budget	0	0	0	0	0	0



**Summary of major budget etc changes 2014/15**

MTFE/Business Planning: Throughout the financial year officers within the team will be compiling the Business Plan for 2015-19, this will include provision of a timetable for compilation and horizon scanning and evaluating the impact of any legislative changes. The modelling assumptions will be reviewed and detailed scenario planning undertaken. Financial System: At the start of the financial year it is envisaged that officers will be evaluating the tenders submitted as part of the new financial system contract. This contract will parallel run from October/December 2014 through to March 2015. The major project for the year will be its implementation, possibly as a shared service. Performance/Risk System: By the start of the financial year that the risk management element of the system will have been activated. A dashboard for senior management will be implemented to generate chosen performance and risk information. Finally, Integrated Financial and Business Monitoring will start to be achieved by quarterly updating of service planning information from September/October 2014.

**2015/16**

MTFE/Business Planning: Throughout the financial year officers within the team will be compiling the Business Plan for 2016-20, this will include provision of a timetable for compilation and horizon scanning and evaluating the impact of any legislative changes. The modelling assumptions will be reviewed and detailed scenario planning undertaken. Financial System: From 1 April 2015 the new financial system will be fully operational. It is envisaged that the implementation of this new financial system and the adoption of new streamlined processes - Options around exploring shared service will be explored. Savings: Saving for future years will be identified from improved processes resulting from the new financial system.

**2016/17**

MTFE/Business Planning: Throughout the financial year officers within the team will be compiling the Business Plan for 2017-21, this will include provision of a timetable for compilation and horizon scanning and evaluating the impact of any legislative changes. The modelling assumptions will be reviewed and detailed scenario planning undertaken. Financial System: The new financial system and the adoption of new streamlined processes will facilitate the further savings below. Savings: Savings of £108k will be delivered by reduction of three posts, non salary budgets savings £137k through improved processes, consolidation of budgets and review of recharges.

**2017/18**

MTFE/Business Planning: Throughout the financial year officers within the team will be compiling the Business Plan for 2018-22, this will include provision of a timetable for compilation and horizon scanning and evaluating the impact of any legislative changes. The modelling assumptions will be reviewed and detailed scenario planning undertaken. Savings: Savings of £78,000 will be delivered from improved processes and the appropriate charging for services.

**DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD**

Project		PROJECT DESCRIPTION		Resources		MAJOR EXPECTED OUTCOME		Risk	
						Likelihood	Impact	Score	
<b>Project 1</b>		<b>Evaluation of future funding levels</b>		<b>Financial systems re-engineering programme</b>		To meet legislative requirements		2 2 4	
Start date	01/04/2013	Analysis of all relevant information relating to local government finance. This will include details provided in annual Local Government Finance Settlements, Annual Budgets, Spending Reviews and other financial information published by the Government. This information is incorporated into the Council's MTFS and updated as part of annual Budget Setting Procedures. Modelling of the retained NNDR system will be undertaken along with sensitivity analysis.		Procurement of a single integrated financial system to replace the suite of products that are current used to provide GL, AP, P2P & AR functions. This will involve a new chart of accounts and new ways of working, driving efficiencies throughout the organisation. The potential for joint working with neighbour boroughs is currently being investigated. Initial estimate of Go Live date 1 April 2015 - project length allows for post implementation review		More efficient way of working		3 3 9	
End date	31/03/2018	Project Title: Project Details:		Project Title: Project Details:		More efficient way of working		3 2 6	
<b>Project 2</b>		<b>Develop and implement whole life costing for capital projects</b>		<b>Improve joint finance and business planning</b>		More efficient way of working		2 2 4	
Start date	01/08/2013	This project will be undertaken in four stages 1) Develop a template to capture appropriate information 2) Pilot the template on two selected schemes 3) Amend the template 4) Apply the template to selected schemes		The project requires the quarterly update of service plans scheduled to start with September 2014 information following the implementation of the new performance and risk management system		More efficient way of working		2 2 4	
End date	31/03/2016	Project Title: Project Details:		Project Title: Project Details:		More efficient way of working		2 2 4	
<b>Project 3</b>		<b>Evaluation of different models of funding the capital programme</b>		<b>Fully implement the new performance/risk management IT system</b>		Required to deliver options for the MTFS		2 2 4	
Start date	01/07/2014	In recent years there has been no need to borrow externally to fund capital expenditure, it is anticipated that some external funding will be needed towards the end of the current planning period and therefore a detailed consideration of all reasonable options needs to be done, including leasing, renting and borrowing or any other suitable methods of funding capital expenditure.		Implementation of a cloud based system for the management and governance of performance and risk information known as Covalent. The earlier phases of the project are now complete, this financial year the three final phases will be completed: 1) The transfer of risk registers will be completed by the end of May 2014 2) The roll out of the system for use in monitoring local performance indicators 3) The provision of screen icons to senior management for performance and risk information.		More efficient way of working		2 2 4	
End date	31/03/2016	Project Title: Project Details:		Project Title: Project Details:		More efficient way of working		2 2 4	
<b>Project 4</b>		<b>Capital Review</b>		<b>Recharge Review</b>		More efficient way of working		2 2 4	
Start date	01/04/2014	In 2012 there was a comprehensive review of the management of the capital programme. This led to the production of an action plan. It would be appropriate to undertake a follow-up review now.		Annual reviews of recharges have been undertaken. These have tended to be tactical. In 2014/15 a full scale strategic review will be undertaken. The project will need to dovetail with work undertaken to develop and implement the new financial system.		More efficient way of working		3 2 6	
End date	31/03/2015	Project Title: Project Details:		Project Title: Project Details:		Select one major outcome		0	
<b>Project 5</b>		<b>Capital Review</b>		<b>Recharge Review</b>		More efficient way of working		2 2 4	
Start date	01/04/2014	In 2012 there was a comprehensive review of the management of the capital programme. This led to the production of an action plan. It would be appropriate to undertake a follow-up review now.		Annual reviews of recharges have been undertaken. These have tended to be tactical. In 2014/15 a full scale strategic review will be undertaken. The project will need to dovetail with work undertaken to develop and implement the new financial system.		More efficient way of working		3 2 6	
End date	31/03/2015	Project Title: Project Details:		Project Title: Project Details:		Select one major outcome		0	
<b>Project 6</b>		<b>Capital Review</b>		<b>Recharge Review</b>		More efficient way of working		2 2 4	
Start date	01/04/2014	In 2012 there was a comprehensive review of the management of the capital programme. This led to the production of an action plan. It would be appropriate to undertake a follow-up review now.		Annual reviews of recharges have been undertaken. These have tended to be tactical. In 2014/15 a full scale strategic review will be undertaken. The project will need to dovetail with work undertaken to develop and implement the new financial system.		More efficient way of working		3 2 6	
End date	31/03/2015	Project Title: Project Details:		Project Title: Project Details:		Select one major outcome		0	
<b>Project 7</b>		<b>Capital Review</b>		<b>Recharge Review</b>		More efficient way of working		2 2 4	
Start date	01/04/2014	In 2012 there was a comprehensive review of the management of the capital programme. This led to the production of an action plan. It would be appropriate to undertake a follow-up review now.		Annual reviews of recharges have been undertaken. These have tended to be tactical. In 2014/15 a full scale strategic review will be undertaken. The project will need to dovetail with work undertaken to develop and implement the new financial system.		More efficient way of working		3 2 6	
End date	31/03/2015	Project Title: Project Details:		Project Title: Project Details:		Select one major outcome		0	
<b>Project 8</b>		<b>Capital Review</b>		<b>Recharge Review</b>		More efficient way of working		2 2 4	
Start date	01/04/2014	In 2012 there was a comprehensive review of the management of the capital programme. This led to the production of an action plan. It would be appropriate to undertake a follow-up review now.		Annual reviews of recharges have been undertaken. These have tended to be tactical. In 2014/15 a full scale strategic review will be undertaken. The project will need to dovetail with work undertaken to develop and implement the new financial system.		More efficient way of working		3 2 6	
End date	31/03/2015	Project Title: Project Details:		Project Title: Project Details:		Select one major outcome		0	
<b>Project 9</b>		<b>Capital Review</b>		<b>Recharge Review</b>		More efficient way of working		2 2 4	
Start date	01/04/2014	In 2012 there was a comprehensive review of the management of the capital programme. This led to the production of an action plan. It would be appropriate to undertake a follow-up review now.		Annual reviews of recharges have been undertaken. These have tended to be tactical. In 2014/15 a full scale strategic review will be undertaken. The project will need to dovetail with work undertaken to develop and implement the new financial system.		More efficient way of working		3 2 6	
End date	31/03/2015	Project Title: Project Details:		Project Title: Project Details:		Select one major outcome		0	
<b>Project 10</b>		<b>Capital Review</b>		<b>Recharge Review</b>		More efficient way of working		2 2 4	
Start date	01/04/2014	In 2012 there was a comprehensive review of the management of the capital programme. This led to the production of an action plan. It would be appropriate to undertake a follow-up review now.		Annual reviews of recharges have been undertaken. These have tended to be tactical. In 2014/15 a full scale strategic review will be undertaken. The project will need to dovetail with work undertaken to develop and implement the new financial system.		More efficient way of working		3 2 6	
End date	31/03/2015	Project Title: Project Details:		Project Title: Project Details:		Select one major outcome		0	

**Legal Services**

**Cllr Mark Allison Cabinet Member for Finance**

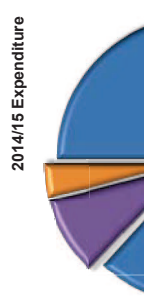
Enter a brief description of your main activities and objectives below

This is a shared legal service with the London Boroughs of Richmond and Sutton and the Royal Borough of Kingston upon Thames. The service delivers legal advice, support and representation to all services across all four councils. The service also provides advice in relation to the constitution and decision making in all councils and advice to members in relation to their roles.

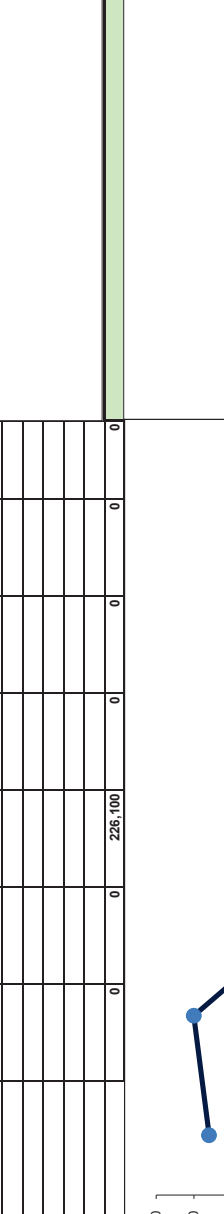
There will continue to be a shared service over the coming 3 years.

Anticipated demand				Planning Assumptions					The Corporate strategies your service contributes to			
2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2014/15	2015/16	2016/17	2017/18			
Chargeable hours for Merton	18602	18602	19337	18202	→	19337	19337	18,202	→			
Chargeable hours for Richmond	18602	18602	19337	18202	→	19337	19337	18,202	→			
Chargeable hours for Sutton			26819			26819	26819					
Chargeable hours for Kingston			16931			16931	16931					
<b>Anticipated non financial resources</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>						
Staff (FTE)	42.5	42.5	87.5	87.5	86.5	85.5						
Apprentices	0	1	1	0	0	→						
Select anticipated resources												
Select anticipated resources												
<b>Performance indicator</b>												
Chargeable hours												

DEPARTMENTAL BUDGET AND RESOURCES															
Revenue £'000s	Budget 2012/13	Actual 2012/13	Budget 2013/14	Budget 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18	Revenue £'000s	Budget 2012/13	Actual 2012/13	Budget 2013/14	Budget 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18
<b>Expenditure</b>	2,095	3,050	2,813	4,775	4,775	4,715	4,695								
Employees	2,039	1,931	2,035	4,150	4,150	4,090	4,070	Employees							
Premises	4	2	4	5	5	5	5	Premises							
Transport	3	5	3	9	9	9	9	Transport							
Supplies & Services	209	827	482	426	426	426	426	Supplies & Services							
3rd party payments								3rd party payments							
Support services	250	285	289	185	185	185	185	Support services							
Depreciation								Depreciation							
<b>Revenue £'000s</b>	<b>2,493</b>	<b>3,085</b>	<b>2,793</b>	<b>4,829</b>	<b>4,829</b>	<b>4,829</b>	<b>4,829</b>	<b>Income</b>							
Government grants	1,098	1,252	1,347	4,353	4,353	4,353	4,353	Government grants							
Reimbursements	135	576	135	476	476	476	476	Reimbursements							
Customer & client receipts								Customer & client receipts							
Recharges	1,260	1,257	1,311					Recharges							
Capital Funded								Capital Funded							
<b>Council Funded Net Budget</b>	<b>12</b>	<b>-35</b>	<b>20</b>	<b>-54</b>	<b>-54</b>	<b>-114</b>	<b>-134</b>	<b>Summary of major budget etc changes</b>							
Capital Budget £'000s	Budget 2012/13	Actual 2012/13	Budget 2013/14	Budget 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18	<b>2014/15</b>							
Legal Case Management			226,100					<b>2015/16</b>							
				0	226,100	0	0	<b>2016/17</b>							
								<b>2017/18</b>							



DEPARTMENTAL BUDGET AND RESOURCES															
Revenue £'000s	Budget 2012/13	Actual 2012/13	Budget 2013/14	Budget 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18	Revenue £'000s	Budget 2012/13	Actual 2012/13	Budget 2013/14	Budget 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18
<b>Expenditure</b>	2,095	3,050	2,813	4,775	4,775	4,715	4,695								
Employees	2,039	1,931	2,035	4,150	4,150	4,090	4,070	Employees							
Premises	4	2	4	5	5	5	5	Premises							
Transport	3	5	3	9	9	9	9	Transport							
Supplies & Services	209	827	482	426	426	426	426	Supplies & Services							
3rd party payments								3rd party payments							
Support services	250	285	289	185	185	185	185	Support services							
Depreciation								Depreciation							
<b>Revenue £'000s</b>	<b>2,493</b>	<b>3,085</b>	<b>2,793</b>	<b>4,829</b>	<b>4,829</b>	<b>4,829</b>	<b>4,829</b>	<b>Income</b>							
Government grants	1,098	1,252	1,347	4,353	4,353	4,353	4,353	Government grants							
Reimbursements	135	576	135	476	476	476	476	Reimbursements							
Customer & client receipts								Customer & client receipts							
Recharges	1,260	1,257	1,311					Recharges							
Capital Funded								Capital Funded							
<b>Council Funded Net Budget</b>	<b>12</b>	<b>-35</b>	<b>20</b>	<b>-54</b>	<b>-54</b>	<b>-114</b>	<b>-134</b>	<b>Summary of major budget etc changes</b>							
Capital Budget £'000s	Budget 2012/13	Actual 2012/13	Budget 2013/14	Budget 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18	<b>2014/15</b>							
Legal Case Management			226,100					<b>2015/16</b>							
				0	226,100	0	0	<b>2016/17</b>							
								<b>2017/18</b>							



£60,000 savings for Merton are required. Further savings for Sutton, Kingston and Richmond may be required.

£20,000 savings for Merton are required. Further savings for Sutton, Kingston and Richmond may be required.

DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD

Legal Services

PROJECT DESCRIPTION		MAJOR EXPECTED OUTCOME		Likelihood	Risk Impact	Score
<b>Project 1</b>		<b>Shared service</b>				
Start date	01/04/2014	To embed the newly expanded shared service, to identify and exploit the efficiencies of the new service in order to improve the customer experience and to identify further savings		2	2	4
End date	31/03/2016					
<b>Project 2</b>		<b>Smarter Working</b>				
Start date	01/04/2014	To ensure the service is maximising the use of IT systems and software in order to enable mobile working across four authorities, reduce costs and increase the effectiveness and efficiency of the officers in the service		2	1	2
End date	31/03/2016					
<b>Project 3</b>		<b>Delivering Savings</b>				
Start date	01/04/2015	To deliver £80,000 of savings to Merton and such savings as required by Sutton, Kingston and Richmond				0
End date	31/03/2018					
<b>Project 4</b>						
Start date						0
End date						
<b>Project 5</b>						
Start date						0
End date						
<b>Project 6</b>						
Start date						0
End date						
<b>Project 7</b>						
Start date						0
End date						
<b>Project 8</b>						
Start date						0
End date						
<b>Project 9</b>						
Start date						0
End date						
<b>Project 10</b>						
Start date						0
End date						

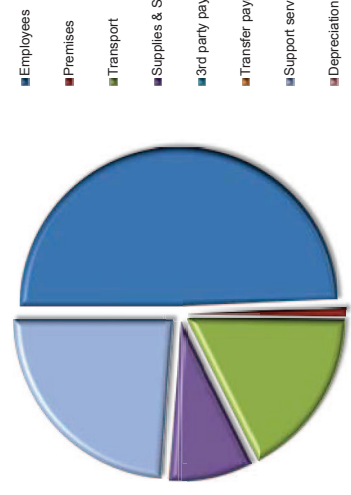
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# **Environment and Regeneration Department**

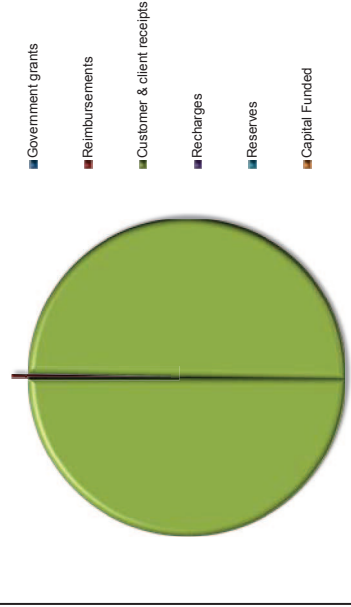
Commercial Services (Waste Operations)	Planning Assumptions										The Corporate strategies your service contributes to
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18					
Cllr Judy Saunders Cabinet Member for Performance & Implementation											Waste Management Plan
Enter a brief description of your main activities and objectives below											Climate Change Strategy
											Medium Term Financial Strategy
<b>Commercial Waste &amp; Recycling, Collection &amp; Disposal</b> directly from local businesses. Under government legislation the council has a duty to arrange for the collection of commercial waste when requested to do so. The Act defines commercial waste as: "waste from premises used wholly or mainly for the purposes of a trade or business or the purposes of sport, recreation or entertainment".											
<b>Pest Control Service:</b> Legislation requires that local authorities undertake enforcement for the purposes of controlling rats and mice. Owners / tenants have discretion on pest control providers. Merton is able to offer its residents and businesses a good quality, competitively priced service using fully qualified officers.											
<b>Objectives</b> - to make both services more efficient, cost effective and competitive in the commercial market - to be more reactive to seasonal demands - become competitive in both commercial waste and pest control, looking at the marketing of the services and pricing structure.											
<b>TOM</b>											

DEPARTMENTAL BUDGET AND RESOURCES																
Revenue £'000s	Budget 2012/13	Actual 2012/13	Budget 2013/14	Budget 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18	Performance Targets (T) & Provisional Performance Targets (PT)						Main impact if indicator not met		
								2012/13(T)	2013/14(T)	2014/15(T)	2015/16(PT)	2016/17(PT)	2017/18(PT)		2012/13(PT)	2013/14(PT)
<b>Expenditure</b>	719	385	777	723	723	723	723	£1.4m	£1.45m	£1.5m	£1.6m	£1.65m	£1.7m	£1.75m	£1.8m	Business critical
Employees	406	291	400	357	357	357	357	10	9	8	7	7	7	7	Outcome	
Premises	6	6	6	6	6	6	6									
Transport	206	23	205	128	128	128	128									
Supplies & Services	62	32	62	62	62	62	62									
3rd party payments	0	0	0	0	0	0	0									
Transfer payments	0	0	0	0	0	0	0									
Support services	38	38	103	172	172	172	172									
Depreciation	1	1	1	0	0	0	0									
<b>Revenue £'000s</b>	<b>Budget 2012/13</b>	<b>Actual 2012/13</b>	<b>Budget 2013/14</b>	<b>Budget 2014/15</b>	<b>Budget 2015/16</b>	<b>Budget 2016/17</b>	<b>Budget 2017/18</b>									
Government grants	1,855	1,574	2,022	2,245	2,245	2,245	2,245									
Reimbursements	0	0	0	0	0	0	0									
Customer & client receipts	1,855	1,574	2,022	2,238	2,238	2,238	2,238									
Recharges	0	0	0	0	0	0	0									
Reserves	0	0	0	0	0	0	0									
Capital Funded	0	0	0	0	0	0	0									
<b>Council Funded Net Budget</b>	<b>-1,136</b>	<b>-1,189</b>	<b>-1,245</b>	<b>-1,522</b>	<b>-1,522</b>	<b>-1,522</b>	<b>-1,522</b>									

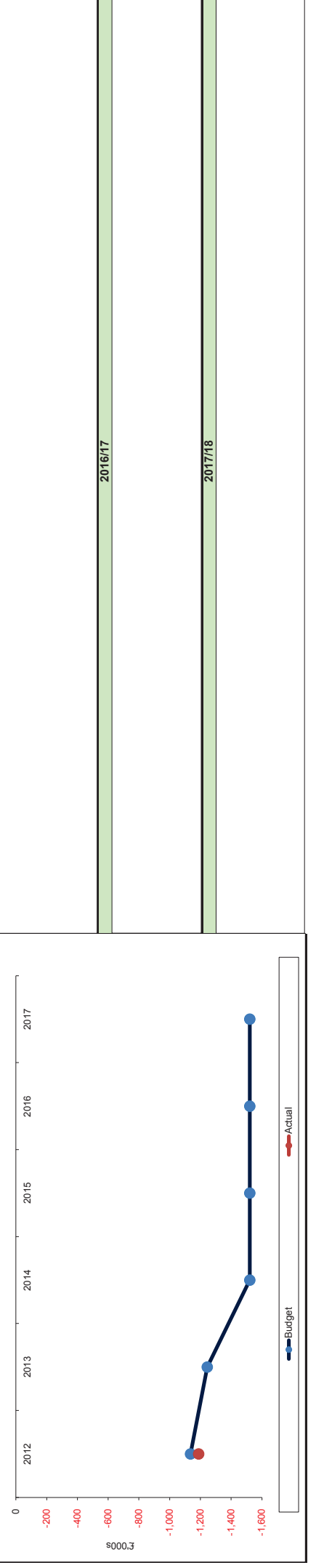
2014/15 Expenditure



2014/15 Income



Summary of major budget etc. changes 2014/15			
ER25=£250K; EN15=£20K; EN17=£26K;			
2015/16	2016/17	2017/18	





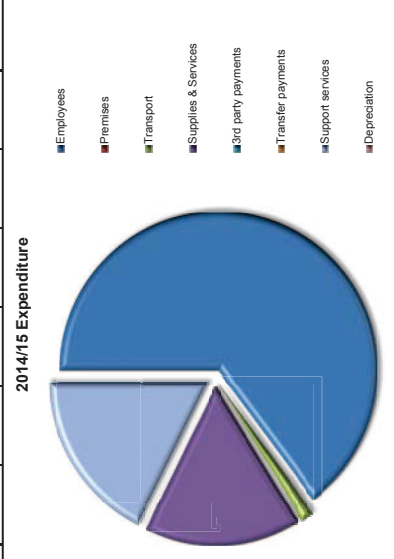
DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD

Commercial Services (Waste Operations)

PROJECT DESCRIPTION		MAJOR EXPECTED OUTCOME		Likelihood	Risk Impact	Score
Project 1	Project Title:		More efficient way of working	0	0	0
Start date	Project Details:					
End date						
Project 2	Project Title:		Income generation	0	0	0
Start date	Project Details:					
End date						
Project 3	Project Title:		More efficient way of working	0	0	0
Start date	Project Details:					
End date						
Project 4	Project Title:		Improved resident well being	0	0	0
Start date	Project Details:					
End date						
Project 5	Project Title:		Select one major outcome			0
Start date	Project Details:					
End date						
Project 6	Project Title:		Select one major outcome			0
Start date	Project Details:					
End date						
Project 7	Project Title:		Select one major outcome			0
Start date	Project Details:					
End date						
Project 8	Project Title:		Select one major outcome			0
Start date	Project Details:					
End date						
Project 9	Project Title:		Select one major outcome			0
Start date	Project Details:					
End date						
Project 10	Project Title:		Select one major outcome			0
Start date	Project Details:					
End date						

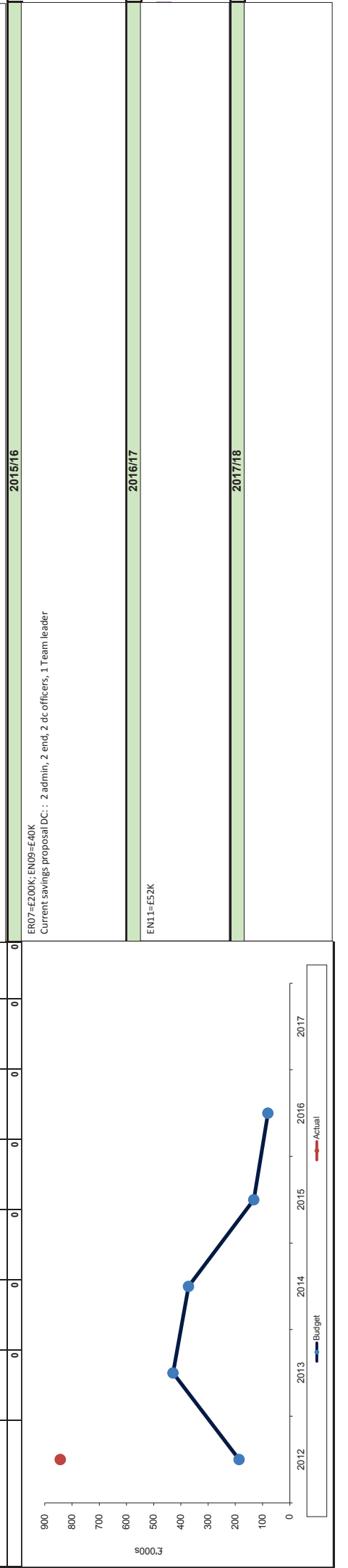
Development and Building Control	Planning Assumptions										The Corporate strategies your service contributes to	
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2012/13	2013/14	2014/15	2015/16		2016/17
<b>Cllr Andrew Judge Cabinet Member for Sustainability &amp; Regeneration</b>	Anticipated demand											
enforcement cases	700	700	750	780	800	820	Asset Management Plan					
Planning applications (economy dependant)	2000	2000	2200	2300	2400	2500	Unitary Development Plan					
BC applications (economy dependant)	1650	1650	1700	1750	1750	1800	Core Planning Strategy					
Tree applications	800	600	620	640	660	670	Community Plan					
<b>Anticipated non financial resources</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>Housing Strategy</b>					
Staff (FTE)	36	39	37	29	29	29	<b>Central Government</b>					
							<b>E Merton &amp; Mitcham Neighbourhood Renewal</b>					
							<b>Local Development Framework</b>					
							<b>Capital Programme</b>					
							<b>Main impact if indicator not met</b>					
												Quality
												Quality
												Quality
												Perception
												Business critical
												Perception
												Quality
												Quality

Performance indicator	Performance Targets (T) & Provisional Performance Targets (PT)						Polarity	Reporting cycle	Indicator type
	2012/13(T)	2013/14(T)	2014/15(T)	2015/16(PT)	2016/17(PT)	2017/18(PT)			
% Major applications processed within 13 weeks	60	60	45	35	30	30	High	Monthly	Quality
% Minor applications processed within 8 weeks	65	65	50	40	35	35	High	Monthly	Quality
% Other applications processed within 8 weeks	80	80	75	60	55	55	High	Monthly	Quality
% appeals lost	35	35	40	50	55	55	Low	Quarterly	Perception
Income (Development and Building Control)	£1.97m	£1.97m	£1.97m	£1.97m	£1.97m	£1.97m	High	Monthly	Business critical
% Market share retained by LA (BC)	85	80	75	75	75	75	High	Monthly	Perception
% enforcement site visits within 15 days	80	80	75	45	45	45	High	Quarterly	Quality
Number of enforcement cases closed	600	600	550	300	300	300	High	Quarterly	Quality



Revenue £'000s	DEPARTMENTAL BUDGET AND RESOURCES													
	Budget 2012/13	Actual 2012/13	Budget 2013/14	Budget 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18	Budget 2012/13	Actual 2012/13	Budget 2013/14	Budget 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18
<b>Expenditure</b>	<b>2,330</b>	<b>2,436</b>	<b>2,483</b>	<b>2,433</b>	<b>2,393</b>	<b>2,341</b>	<b>2,341</b>	<b>2,444</b>	<b>2,554</b>	<b>2,054</b>	<b>2,061</b>	<b>2,261</b>	<b>2,261</b>	<b>2,261</b>
Employees	1,864	1,873	1,827	1,850	1,840	1,888	1,888	1,864	1,873	1,827	1,850	1,840	1,888	1,888
Premises	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Transport	32	32	32	32	32	32	32	32	32	32	32	32	32	32
Supplies & Services	248	302	306	386	386	386	386	248	302	306	386	386	386	386
3rd party payments	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfer payments	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Support services	486	536	514	431	431	431	431	486	536	514	431	431	431	431
Depreciation	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Revenue £'000s</b>	<b>Budget 2012/13</b>	<b>Actual 2012/13</b>	<b>Budget 2013/14</b>	<b>Budget 2014/15</b>	<b>Budget 2015/16</b>	<b>Budget 2016/17</b>	<b>Budget 2017/18</b>	<b>Budget 2012/13</b>	<b>Actual 2012/13</b>	<b>Budget 2013/14</b>	<b>Budget 2014/15</b>	<b>Budget 2015/16</b>	<b>Budget 2016/17</b>	<b>Budget 2017/18</b>
Government grants	1,103	1,103	1,103	1,103	1,103	1,103	1,103	1,103	1,103	1,103	1,103	1,103	1,103	1,103
Reimbursements	106	67	134	96	96	96	96	106	67	134	96	96	96	96
Customer & client receipts	1,935	1,404	1,816	1,859	2,059	2,059	2,059	1,935	1,404	1,816	1,859	2,059	2,059	2,059
Recharges	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Reserves	0	122	104	106	106	106	106	0	122	104	106	106	106	106
Capital funded	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Council Funded Net Budget</b>	<b>186</b>	<b>843</b>	<b>429</b>	<b>372</b>	<b>132</b>	<b>80</b>	<b>80</b>	<b>186</b>	<b>843</b>	<b>429</b>	<b>372</b>	<b>132</b>	<b>80</b>	<b>80</b>

Capital Budget £'000s	Summary of major budget etc. changes 2014/15													
	Budget 2012/13	Actual 2012/13	Budget 2013/14	Budget 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18	Budget 2012/13	Actual 2012/13	Budget 2013/14	Budget 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18
	0	0	0	0	0	0	0	0	0	0	0	0	0	0



EN06=E73K  
HPPDG grant expires June 2014 (2 DC officers)

EN07=E200K; EN09=E40K  
Current savings proposal DC: 2 admin, 2 end, 2 dc officers, 1 Team leader

EN11=E52K

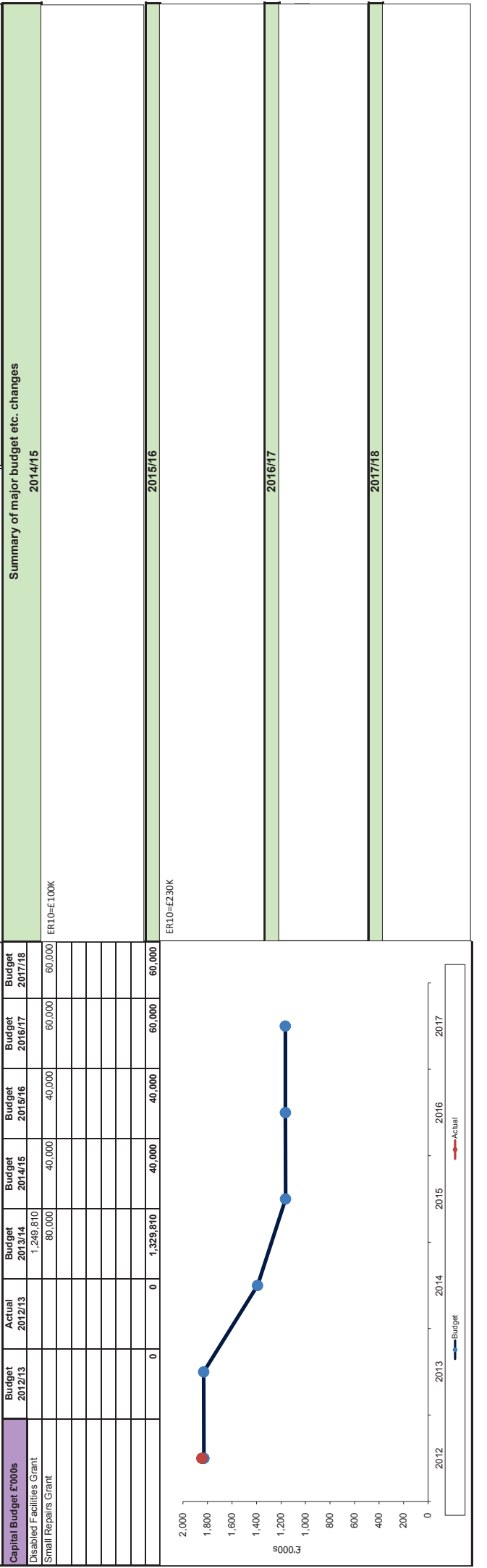
DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD

Development and Building Control

PROJECT DESCRIPTION		MAJOR EXPECTED OUTCOME		Likelihood	Risk Impact	Score
<b>Project 1</b>	Project Title:  Project Details:  This is to ensure Building Control is more commercial aware in a more competitive market.	2013-14	Commercialisation of Building Control	3	2	6
End date		2014-15				
<b>Project 2</b>	Project Title:  Project Details:  This is introducing mobile and home working to the teams.	2014-15	Mobile/Home working	2	2	4
End date		2014-15				
<b>Project 3</b>	Project Title:  Project Details:  Introduction of CLL IT system, either M3 or bespoke bolt on.	2014-3	Select one major outcome	3	2	6
End date		2014-5				
<b>Project 4</b>	Project Title:  Project Details:		Select one major outcome			0
End date						
<b>Project 5</b>	Project Title:  Project Details:		Select one major outcome			0
End date						
<b>Project 6</b>	Project Title:  Project Details:		Select one major outcome			0
End date						
<b>Project 7</b>	Project Title:  Project Details:		Select one major outcome			0
End date						
<b>Project 8</b>	Project Title:  Project Details:		Select one major outcome			0
End date						
<b>Project 9</b>	Project Title:  Project Details:		Select one major outcome			0
End date						
<b>Project 10</b>	Project Title:  Project Details:		Select one major outcome			0
End date						

Environmental Health, Trading Standards & Licensing	Anticipated demand	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	The Corporate strategies your service contributes to
<b>Cllr Andrew Judge Cabinet Member for Sustainability &amp; Regeneration</b>								
Enter a brief description of your main activities and objectives below	Total number of food premises	1525	1550	1535	1545	1545	1550	Air Quality Action Plan
Provide a proportionate, risk-based approach to the council's statutory duty to enforce Environmental Health, Trading Standards & Licensing legislation that meets national / local priorities. Ensuring a healthy, safe and fair environment by -	Total number of service requests	7500	7750	8000	8250	8500	8750	Central Government
• Protecting interest of consumers and businesses from rogue traders and doorstep crime	License/permit applications	1850	1860	1870	1880	1890	1900	Climate Change Strategy
• Preventing anti-social behaviour, minimise health risks and improve community safety through prevention of sales of age-restricted products	Anticipated non financial resources							Commercial & Trading Standards Delivery
• maintaining food safety / hygiene / quality	Staff (FTE)	35	35	30	24	24	24	Crime & Disorder (partnership plan)
• controlling infectious disease								
• improving public health								
• reducing the number of accidents and the level of ill-health associated with the commercial work environment								
• improved air quality and reduced pollution								
• developing partnerships with local businesses to help them comply with legal obligations								
• investigating and controlling excessive noise from neighbours, alarms, construction sites								
• considering and granting licences/permits to trade through statutory premises inspection regimes, complaint investigation, testing/ sampling/monitoring activities								
• formal legal action for persistent/serious offenders, remove rogue traders and unfair trading practices.								
<b>** This is to be a shared service so plan will change during the year to reflect this</b>								

Performance Indicator	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2017/18(PT)	2016/17(PT)	2015/16(PT)	2014/15(PT)	2013/14(PT)	2012/13(PT)	Polarity	Reporting cycle	Indicator type	Main impact if indicator not met
% service requests replied in 5 working days	95	90	85	85	85	85	85	85	85	85	85	85	High	Monthly	Perception	Reduced customer service
Income generation by EHTSL	£325,000	£345,000	£345,000	£345,000	£345,000	£345,000	£345,000	£345,000	£345,000	£345,000	£345,000	£345,000	High	Monthly	Outcome	Loss of income
% of category A, B & C food premises inspected	100	95	90	90	90	90	90	90	90	90	90	90	High	Annual	Business critical	Government intervention
No. of underage sales test purchases	240	220	200	200	200	200	200	200	200	200	200	200	High	Quarterly	Business critical	Anti social behaviour
% Data capture from air pollution monitoring sites	90	90	90	90	90	90	90	90	90	90	90	90	High	Quarterly	Business critical	Reduced enforcement
No. of enforcement/improvement notices	200	120	120	120	120	120	120	120	120	120	120	120	High	Quarterly	Quality	Loss of Government grant
% licensing apps processed within 21 days.	100	95	90	90	90	90	90	90	90	90	90	90	High	Quarterly	Business critical	Reputational risk
% of food premises rated 2* or above	95	90	90	90	90	90	90	90	90	90	90	90	High	Quarterly	Outcome	Reputational risk



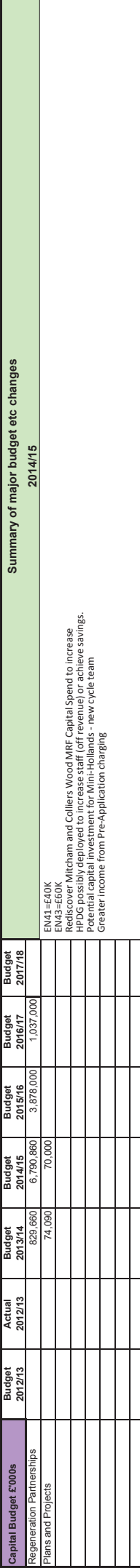
DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD

Environmental Health, Trading Standards & Licensing

PROJECT DESCRIPTION		MAJOR EXPECTED OUTCOME		Likelihood	Risk Impact	Score
Development of shared 'regulatory' service		To meet budget savings		2	3	6
Project 1	Project Title:					
Start date	Project Details:					
End date						
2012						
2014						
Project 2	Project Title:	Implementation of 'Flexible Working' across section		2	1	2
Start date	Project Details:					
End date						
2014						
2015						
Project 3	Project Title:	Roll-out of London-wide 'Feeding Stuffs' Protocol		2	2	4
Start date	Project Details:					
End date						
2014						
2015						
Project 4	Project Title:	Work with Public Health England to deliver 'Healthy Catering Commitment'		2	3	6
Start date	Project Details:					
End date						
2014						
2015						
Project 5	Project Title:	Launch 'Healthier Workplace Commitment' with Public Health England		2	2	4
Start date	Project Details:					
End date						
2014						
2015						
Project 6	Project Title:	Investigation of contaminated land at Marlowe Square		2	2	4
Start date	Project Details:					
End date						
2013						
2015						
Project 7	Project Title:	Improve Air Quality in Willow Lane Industrial Estate		3	2	6
Start date	Project Details:					
End date						
Project 8	Project Title:	Select one major outcome				0
Start date	Project Details:					
End date						
Project 9	Project Title:	Select one major outcome				0
Start date	Project Details:					
End date						
Project 10	Project Title:	Select one major outcome				0
Start date	Project Details:					
End date						

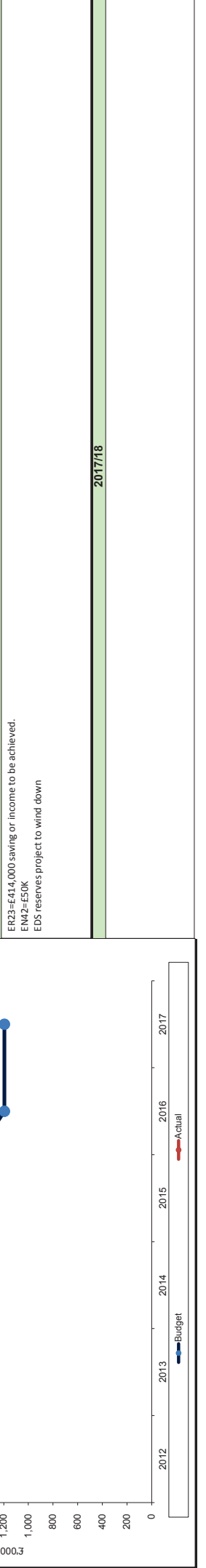
Future Merton		Planning Assumptions					The Corporate strategies your service contributes to		
Cllr Andrew Judge Cabinet Member for Sustainability & Regeneration	Anticipated demand	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2016/17	2017/18
Enter a brief description of your main activities and objectives below To deliver the council's regeneration plans, prioritising areas for regeneration and investment and to: • develop new spatial planning policies to support regeneration objectives • develop site assembly requirements to support regeneration and development • develop sustainable development policies to support Merton's commitment to carbon reduction • develop urban design frameworks to support regeneration and increase design quality in the borough • deliver projects as set out in our Economic Development and Climate Change Strategies and the Regeneration Delivery Plan • attract developer and inward investment, public sector funding and support to deliver our regeneration. Objectives • to develop transport policies and secure external funding from Transport for London (TfL) to deliver improvements to Merton's public realm • deliver regeneration projects in Mitcham and Colliers Wood using the Mayor of London's Funding • adopt Planning Briefs to aid marketing and disposal of Broadway car park, Wimbledon (PA), Morden Station Planning Brief (1MO). Lead on Major Planning Developments (AFC Wimbledon / YMCA / Colliers Wood Tower) LBM lead on emerging estate regeneration proposals in partnership with Circle MPH	Population	203,247	206,038	206,822	211,569	214,229	216,806	214,229	216,806
	Actual businesses in borough	7,500	7,500	7,700	7,900	8,100	8,100	8,100	8,100
Anticipated non financial resources	Staff (FTE)	24	28	27	27	27	27	27	27
Performance indicator	Performance Targets (T) & Provisional Performance Targets (PT)	2012/13(T)	2013/14(T)	2014/15(T)	2015/16(PT)	2016/17(PT)	2017/18(PT)	Reporting cycle	Indicator type
New homes target (number per year)	370	320	411	411	411	411	411	Annual	Outcome
Town centre vacancy rates (% of units vacant)	12	10	10	10	9	8	8	Quarterly	Outcome
Inc. mode share for walking + cycling (% inc from 35-40% base 2012)	0.00	0.40	0.2	0.2	0.2	0.2	0.2	Annual	Perception
Emissions reduction from buildings (% from 2009 baseline)	4.0	6.5	9.0	11.5	12.0	12.5	12.5	Annual	Outcome
Reduction in KS1's road traffic accidents (Number of incidents)	56	54	44	39	37	34	34	Annual	Perception
Modal increase in cycling (% increase)	2	3	4	5	7	10	10	Annual	Output
Number of new jobs created through EDS&SAP	New	150	300	450	600	600	0	Annual	Outcome
*Of new jobs created, number that are apprentices	New	40	60	80	100	100	0	Quarterly	Outcome
Number of new businesses created as part of EDS/MSSS (Cumulative)	New	50	100	200	300	300	0	Quarterly	Outcome

DEPARTMENTAL BUDGET AND RESOURCES										
Revenue £'000s	Budget 2012/13	Actual 2012/13	Budget 2013/14	Budget 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18	Budget 2015/16	Budget 2016/17	Budget 2017/18
Expenditure	2,927	3,140	3,198	2,987	2,987	2,573	2,573			
Employees	1,104	1,157	1,112	1,046	1,046	632	632			
Premises	126	275	289	270	270	270	270			
Transport	6	3	9	9	9	9	9			
Supplies & Services	719	610	808	808	808	808	808			
3rd party payments	555	644	751	445	445	445	445			
Transfer payments	344	378	363	287	287	287	287			
Support services	73	73	73	122	122	122	122			
Depreciation										
Revenue £'000s	Budget 2012/13	Actual 2012/13	Budget 2013/14	Budget 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18	Budget 2015/16	Budget 2016/17	Budget 2017/18
Government grants	1,229	1,269	1,282	1,289	1,329	1,379	1,379			
Reimbursements	218	218	218	114	114	114	114			
Customer & client receipts	691	285	306	306	346	396	396			
Recharges	272	362	362	306	346	396	396			
Reserves	48	602	958	869	869	869	869			
Capital Funded										
Council Funded Net Budget	1,698	1,871	1,816	1,698	1,658	1,194	1,194			
Capital Budget £'000s	Budget 2012/13	Actual 2012/13	Budget 2013/14	Budget 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18	Budget 2015/16	Budget 2016/17	Budget 2017/18
Regeneration Partnerships			829,660	6,790,860	3,878,000	1,037,000				
Plans and Projects			74,090	70,000						



**Summary of major budget etc changes**

2014/15	2015/16	2016/17	2017/18
EN41=£40K EN43=£60K Rediscover Mitcham and Colliers Wood MRF Capital Spend to increase HPDG possibly deployed to increase staff (off revenue) or achieve savings. Potential capital investment for Mini-Hollands - new cycle team Greater income from Pre-Application charging			
EN42=£40K Capitalisation ongoing			
ER23=£414,000 saving or income to be achieved. EN42=£50K EDS reserves project to wind down			



DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD

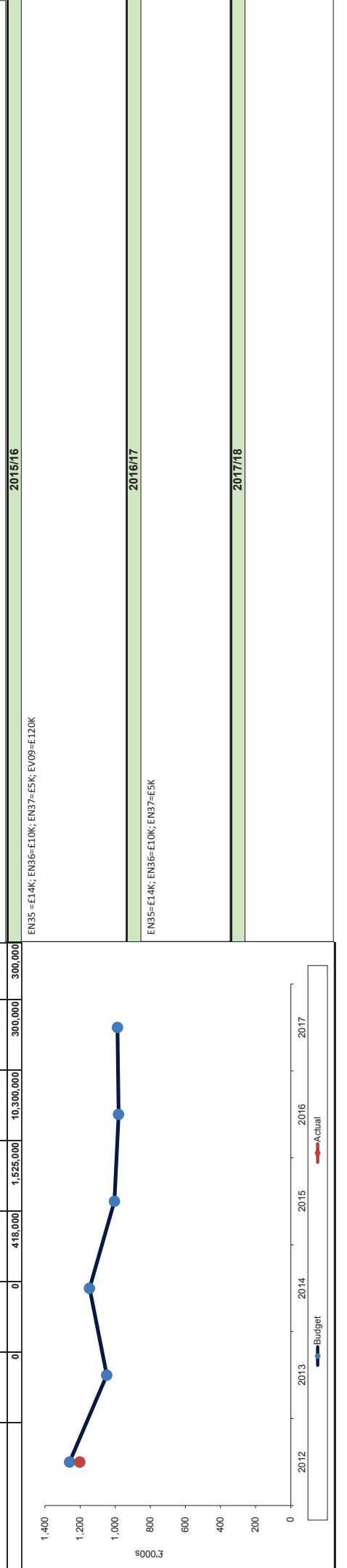
Future Merton

PROJECT DESCRIPTION		MAJOR EXPECTED OUTCOME		Likelihood	Risk Impact	Score
<b>Project 1</b>	<b>Project Title:</b> Morden station planning brief, Morden public realm and Master Plan	Income generation				
Start date	2012	Work in Partnership with TfL to bring forward the redevelopment of Morden Station for a mixed use, retail led scheme to reinvigorate Morden Town Centre. This will feed into the wider masterplan and public realm improvements for the town centre		3	2	6
End date	2017					
<b>Project 2</b>	<b>Project Title:</b> Rediscover Mitcham	Improved resident well being				
Start date	2012	Revitalising Mitcham Fair Green and surrounding streets by investing in the public realm, local businesses, and transport proposals, working closely with local residents, the business community, Heritage Lottery Fund and Transport for London.		2	2	4
End date	2016					
<b>Project 3</b>	<b>Project Title:</b> Colliers Wood / South Wimbledon Planning Framework	Income generation				
Start date	2014	Work with stakeholders to facilitate the regeneration of Colliers Wood / South Wimbledon Development Framework (through the preparation of a masterplan, development control and delivery of new, more sustainable homes)		4	2	8
End date	2019					
<b>Project 4</b>	<b>Project Title:</b> Wimbledon Greyhound Stadium	Improved efficiency of investment into the borough and make it a more attractive place to live and work				
Start date	2011	Delivery of a new stadium and associated developments, working with stakeholders on a masterplan for the site following the outcome of the <i>Sites and Policies Plan</i>		3	2	6
End date	2016					
<b>Project 5</b>	<b>Project Title:</b> Invest to save: energy efficiency and generation in Merton	Income generation				
Start date	2014	Managing internal and external energy efficiency and renewable energy investment in the council's buildings, schools and in the wider community to reduce carbon while saving money, towards the creation of a revolving invest-to-save investment fund		2	2	4
End date	2018					
<b>Project 6</b>	<b>Project Title:</b> Destination Wimbledon continued - Crossrail2 and tramlink	Improved efficiency of investment into the borough and make it a more attractive place to live and work				
Start date	2014	Working with businesses, government, Network Rail and Transport for London on town centre revitalisation and public realm improvements in the context of the changes to central Wimbledon arising from Crossrail2, the improved tram service and site investment.		2	2	4
End date	2022					
<b>Project 7</b>	<b>Project Title:</b> Raynes Park Enhancement Plan continued	Improved resident well being				
Start date	2010	Working with the local business and residents community to continue the Raynes Park Enhancement Plan, including improvements to the public realm on the south side of the station		2	2	4
End date	2018					
<b>Project 8</b>	<b>Project Title:</b> EDS Merton Business Support Service	Improved economic resilience, supporting jobs and business growth				
Start date	2012	The authority to assist businesses through the current financial difficulties where possible		2	1	2
End date	2015					
<b>Project 9</b>	<b>Project Title:</b> Smarter travel: road safety	Improved resident well being				
Start date		Running various programmes to improve road safety and encourage smarter and healthier travel choices, including adult and children cycle training, walk to school, motorcycle and learner driver training. Reduces road related injuries and helps Merton deliver its share of the Mayor's Transport Strategy.		2	2	4
End date						
<b>Project 10</b>	<b>Project Title:</b> Greening business	Improved economic resilience, supporting jobs and business growth				
Start date		Running various programmes in collaboration with Merton Chamber of Commerce, government, the Mayor of London and other business groups to assist businesses in reducing their electricity, gas and water bills and saving carbon		2	1	2
End date						



Leisure & Cultural Development	Planning Assumptions				The Corporate strategies your service contributes to			
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
<b>Cllr Nick Draper Cabinet Member for Community &amp; Culture</b>	203,247	206,038	208,822	211,569	214,229	216,806	219,383	221,960
<b>Anticipated demand</b>	Population	Population	Population	Population	Population	Population	Population	Population
<b>Anticipated non financial resources</b>	17.77	14	13	15.3	7	15.3	7	15.3
<b>Performance indicator</b>	7	7	7	7	7	7	7	7
<b>Provisional Performance Targets (PT)</b>	20	20	20	20	20	20	20	20
<b>Performance Targets (T) &amp; Provisional Performance Targets (PT)</b>	30	30	30	30	30	30	30	30
<b>2012/13</b>	203,247	206,038	208,822	211,569	214,229	216,806	219,383	221,960
<b>2013/14</b>	203,247	206,038	208,822	211,569	214,229	216,806	219,383	221,960
<b>2014/15</b>	203,247	206,038	208,822	211,569	214,229	216,806	219,383	221,960
<b>2015/16</b>	203,247	206,038	208,822	211,569	214,229	216,806	219,383	221,960
<b>2016/17</b>	203,247	206,038	208,822	211,569	214,229	216,806	219,383	221,960
<b>2017/18</b>	203,247	206,038	208,822	211,569	214,229	216,806	219,383	221,960
<b>2018/19</b>	203,247	206,038	208,822	211,569	214,229	216,806	219,383	221,960
<b>2019/20</b>	203,247	206,038	208,822	211,569	214,229	216,806	219,383	221,960

DEPARTMENTAL BUDGET AND RESOURCES											
Revenue £'000s	Budget 2012/13	Actual 2012/13	Budget 2013/14	Budget 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18	Budget 2018/19	Budget 2019/20	2014/15 Expenditure	2014/15 Income
<b>Expenditure</b>	2,899	2,297	2,025	2,088	1,975	1,981	1,987	1,993	1,999	1,987	1,987
Employees	837	827	690	685	687	690	692	694	696	690	692
Premises	12	46	27	22	22	22	22	22	22	22	22
Transport	11	12	13	13	13	13	13	13	13	13	13
Supplies & Services	908	388	343	288	170	174	178	182	186	180	182
3rd party payments	194	248	244	288	289	288	288	288	288	288	288
Transfer Payments	8	2	10	5	5	5	5	5	5	5	5
Support services	450	344	268	361	361	361	361	361	361	361	361
Depreciation	479	430	430	433	433	433	433	433	433	433	433
<b>Revenue £'000s</b>	<b>1,640</b>	<b>1,095</b>	<b>977</b>	<b>942</b>	<b>971</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>
Government grants	11	7	7	7	7	7	7	7	7	7	7
Reimbursements	560	312	43	51	56	61	61	61	61	61	61
Customer & client receipts	448	454	500	554	578	602	602	602	602	602	602
Recharges	621	329	427	337	337	337	337	337	337	337	337
Reserves	0	0	0	0	0	0	0	0	0	0	0
Capital Funded	0	0	0	0	0	0	0	0	0	0	0
<b>Council Funded Net Budget</b>	<b>1,259</b>	<b>1,202</b>	<b>1,048</b>	<b>1,146</b>	<b>1,004</b>	<b>981</b>	<b>987</b>	<b>987</b>	<b>987</b>	<b>987</b>	<b>987</b>
<b>Capital Budget £'000s</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Morden Park Pool	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0
<b>Summary of major budget etc changes 2014/15</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>





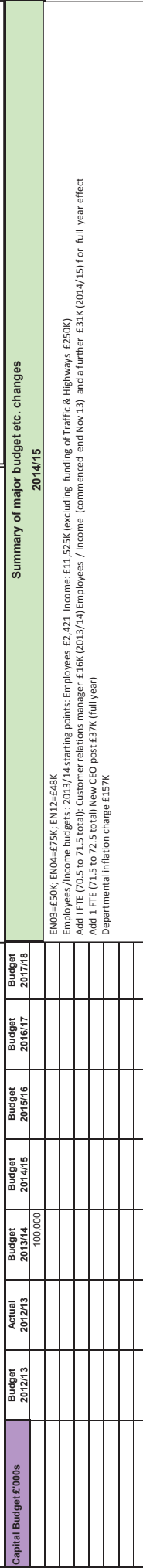
DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD

Leisure & Cultural Development

PROJECT DESCRIPTION		MAJOR EXPECTED OUTCOME	Likelihood	Risk Impact	Score
<b>Project 1</b>	Project Title: Increasing participation in culture, sport and physical activity	Improved resident well being			
Start date	2014				
End date	2016-17	Develop with partners joint community programmes in the east of the borough in accordance with the Culture & Sport Framework	2	2	4
<b>Project 2</b>	Project Title: Increasing participation & engagement in the arts, cultural and well-being activities	Improved resident well being			
Start date	2014				
End date	2016-17	Develop and deliver in partnership with others projects and programmes which celebrate and commemorate local, national and international events.	2	2	4
<b>Project 3</b>	Project Title: Leisure Centres Contract	To meet budget savings			
Start date	2014				
End date	2016-17	Renegotiate the Leisure Centres Contract to generate savings	2	2	4
<b>Project 4</b>	Project Title: Morden Park Pool & Wimbledon Park Watersports Centre	Improved resident well being			
Start date	2014				
End date	2017-18	Deliver a replacement Morden Park Pools and create a business case to replace the existing Wimbledon Park Watersports Centre.	4	2	8
<b>Project 5</b>	Project Title: Implementation of Online Leisure & Cultural Bookings	More efficient way of working			
Start date	2012				
End date	2015-16	Implement the Mango online booking system for pitch, halls, pavilions, courses, events and activities. Working with IT and other service beneficiaries for a whole council approach.	2	2	4
<b>Project 6</b>	Project Title: Commercialisation of Culture & Sport Activities, Projects and Programmes	To meet budget savings			
Start date	2012				
End date	2016-17	Rebrand the Merton Active Plus programme and generate increased income over a three year period to cover the salary of the officer that delivers it. Also move the work of the team to cover two distinct strands of commercial and community activities.	2	2	4
<b>Project 7</b>	Project Title: St Mark's Academy School - Community Use	Improved resident well being			
Start date	2012				
End date	2016-17	Work with St Mark's Academy School to develop a community leisure facility increasing community use and transferring the management of the BMX track to the school.	2	1	2
<b>Project 8</b>	Project Title: Cultural Framework Implementation	Improved resident well being			
Start date	2012				
End date	2015-6	Launch Cultural Framework and commence delivery within that Framework.	2	1	2
<b>Project 9</b>	Project Title: Develop the boroughs involvement in Ride London	Improved reputation			
Start date	2012				
End date	2016-17	Deliver and develop Merton's contribution to the Ride London Event as well as delivering Merton's contribution to other major sporting, arts and cultural events as appropriate and required	2	2	4
<b>Project 10</b>	Project Title: External Funding & Inward Investment Opportunities	Income generation			
Start date	2012				
End date	2016-17	Seek out partnership working and funding opportunities that deliver against the Cultural Framework as well as seeking external funding to deliver our strategic needs.	2	1	2

Cltr Judy Saunders Cabinet Member for Performance & Implementation	Planning Assumptions										The Corporate strategies your service contributes to							
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Number of resident permits issued	13,638	13,638	14,481	Not known	Not known	Not known	13,638	13,638	14,481	Not known	Not known	13,638	13,638	14,481	Not known	Not known	Not known	Not known
Number of visitors permits issued	252,520	252,520	280,600	Not known	Not known	Not known	252,520	252,520	280,600	Not known	Not known	252,520	252,520	280,600	Not known	Not known	Not known	Not known
<b>Anticipated non financial resources</b>																		
Staff (FTE)	68.5	71	72	72	72	72	68.5	71	72	72	72	68.5	71	72	72	72	72	72
Transport	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15
<b>Performance indicator</b>																		
% of parking permits issued within 5-7 days	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%
Sickness- No of days per FTE (12 month rolling average)	15	12	12	12	12	12	15	12	12	12	12	15	12	12	12	12	12	12
Percentage improvement in the number of cases won at PATAS compared to previous years data	New	2%	2%	2%	2%	2%	New	2%	2%	2%	2%	New	2%	2%	2%	2%	2%	2%
Percentage reduction in the number of cases lost at PATAS compared to the previous years data	New	-2%	-2%	-2%	-2%	-2%	New	-2%	-2%	-2%	-2%	New	-2%	-2%	-2%	-2%	-2%	-2%
Percentage reduction in the number of cases where council does not contest at PATAS due to new evidence compared to the previous years data	New	-2%	-2%	-2%	-2%	-2%	New	-2%	-2%	-2%	-2%	New	-2%	-2%	-2%	-2%	-2%	-2%

DEPARTMENTAL BUDGET AND RESOURCES												
Revenue £'000s	Budget 2012/13	Actual 2012/13	Budget 2013/14	Budget 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18	Budget 2012/13	Actual 2012/13	Budget 2013/14	Budget 2014/15	Budget 2015/16
Expenditure	4,103	4,381	4,402	4,677	4,677	4,677	4,677	4,103	4,381	4,402	4,677	4,677
Employees	2,208	2,384	2,382	2,476	2,476	2,476	2,476	2,208	2,384	2,382	2,476	2,476
Premises	185	185	185	185	185	185	185	185	185	185	185	185
Transport	121	121	121	121	121	121	121	121	121	121	121	121
Supplies & Services	220	199	218	229	225	225	225	220	199	218	229	225
3rd party payments	178	201	180	225	225	225	225	178	201	180	225	225
Transfer payments	0	0	0	0	0	0	0	0	0	0	0	0
Customer & client receipts	640	712	747	832	832	832	832	640	712	747	832	832
Recharges	51	51	51	71	71	71	71	51	51	51	71	71
Reserves	0	0	0	0	0	0	0	0	0	0	0	0
Capital Funded	10,898	11,198	11,457	12,182	12,505	13,013	13,295	10,898	11,198	11,457	12,182	12,505
Government grants	0	0	0	0	0	0	0	0	0	0	0	0
Reimbursements	0	163	0	0	0	0	0	0	163	0	0	0
Customer & Client receipts	10,898	11,045	11,457	12,182	12,505	13,013	13,295	10,898	11,045	11,457	12,182	12,505
Recharges	0	0	0	0	0	0	0	0	0	0	0	0
Reserves	0	0	0	0	0	0	0	0	0	0	0	0
Capital Funded	-6,795	-6,817	-7,055	-7,505	-7,828	-8,336	-8,618	-6,795	-6,817	-7,055	-7,505	-7,828
Capital Budget £'000s	Budget 2012/13	Actual 2012/13	Budget 2013/14	Budget 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18	Budget 2012/13	Actual 2012/13	Budget 2013/14	Budget 2014/15	Budget 2015/16
	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000



Summary of major budget etc. changes		
2014/15	2015/16	2016/17
EN03=E50K; EN04=E75K; EN12=E48K		
Employees/Income budgets: 2013/14 starting points: Employees £2,421 Income: £11,525K (excluding funding of Traffic & Highways £250K)		
Add 1 FTE (70.5 to 71.5 total); Customer relations manager: £16K (2013/14) Employees / Income (commenced end Nov 13) and a further £31K (2014/15) for full year effect		
Add 1 FTE (71.5 to 72.5 total) New CEO post £37K (full year)		
Departmental inflation change £157K		
EN05=E37K; EV02=E4K; EV11=E125K		
Add 12 FTEs (72.5 to 84.5 total) ME7 grade admin officers to handle increase in back office volumes with introduction of ANPR camera enforcement £340K		
EN02=E226K; EV12=E125K		
EV12=E125K		



DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD

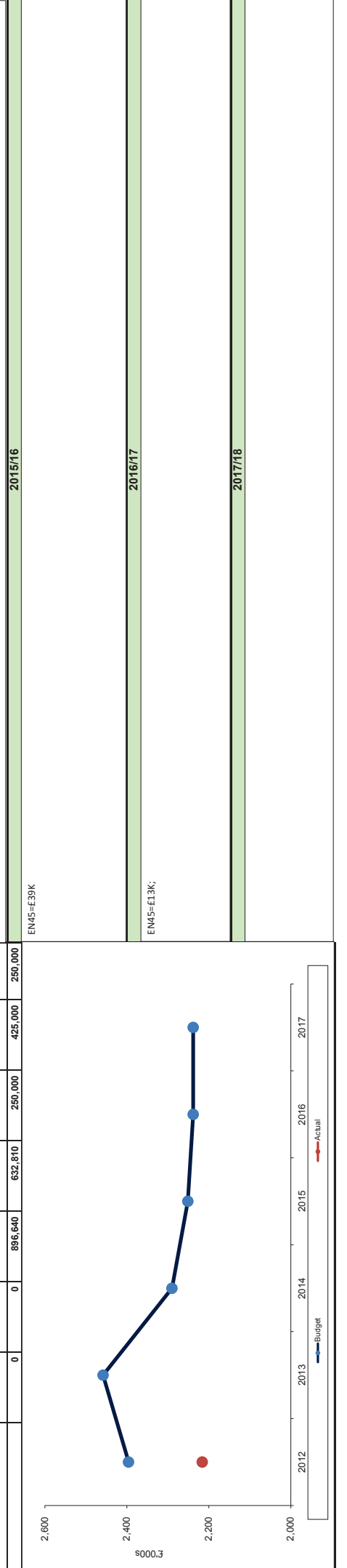
Parking

PROJECT DESCRIPTION		MAJOR EXPECTED OUTCOME		Likelihood	Risk Impact	Score
<b>Project 1</b>	Review the existing bus lane cameras Review the capability of the current bus lane cameras with the intention of introducing vehicle recognition cameras; this will improve the quality of enforcement and service delivery. The Vehicle Recognition cameras have to achieve approved status and this can only be given by Department for Transport.	Improved resident well being	2	2	4	
2014 Start date 2015 End date						
<b>Project 2</b>	Select one major outcome	0				
Start date End date						
<b>Project 3</b>	Select one major outcome	0				
Start date End date						
<b>Project 4</b>	Select one major outcome	0				
Start date End date						
<b>Project 5</b>	Select one major outcome	0				
Start date End date						
<b>Project 6</b>	Select one major outcome	0				
Start date End date						
<b>Project 7</b>	Select one major outcome	0				
Start date End date						
<b>Project 8</b>	Select one major outcome	0				
Start date End date						
<b>Project 9</b>	Select one major outcome	0				
Start date End date						
<b>Project 10</b>	Select one major outcome	0				
Start date End date						

CILR Andrew Judge Cabinet Member for Sustainability & Regeneration	Parks and Green Spaces		Planning Assumptions					The Corporate strategies your service contributes to	
	Anticipated demand	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2016/17	2017/18
<p>Enter a brief description of your main activities and objectives below</p> <p>The service manages, maintains and develops Merton's parks &amp; open spaces including the management of a cemetery service, and a varied programme of events from small community to large commercial ones. There are currently in excess of 100 separate sites. The team also manages allotments and works with allotment societies to assist them self-manage wherever possible. The service is becoming increasingly efficient and commercial in the way it manages its sports and other lettings and is moving to a position where community groups and organisations contribute directly to front-line delivery, including self-management of assets. The current TOM transformation process will emphasise and further embed these principles.</p> <p>Objectives:</p> <ul style="list-style-type: none"> <li>The team's primary objectives in the forthcoming years include the following principal tasks: <ul style="list-style-type: none"> <li>Increasing income</li> <li>maintaining and improving service standards and performance</li> <li>encouraging investment and delivering improvements to open spaces facilities</li> <li>encouraging and facilitating community self-management of sites and facilities</li> <li>providing project management support and/or advice on the development and delivery of major open space construction and redevelopment projects</li> <li>implementation of agreed TOM transformation process outcomes</li> </ul> </li> </ul>	Increased sport pitch demand	3%	2%	1%	1%	1%	Open Spaces Strategy		
	Attendance at major community outdoor events (No. of people)	40,000	50,000	50,000	55,000	55,000	60,000	Children & Young person's Plan	
	Number of funerals at LBM cemeteries		200	200	200	200	200	Cultural Strategy	
	<b>Anticipated non financial resources</b>		<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	London wide strategy
	Staff (FTE)	73	64	71	66	62	62	Capital Programme	
	Accommodation units	12	12	11	11	11	11		
	Transport vehicles	19	19	19	19	19	19		
	<b>Performance indicator</b>		<b>Performance Targets (T) &amp; Provisional Performance Targets (PT)</b>		<b>Reporting cycle</b>		<b>Indicator type</b>		<b>Main impact if indicator not met</b>
	Residents % satisfaction with parks & green spaces	70	71	72	73	74	75	Annual	Reputational risk
	Young peoples % satisfaction with parks & green spaces	69	70	71	72	73	74	Biennial	Reputational risk
Total LBM cemeteries income £	384,000	396,000	443,000	456,000	469,000	484,000	Monthly	Loss of income	
Total outdoor events income £	289,000	305,000	316,000	328,000	341,000	351,000	Monthly	Loss of income	
Number of Green Flags	5	5	5	5	5	5	Annual	Reputational risk	
Number of outdoor events in parks	110	120	130	130	130	130	Monthly	Reputational risk	
Increase % income from sports bookings	5	3	3.75	3.75	3.75	3	Annual	Loss of income	
Volunteer input in parks management (No. of groups)	New	25	30	35	40	45	Quarterly	Reduced service delivery	

DEPARTMENTAL BUDGET AND RESOURCES										
Revenue £'000s	Budget 2012/13	Actual 2012/13	Budget 2013/14	Budget 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18	Budget 2015/16	Budget 2016/17	Budget 2017/18
<b>Expenditure</b>	<b>2,618</b>	<b>2,161</b>	<b>4,745</b>	<b>5,255</b>	<b>5,251</b>	<b>5,251</b>	<b>5,251</b>			
Employees	2,083	2,163	1,981	2,202	2,202	2,202	2,202			
Premises	624	612	539	715	715	715	715			
Transport	271	233	217	243	243	243	243			
Supplies & Services	481	457	435	494	490	490	490			
3rd party payments	1	1	1	49	49	49	49			
Transfer payments	7	-1	7	7	7	7	7			
Support services	1,107	1,712	1,471	1,460	1,460	1,460	1,460			
Depreciation	98	94	94	85	85	85	85			
<b>Revenue £'000s</b>	<b>2,222</b>	<b>3,045</b>	<b>2,287</b>	<b>2,965</b>	<b>3,000</b>	<b>3,013</b>	<b>3,013</b>			
Government grants	76	22	53	53	53	53	53			
Reimbursements	225	116	44	48	48	48	48			
Customer & client receipts	1,662	1,649	1,728	2,319	2,354	2,367	2,367			
Recharges	259	1,140	487	570	570	570	570			
Reserves	0	-118	-25	-25	-25	-25	-25			
Capital Funded										
<b>Council Funded Net Budget</b>	<b>2,396</b>	<b>2,216</b>	<b>2,458</b>	<b>2,290</b>	<b>2,251</b>	<b>2,238</b>	<b>2,238</b>			

Capital Budget £'000s	Budget 2012/13	Actual 2012/13	Budget 2013/14	Budget 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18
Capital Budget £'000s	0	0	896,640	632,810	250,000	425,000	250,000

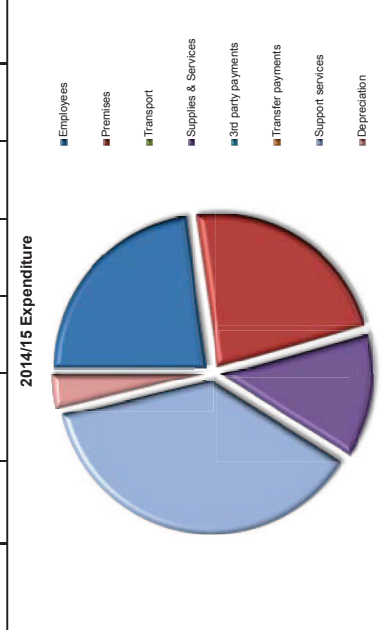
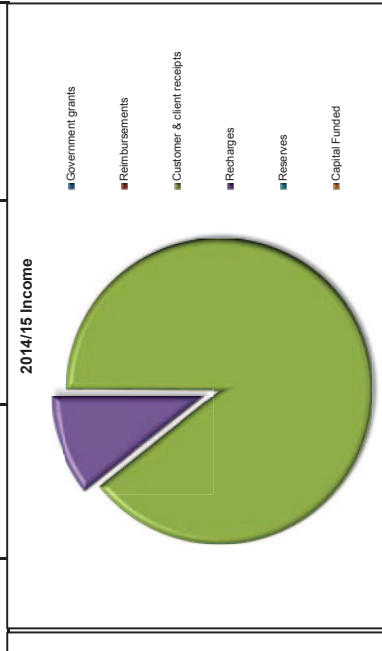


DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD

Parks and Green Spaces

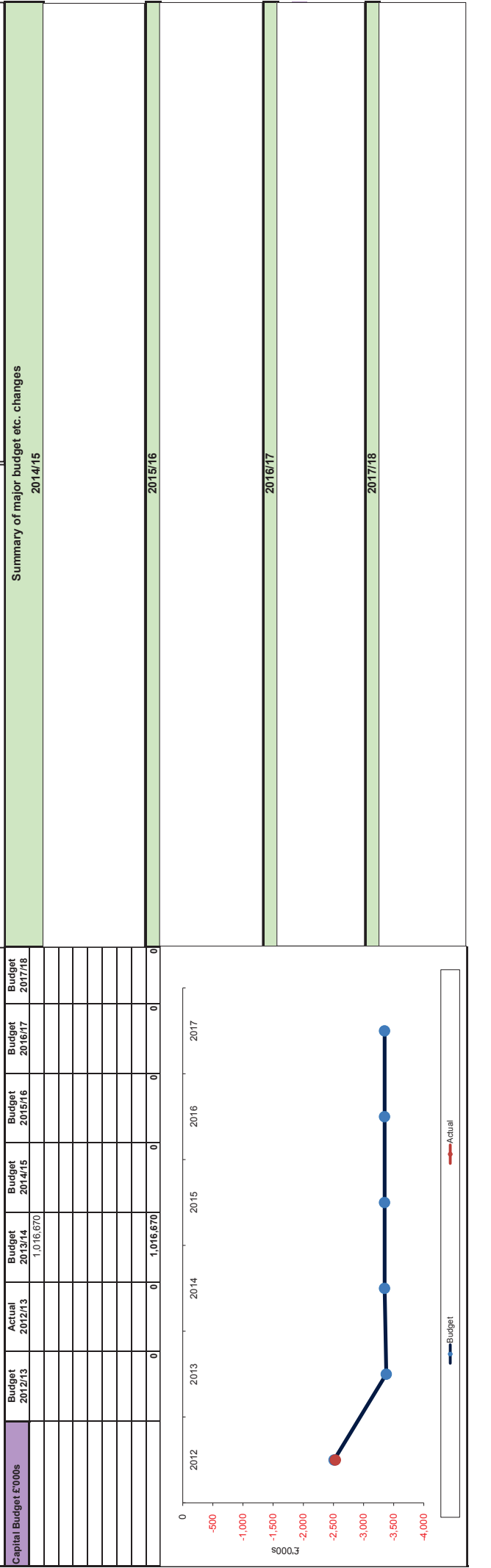
PROJECT DESCRIPTION		MAJOR EXPECTED OUTCOME	Likelihood	Risk Impact	Score
<b>Project 1</b>		Management of parks & open spaces Encourage and facilitate the management of parks and/or parks facilities by friends and other community groups.	2	2	4
Start date	2012				
End date	Ongoing				
<b>Project 2</b>					0
Start date					
End date					
<b>Project 3</b>		Management of allotments To increase number of allotment sites being managed by local allotment societies through self-management agreements	2	2	4
Start date	2012				
End date	Ongoing				
<b>Project 4</b>		Management of bowling greens Review and transformation of the current bowls provisions in Merton	2	2	4
Start date	2012				
End date	Ongoing				
<b>Project 5</b>		Morley Park (development of new open space) To review the management arrangements for the new Morley Park.	3	2	6
Start date	2012				
End date	31/12/2016				
<b>Project 6</b>		Car parking fees in key parks Introduction of car parking fees in some park's car parks	4	2	8
Start date	2012				
End date	2015				
<b>Project 7</b>		Commercialisation of grounds and sports services Increased commercialisation of the grounds, sports and other Greenspaces' services	2	2	4
Start date	2012				
End date	Ongoing				
<b>Project 8</b>		New cemetery extensions Provision of new burial capacity across Merton's cemeteries	2	3	6
Start date	2012				
End date	31/12/2015				
<b>Project 9</b>		Development of new sporting hub at Joseph Hood Rec Production and implementation of a new masterplan for Joseph Hood Recreation Ground	3	2	6
Start date	2012				
End date	31/12/2017				
<b>Project 10</b>		New pavilion & facilities at Dundonald Rec Delivery of new pavilion and allied facilities at Dundonald Rec	3	2	6
Start date	01/01/2014				
End date	31/12/2015				

Property	Planning Assumptions						The Corporate strategies your service contributes to					
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	Capital Programme	Economic Development Strategy	Housing Strategy	Medium Term Financial Strategy		
<p><b>Property</b></p> <p><b>Cllr Andrew Judge Cabinet Member for Sustainability &amp; Regeneration</b></p> <p>Enter a brief description of your main activities and objectives below</p> <p>To ensure that all property transactions provide value for money and comply with statutory control. To maintain an accurate record of the property assets of the council and to provide asset valuations to support the council's accounts. To manage the council's investment portfolio to maximise income, managing the council's asset base to ensure that it has the accommodation necessary to support its services at a standard it can afford. To support regeneration, deal with occupied property of council land by Gypsies and Travellers and lead the Integrated Project team to deliver a programme of property sales to maximise capital receipts. Community Right to Bid no marriage applications for community assets to be listed and claims for compensation.</p> <p><b>Objectives</b></p> <ul style="list-style-type: none"> <li>complete Asset Valuations to timetable agreed with Director of Corporate Services</li> <li>complete programme of property disposals to maximise capital receipts and ensure the council's accounts are in a healthy position</li> <li>critically examine operational property to ensure the council has the minimum necessary to support the business plan</li> <li>maximise revenue income by letting vacant property</li> <li>provide timely advice to inform regeneration projects</li> <li>ensure team is arranged to support objectives.</li> </ul>	10	10	10	21	21	21	Capital Programme	Economic Development Strategy	Housing Strategy	Medium Term Financial Strategy		
	12	30	25	384	384	384						
	36	394	394	384	394	394						
	6	6	6	6	6	6						
Anticipated demand	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18						
The number of proposed disposals	10	10	10	21	21	21						
The number of proposed lettings	12	30	25	384	384	384						
The number of proposed rent reviews	36	394	394	384	394	394						
The number of commercial properties	6	6	6	6	6	6						
Anticipated non financial resources	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18						
Staff (FTE)	6	6	6	6	6	6						
Performance indicator	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18						
Capital receipts	5.5	5	4.5	4	4	4	High	Quarterly	Business critical	Loss of income		
% Vacancy rate of prop. owned by council	10	9.8	9.5	9	9	9	Low	Quarterly	Outcome	Loss of income		
% Debt owed to LHM by tenants inc. businesses	New	150	150	150	150	150	High	Annual	Business critical	Breach statutory duty		
Asset Valuations												



### DEPARTMENTAL BUDGET AND RESOURCES

Revenue £'000s	Budget 2012/13	Actual 2012/13	Budget 2013/14	Budget 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18
Expenditure	1,088	1,379	1,182	1,182	1,182	1,182	1,182
Employees	317	268	270	270	270	270	270
Premises	291	362	261	270	270	270	270
Transport	0	1	1	1	1	1	1
Supplies & Services	66	237	121	155	155	155	155
3rd party payments	7	10	7	0	0	0	0
Transfer payments	0	0	0	0	0	0	0
Support services	399	477	518	444	444	444	444
Depreciation	8	14	14	42	42	42	42
Revenue £'000s	Budget 2012/13	Actual 2012/13	Budget 2013/14	Budget 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18
Government grants	3,598	3,910	4,566	4,530	4,530	4,530	4,530
Reimbursements	31	94	18	5	5	5	5
Customer & client receipts	3,194	3,293	4,046	4,042	4,042	4,042	4,042
Recharges	373	513	502	483	483	483	483
Reserves	0	10	0	0	0	0	0
Capital Funded	-2,610	-2,631	-3,377	-3,348	-3,348	-3,348	-3,348
<b>Council Funded Net Budget</b>							
Budget 2012/13							
Actual 2012/13							
Budget 2013/14							
Actual 2013/14							
Budget 2014/15							
Actual 2014/15							
Budget 2015/16							
Actual 2015/16							
Budget 2016/17							
Actual 2016/17							
Budget 2017/18							
Actual 2017/18							



DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD

Property

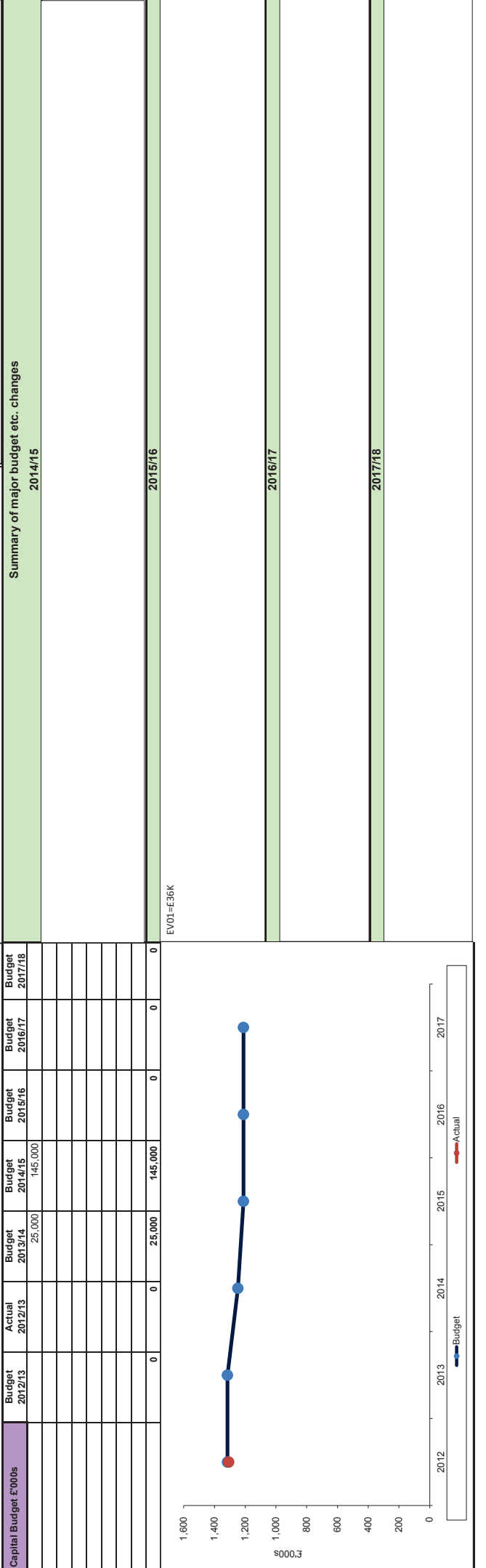
PROJECT DESCRIPTION		MAJOR EXPECTED OUTCOME		Likelihood	Risk Impact	Score
<b>Project 1</b>	<b>2012</b>	<b>Integrated Project Team</b>	<b>Income generation</b>	<b>2</b>	<b>2</b>	<b>4</b>
Start date		This is to create a team which covers all aspects of the council which will allow better use of council properties and maximise capital receipts through either selling or rental				
End date	on going					
<b>Project 2</b>	<b>2012</b>	<b>Asset Management Plan</b>	<b>Income generation</b>	<b>1</b>	<b>2</b>	<b>2</b>
Start date		This is the creation of a plan which will help to maximise all the property held by the council				
End date	on going					
<b>Project 3</b>			Select one major outcome			0
Start date						
End date						
<b>Project 4</b>			Select one major outcome			0
Start date						
End date						
<b>Project 5</b>			Select one major outcome			0
Start date						
End date						
<b>Project 6</b>			Select one major outcome			0
Start date						
End date						
<b>Project 7</b>			Select one major outcome			0
Start date						
End date						
<b>Project 8</b>			Select one major outcome			0
Start date						
End date						
<b>Project 9</b>			Select one major outcome			0
Start date						
End date						
<b>Project 10</b>			Select one major outcome			0
Start date						
End date						



Safer Merton	Planning Assumptions								The Corporate strategies your service contributes to
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	
<b>Cllr Edith-Joan Macauley Cabinet Member for Engagement &amp; Equality</b>									
<b>Anticipated demand</b>									
Number of new ASB cases	550	600	600	600	600	600	600	600	Adult Treatment Plan
Population	203,247	206,038	208,822	211,569	214,229	216,806	219,486	222,171	Anti Social Behaviour
No. Multi Agency Risk Assessment cases (domestic abuse)	105	117	129	141	153	165	177	189	Central Government
Clients presenting at the One Stop Shop	205	250	275	275	275	275	275	275	Children & Young person's Plan
<b>Anticipated non financial resources</b>									
Staff (FTE)	24	25	22	22	22	22	22	22	Community Plan
									Crime & Disorder (partnership plan)
									E. Merton & Mitcham Neighbourhood Renewal
<b>Performance Indicator</b>									
% of ASB cases closed in line with the national standard time	95	95	95	95	95	95	95	95	Business critical
% CCTV cameras operational	95	95	95	95	95	95	95	95	Outcome
Proportion who successfully complete treatment and do not re present	33	34	35	36	37	37	37	37	Outcome
% of residents worried about drunk & rowdy behaviour (ARS)	43	42	41	40	39	39	39	39	Perception
% of residents worried about ASB (ARS)	45	44	43	42	41	41	41	41	Perception
% of residents worried about crime (ARS)	52	51	50	49	48	48	48	48	Perception
No. Multi Agency Risk Assessment cases (domestic abuse)	105	117	129	141	153	165	177	189	Business critical
No. of One Stop Shop sessions	46	46	46	46	46	46	46	46	Business critical
No. of Local Multi Agency Problem Solving meetings	27	27	27	27	27	27	27	27	Business critical
% of residents worried about drug users (ARS)	34	33	32	31	30	30	30	30	Business critical
% of residents feeling well informed about tracking ASB (ARS)	29	30	31	32	33	33	33	33	Perception

Performance Targets (T) & Provisional Performance Targets (PT)	2014/15 Income							
	2012/13(T)	2013/14(T)	2014/15(T)	2015/16(T)	2016/17(PT)	2017/18(PT)	2018/19(PT)	2019/20(PT)
Employees								
Premises								
Transport								
Supplies & Services								
3rd party payments								
Transfer payments								
Support services								
Depreciation								

DEPARTMENTAL BUDGET AND RESOURCES															
Revenue £'000s	Budget 2012/13	Actual 2012/13	Budget 2013/14	Budget 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18	Revenue £'000s	Budget 2012/13	Actual 2012/13	Budget 2013/14	Budget 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18
Expenditure	3,203	3,080	3,204	1,526	1,490	1,490	1,490	Government grants	1,888	1,772	1,888	278	278	278	278
Employees	1,101	895	1,012	840	840	840	840	Reimbursements	322	260	317	70	70	70	70
Premises	5	4	4	2	2	2	2	Customer & client receipts	1,464	1,610	1,539	202	202	202	202
Transport	7	2	7	7	7	7	7	Recharges	76	0	0	0	0	0	0
Supplies & Services	161	201	179	179	143	143	143	Reserves	0	0	0	0	0	0	0
3rd party payments	1,467	1,455	1,598	1,29	1,29	1,29	1,29	Capital Funded	26	-103	26	0	0	0	0
Transfer payments	0	0	0	0	0	0	0	<b>Council Funded Net Budget</b>	<b>1,315</b>	<b>1,308</b>	<b>1,316</b>	<b>1,248</b>	<b>1,212</b>	<b>1,212</b>	<b>1,212</b>
Support services	358	420	330	230	230	230	230	<b>Capital Budget £'000s</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>145,000</b>	<b>0</b>	<b>0</b>	<b>0</b>
Depreciation	104	104	104	139	139	139	139								
<b>Revenue £'000s</b>	<b>1,888</b>	<b>1,772</b>	<b>1,888</b>	<b>278</b>	<b>278</b>	<b>278</b>	<b>278</b>								
Government grants	322	260	317	70	70	70	70								
Reimbursements	1,464	1,610	1,539	202	202	202	202								
Customer & client receipts	76	0	0	0	0	0	0								
Recharges	0	0	0	0	0	0	0								
Reserves	0	0	0	0	0	0	0								
Capital Funded	26	-103	26	0	0	0	0								
<b>Council Funded Net Budget</b>	<b>1,315</b>	<b>1,308</b>	<b>1,316</b>	<b>1,248</b>	<b>1,212</b>	<b>1,212</b>	<b>1,212</b>								



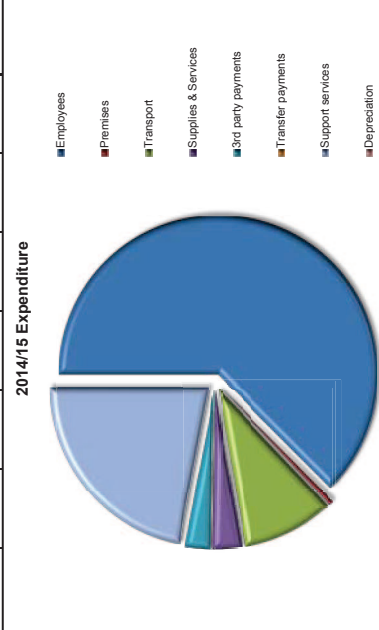
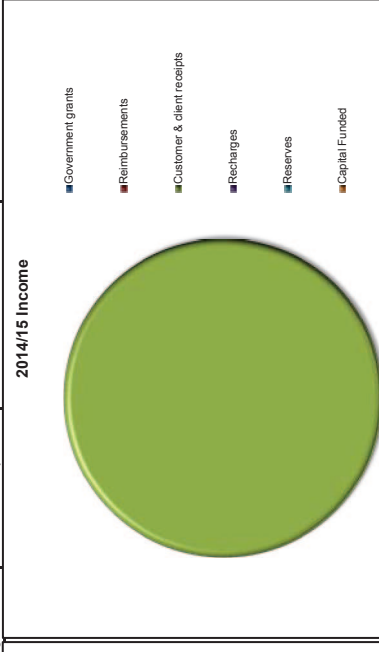


DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD

Safer Merton

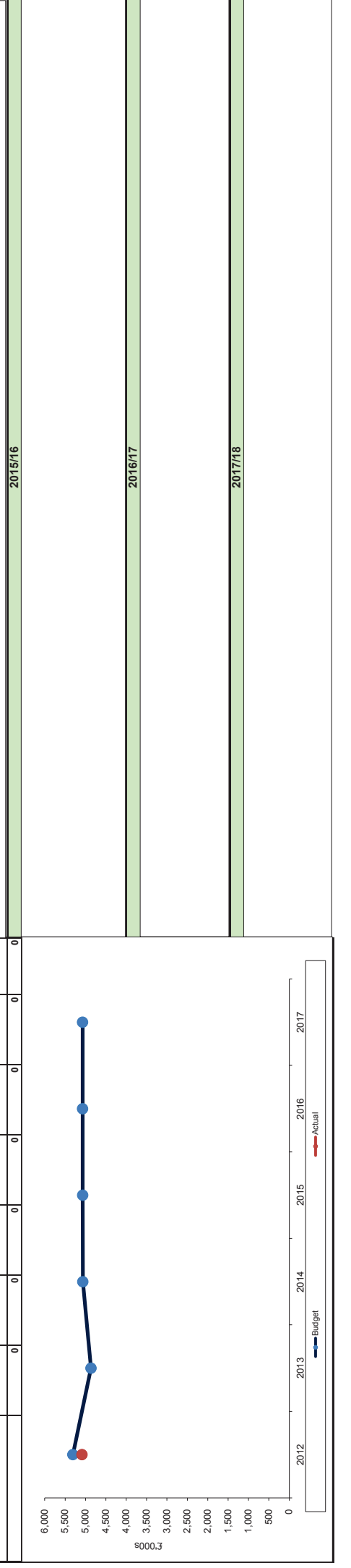
PROJECT DESCRIPTION		MAJOR EXPECTED OUTCOME		Likelihood	Risk Impact	Score
<b>Project 1</b>	Project Title: Project Details: Finding ways to limit the impact of the loss of grants from Central government and Mayors office	<b>2013</b>	To meet legislative requirements	4	2	8
Start date		on going				
End date						
<b>Project 2</b>	Project Title: Project Details: ASB changes This is the changes in definition regarding Anti-Social Behaviour (although this is still awaiting defining from Central Government)	<b>2012</b>	To meet legislative requirements	4	3	12
Start date		on going				
End date						
<b>Project 3</b>	Project Title: Project Details: Select one major outcome		Select one major outcome			0
Start date						
End date						
<b>Project 4</b>	Project Title: Project Details: Select one major outcome		Select one major outcome			0
Start date						
End date						
<b>Project 5</b>	Project Title: Project Details: Select one major outcome		Select one major outcome			0
Start date						
End date						
<b>Project 6</b>	Project Title: Project Details: Select one major outcome		Select one major outcome			0
Start date						
End date						
<b>Project 7</b>	Project Title: Project Details: Select one major outcome		Select one major outcome			0
Start date						
End date						
<b>Project 8</b>	Project Title: Project Details: Select one major outcome		Select one major outcome			0
Start date						
End date						
<b>Project 9</b>	Project Title: Project Details: Select one major outcome		Select one major outcome			0
Start date						
End date						
<b>Project 10</b>	Project Title: Project Details: Select one major outcome		Select one major outcome			0
Start date						
End date						

Street Cleaning		Planning Assumptions										The Corporate strategies your service contributes to					
Cllr Judy Saunders Cabinet Member for Performance & Implementation		2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18				
Enter a brief description of your main activities and objectives below		203,247	206,038	208,822	211,569	214,229	216,806	203,247	206,038	208,822	211,569	214,229	216,806	Anti Social Behaviour			
Street Cleaning: to improve the street scene by maintaining the public highway, collecting fly tips, removing litter, detritus, graffiti, fly posting and keeping gutters clean. Enforcement: to improve the street scene by education, advice and enforcement, reducing fly tipping, litter, dog fouling, abandoned vehicles, graffiti and fly posting; and collecting stray dogs.		80,890	80,890	81,000	81,400	81,800	82,100	80,890	80,890	81,000	81,400	81,800	82,100	Performance Management Framework			
Winter Gritting: delivering an efficient service in accordance with Highways section priorities.		102	133	127	127	127	127	102	133	127	127	127	127	Waste Management Plan			
Objectives		26	26	26	26	26	26	26	26	26	26	26	26				
<ul style="list-style-type: none"> <li>fulfil the council's statutory responsibilities in respect of street cleansing</li> <li>maximise efficiencies through co-ordinated and partnership working</li> <li>provide value for money services that meet the needs of residents and businesses</li> <li>champion the needs of the service users</li> <li>improve our customer information and improve feedback</li> <li>protect and care for the welfare and development of our employees, the environment, our customers and the local community in which we operate</li> <li>provide a safe and supportive environment for all our employees and strive for outstanding health and safety performance</li> <li>provide a customer focussed approach to service design and improvement</li> <li>improve levels of satisfaction with services provided.</li> </ul>																	
<b>Performance Indicator</b>		<b>Performance Targets (T) &amp; Provisional Performance Targets (PT)</b>										<b>Indicator type</b>		<b>Main impact if indicator not met</b>			
		2012/13(T)	2013/14(T)	2014/15(T)	2015/16(PT)	2016/17(PT)	2017/18(PT)	2012/13(T)	2013/14(T)	2014/15(T)	2015/16(PT)	2016/17(PT)	2017/18(PT)				
% Residents satisfied with street cleanliness		56	58	60	62	62	63	56	58	60	62	62	63	High		Perception	
% Sites surveyed below standard for litter		9	8.5	7.5	7	7	6	9	8.5	7.5	7	7	6	Low		Perception	
% Sites surveyed below standard for Detritus		13	12.5	12	11.5	11	10.5	13	12.5	12	11.5	11	10.5	Low		Perception	
% Sites surveyed below standard for graffiti		6	5.5	5.0	4.5	4.0	4	6	5.5	5.0	4.5	4.0	4	Low		Perception	
% Sites surveyed below standard for weeds		15	14.50	14.00	13.50	13.00	12	15	14.50	14.00	13.50	13.00	12	Low		Perception	
Number of fly tips reported		3500	3300	3200	3100	3000	3000	3500	3300	3200	3100	3000	3000	Low		Outcome	
Days lost through sickness per FTE		14	12	10	10	10	9	14	12	10	10	10	9	Low		Outcome	
% Sites surveyed below standard for flyposting		1	1	1	1	1	1	1	1	1	1	1	1	Low		Perception	
No. Town Centre FPN's Issued		250	750	1000	1000	800	800	250	750	1000	1000	800	800	High		Outcome	



### DEPARTMENTAL BUDGET AND RESOURCES

	Budget 2012/13	Actual 2012/13	Budget 2013/14	Budget 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18
Revenue £'000s	5,310	5,065	4,863	5,065	5,068	5,070	5,072
Expenditure	5,310	5,065	4,863	5,065	5,068	5,070	5,072
Capital Budget £'000s	0	0	0	0	0	0	0
Capital Funded	0	0	0	0	0	0	0
Council Funded Net Budget	0	0	0	0	0	0	0



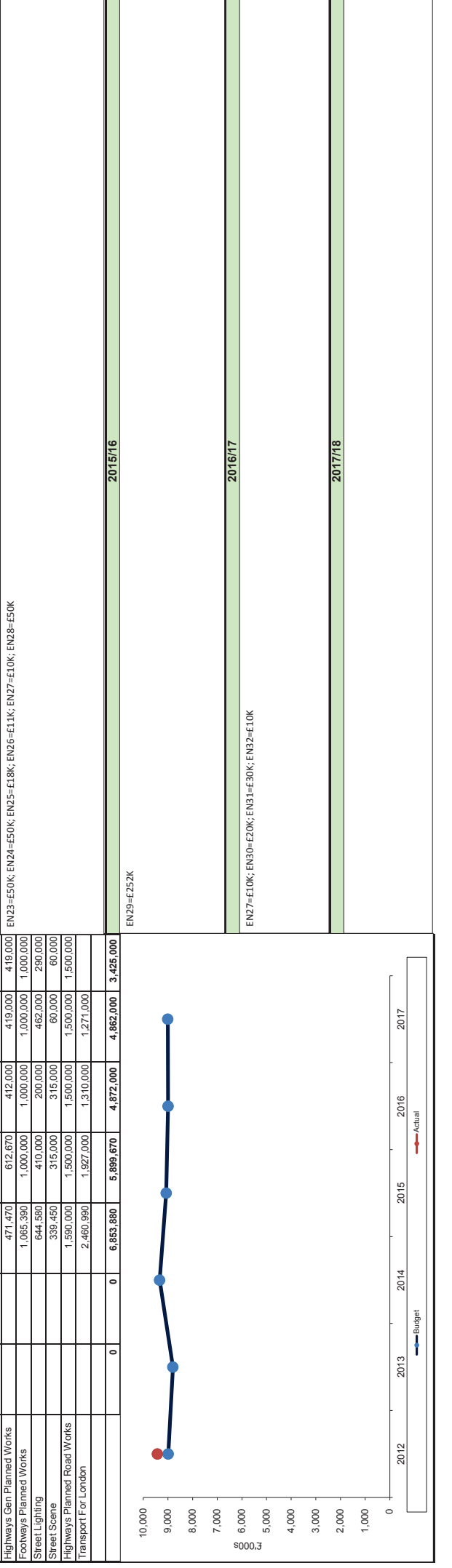
DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD

Street Cleaning

PROJECT DESCRIPTION		MAJOR EXPECTED OUTCOME		Likelihood	Risk Impact	Score
<b>Project 1</b>	Introduce mobile working  This to introduce the use of handheld devices for all operators enabling receiving of reports from residents and also to report any to the office.	Project Title:	More efficient way of working	2	2	4
Start date		2012				
End date	2015	Project Details:				
<b>Project 2</b>	Public value review of street cleansing and enforcement	Project Title:	Improved customer satisfaction	2	2	4
Start date		2013				
End date	2014	Project Details:				
<b>Project 3</b>	Introduce timed commercial waste collections in town centres  Introduce time banded waste collections in town centres starting with Wimbledon town centre	Project Title:	To meet legislative requirements	2	2	4
Start date		2013				
End date	2015	Project Details:				
<b>Project 4</b>	Select one major outcome	Project Title:	Select one major outcome			0
Start date						
End date		Project Details:				
<b>Project 5</b>	Select one major outcome	Project Title:	Select one major outcome			0
Start date						
End date		Project Details:				
<b>Project 6</b>	Select one major outcome	Project Title:	Select one major outcome			0
Start date						
End date		Project Details:				
<b>Project 7</b>	Select one major outcome	Project Title:	Select one major outcome			0
Start date						
End date		Project Details:				
<b>Project 8</b>	Select one major outcome	Project Title:	Select one major outcome			0
Start date						
End date		Project Details:				
<b>Project 9</b>	Select one major outcome	Project Title:	Select one major outcome			0
Start date						
End date		Project Details:				
<b>Project 10</b>	Select one major outcome	Project Title:	Select one major outcome			0
Start date						
End date		Project Details:				

Clr Andrew Judge Cabinet Member for Sustainability & Regeneration	Traffic & Highways					Planning Assumptions					The Corporate strategies your service contributes to																			
	2012/13	2013/14	2014/15	2015/16	2016/17	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18													
Enter a brief description of your main activities and objectives below	The service discharges the council's responsibilities as a Highway, Traffic and Parking Authority, assists with its responsibilities as a Local Planning Authority and assists in the delivery of the Community Plan vision. It maintains 12,673 streetlights, 363.5 kms of road network and 16,500 trees on the public highway with an anticipated additional 70 new trees planted per year.																													
The main aims of the service are:	<ul style="list-style-type: none"> <li>ensure the safe and expeditious movement of all traffic on the Highway Network.</li> <li>improve the Public Realm.</li> <li>improve the quality of life of local residents</li> <li>improve the quality of life of local residents</li> </ul>																													
Objectives	The overall objectives of the Service is to effectively manage the highway network and to ensure that this network is safe and serviceable for all road users. The specific objectives for 2013/14 is to reduce the Council's Street Lighting energy costs and Carbon footprint.																													
The Council began operating the London Permit Scheme in January 2013 to manage road work activities on the public highway. 11,650 permits are expected to be granted per year.																														
Anticipated demand	Streetlights					12,673					12,673																			
	Maintenance of trees					16,500					16,500																			
	Network Maintenance and Improvement					363.5km					363.5km																			
	Streetwork Permits issued					5,600					5,600																			
Anticipated non financial resources	2012/13					2013/14					2014/15					2015/16					2016/17					2017/18				
	40.5					38					37					30					30									
	Staff (FTE)																													
Performance indicator	2012/13					2013/14					2014/15					2015/16					2016/17					2017/18				
Net for 2014 onwards) %age of out of light lamp columns repaired within 5 days	100					100					100					100					100									
% response to Emergency Callouts	85					87					89					91					93									
% Streetworks permitting determined	98					98					98					98					98									
% Streetworks inspections completed	30					32					35					37					38									
% of jobs completed where no Fixed Penalty Notice issued	96					96					98					99					99									
% of Condition Surveys completed on time	80%					90%					92%					95%					95%									
Reporting cycle	Quarterly					Quarterly					Quarterly					Quarterly					Quarterly									
Polarity	High					High					High					High					High									
Indicator type	Quality					Quality					Quality					Quality					Quality									
Main impact if indicator not met	Reduced customer service					Reduced customer service					Reduced customer service					Reduced customer service					Reduced customer service									
	Increased costs					Increased costs					Increased costs					Increased costs					Increased costs									
	Loss of income					Loss of income					Loss of income					Loss of income					Loss of income									
	Reduced customer service					Reduced customer service					Reduced customer service					Reduced customer service					Reduced customer service									
	Increased costs					Increased costs					Increased costs					Increased costs					Increased costs									

DEPARTMENTAL BUDGET AND RESOURCES															
Revenue £'000s	Budget	Actual	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	2012/13	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2012/13	2013/14
Expenditure	11,443	12,113	11,420	12,127	11,856	11,792	11,808								
Employees	1,927	1,927	1,622	1,931	1,543	1,544	1,544								
Premises	1,210	1,282	1,274	1,138	1,138	1,108	1,108								
Transport	105	128	128	328	327	307	307								
Supplies & Services	497	157	252	2,058	2,074	2,059	2,075								
Transfer payments	0	0	0	0	0	0	0								
Support services	1,322	1,633	1,294	1,259	1,259	1,259	1,259								
Depreciation	4,936	4,936	4,936	5,384	5,384	5,384	5,384								
Revenue £'000s	Budget	Actual	Budget	Budget	Budget	Budget	Budget								
Income	2,451	2,682	2,619	2,787	2,787	2,797	2,797								
Government grants	125	189	0	0	0	0	0								
Reimbursements	802	304	624	837	837	847	847								
Customer & client receipts	859	974	1,436	1,453	1,453	1,453	1,453								
Recharges	665	965	559	497	497	497	497								
Reserves	0	250	0	0	0	0	0								
Capital Funded	0	0	0	0	0	0	0								
Council Funded Net Budget	8,992	9,431	8,801	9,340	9,069	8,995	9,011								
Capital Budget £'000s	Budget	Actual	Budget	Budget	Budget	Budget	Budget								
Traffic & Parking Management	282,000	282,000	282,000	135,000	135,000	150,000	156,000								
Highways Gen Planned Works	471,470	612,670	419,000	419,000	419,000	419,000	419,000								
Footways Planned Works	1,065,390	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000								
Street Lighting	644,590	410,000	200,000	482,000	482,000	290,000	290,000								
Street Scene	339,450	315,000	315,000	60,000	60,000	60,000	60,000								
Highways Planned Road Works	1,590,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000								
Transport For London	2,460,990	1,927,000	1,310,000	1,271,000	1,271,000	1,271,000	1,271,000								
	0	0	6,855,880	5,899,870	4,872,000	4,862,000	3,425,000								



DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD

Traffic & Highways

PROJECT DESCRIPTION		MAJOR EXPECTED OUTCOME		Likelihood	Risk Impact	Score
Flood and Water Management Schemes		To meet legislative requirements				
<b>Project 1</b>	Project Title:					
Start date	Project Details:			1	1	1
End date						
<b>Project 2</b>	Project Title:					
Start date	Project Details:			4	3	12
End date						
<b>Project 3</b>	Project Title:					
Start date	Project Details:			1	1	1
End date						
<b>Project 4</b>	Project Title:					
Start date	Project Details:					0
End date						
<b>Project 5</b>	Project Title:					
Start date	Project Details:					0
End date						
<b>Project 6</b>	Project Title:					
Start date	Project Details:					0
End date						
<b>Project 7</b>	Project Title:					
Start date	Project Details:					0
End date						
<b>Project 8</b>	Project Title:					
Start date	Project Details:					0
End date						
<b>Project 9</b>	Project Title:					
Start date	Project Details:					0
End date						
<b>Project 10</b>	Project Title:					
Start date	Project Details:					0
End date						



DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD

Transport - Commissioning

PROJECT DESCRIPTION		MAJOR EXPECTED OUTCOME		Likelihood	Risk Impact	Score
<b>Project 1</b>	<p><b>Closer Working with Merton Community Transport</b></p> <p>Working closer with Merton Community Transport, to find ways of improving services, and providing training. Merton have made available to MCT the fuel bunker to reduce MCT costs, and further work in being carried regarding vehicle utilisation, and vehicle procurement</p>	<p>More efficient way of working</p>	2	2	4	
Start date						2012
End date	2014					
<b>Project 2</b>	<p><b>Passenger Transport Provision Framework</b></p> <p>Passenger Transport Framework 4 year contract due to expire August 2015. Liaising with neighbouring boroughs (Sutton &amp; Kingston) for the possibility to work together in providing this service</p>	<p>To meet budget savings</p>	2	2	4	
Start date						2014
End date	2015					
<b>Project 3</b>	<p>Select one major outcome</p>	<p>Select one major outcome</p>			0	
Start date						
End date						
<b>Project 4</b>	<p>Select one major outcome</p>	<p>Select one major outcome</p>			0	
Start date						
End date						
<b>Project 5</b>	<p>Select one major outcome</p>	<p>Select one major outcome</p>			0	
Start date						
End date						
<b>Project 6</b>	<p>Select one major outcome</p>	<p>Select one major outcome</p>			0	
Start date						
End date						
<b>Project 7</b>	<p>Select one major outcome</p>	<p>Select one major outcome</p>			0	
Start date						
End date						
<b>Project 8</b>	<p>Select one major outcome</p>	<p>Select one major outcome</p>			0	
Start date						
End date						
<b>Project 9</b>	<p>Select one major outcome</p>	<p>Select one major outcome</p>			0	
Start date						
End date						
<b>Project 10</b>	<p>Select one major outcome</p>	<p>Select one major outcome</p>			0	
Start date						
End date						

The Corporate strategies your service contributes to	Planning Assumptions					
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Children & Young persons Plan	85,000	85,000	85,000	80,000	80,000	80,000
Community Plan	70,000	70,000	70,000	70,000	70,000	70,000
Social Inclusion Strategy	200	200	200	200	200	200
Local Transport Plan	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Anticipated non financial resources	86	60	54	54	54	54
Staff (FTE)	51	46	46	46	46	46
Anticipated demand	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
C&Y Passenger journeys	93,500	85,000	85,000	80,000	80,000	80,000
C&Y Passenger journeys - in house	61,700	70,000	70,000	70,000	70,000	70,000
CS&F passenger journeys - in house	220	200	200	200	200	200
Maintenance repair of fleet vehicles						

Performance indicator	Performance Targets (T) & Provisional Performance Targets (PT)					
	2012/13(T)	2013/14(T)	2014/15(T)	2015/16(PT)	2016/17(PT)	2017/18(PT)
% MOT Vehicle pass rate	95	95	95	95	95	95
Average % Passenger vehicles in use	65	65	70	70	70	70
% In house journey that meet timescales	85	85	85	85	85	85
% Client user satisfaction	97	97	97	97	97	97

Performance indicator	Performance Targets (T) & Provisional Performance Targets (PT)					
	2012/13(T)	2013/14(T)	2014/15(T)	2015/16(PT)	2016/17(PT)	2017/18(PT)
% MOT Vehicle pass rate	95	95	95	95	95	95
Average % Passenger vehicles in use	65	65	70	70	70	70
% In house journey that meet timescales	85	85	85	85	85	85
% Client user satisfaction	97	97	97	97	97	97

**Transport - Passenger Fleet Service**

**Cllr Andrew Judge Cabinet Member for Sustainability & Regeneration**

Enter a brief description of your main activities and objectives below

Merton Transport Services provides transport and fleet support. We provide transport for adults and children who have special needs. Working in conjunction with our partners at Special Educational Needs (SEN) and Adult Social Care offering transport support. We operate a fleet of welfare vehicles that are fully accessible by all. Transport can be provided to day centres and schools as well as other journeys as required.

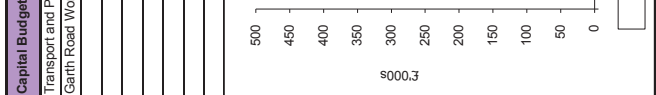
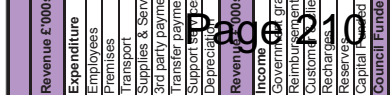
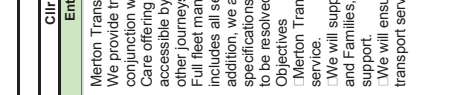
Full fleet management is provided to support the councils fleet of vehicles. This includes all servicing, repairs, maintenance and Operators Licence requirements. In addition, we assist client departments such as Waste Services, in developing vehicle specifications and advise on vehicle types to enable solutions for operational problems to be resolved.

**Objectives**

- Merton Transport Services will provide a comprehensive and efficient transport service.
- We will support user departments including Community & Housing, Childrens Schools and Families, Waste Operations and all other departments that require transport support.
- We will ensure legal compliance with regard to all statutory requirements for road transport services including Operators Licence requirements.

DEPARTMENTAL BUDGET AND RESOURCES												
Revenue £'000s	Budget		Actual		Budget		Budget		Budget		Budget	
	2012/13	2013/14	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2014/15	2015/16	2016/17	2017/18
<b>Expenditure</b>	3,653	4,326	3,795	3,055	3,055	3,055	3,055	3,055	3,055	3,055	3,055	3,055
Employees	1,686	1,820	1,664	1,446	1,446	1,446	1,446	1,446	1,446	1,446	1,446	1,446
Premises	49	34	34	42	42	42	42	42	42	42	42	42
Transport	739	1,151	915	1,061	1,061	1,061	1,061	1,061	1,061	1,061	1,061	1,061
Supplies & Services	35	80	63	57	57	57	57	57	57	57	57	57
Third party payments	0	0	0	0	0	0	0	0	0	0	0	0
Transfer payments	0	0	0	0	0	0	0	0	0	0	0	0
Support services	1,148	1,136	1,119	449	449	449	449	449	449	449	449	449
Depreciation	0	0	0	0	0	0	0	0	0	0	0	0
<b>Revenue £'000s</b>	<b>3,652</b>	<b>3,883</b>	<b>3,795</b>	<b>3,055</b>	<b>3,055</b>	<b>3,055</b>	<b>3,055</b>	<b>3,055</b>	<b>3,055</b>	<b>3,055</b>	<b>3,055</b>	<b>3,055</b>
Government grants	0	0	0	0	0	0	0	0	0	0	0	0
Reimbursements	0	0	0	0	0	0	0	0	0	0	0	0
Customer client receipts	2,515	2,787	2,713	3,055	3,055	3,055	3,055	3,055	3,055	3,055	3,055	3,055
Recharges	1,077	1,096	1,082	0	0	0	0	0	0	0	0	0
Reserves	0	0	0	0	0	0	0	0	0	0	0	0
Capital Funded	0	0	0	0	0	0	0	0	0	0	0	0
<b>Council Funded Net Budget</b>	<b>1</b>	<b>443</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Summary of major budget etc. changes 2014/15												
Capital Budget £'000s	Budget		Actual		Budget		Budget		Budget		Budget	
	2012/13	2013/14	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2014/15	2015/16	2016/17	2017/18
Transport and Plant	162,470	162,470	589,400	589,400	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Garth Road Workshop	128,720	128,720										
	0	0	291,190	599,400	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000



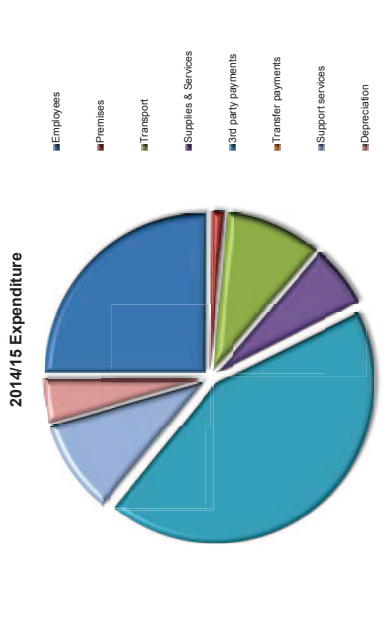
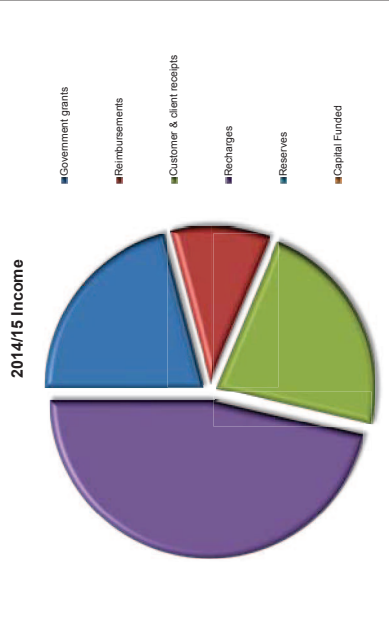


DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD

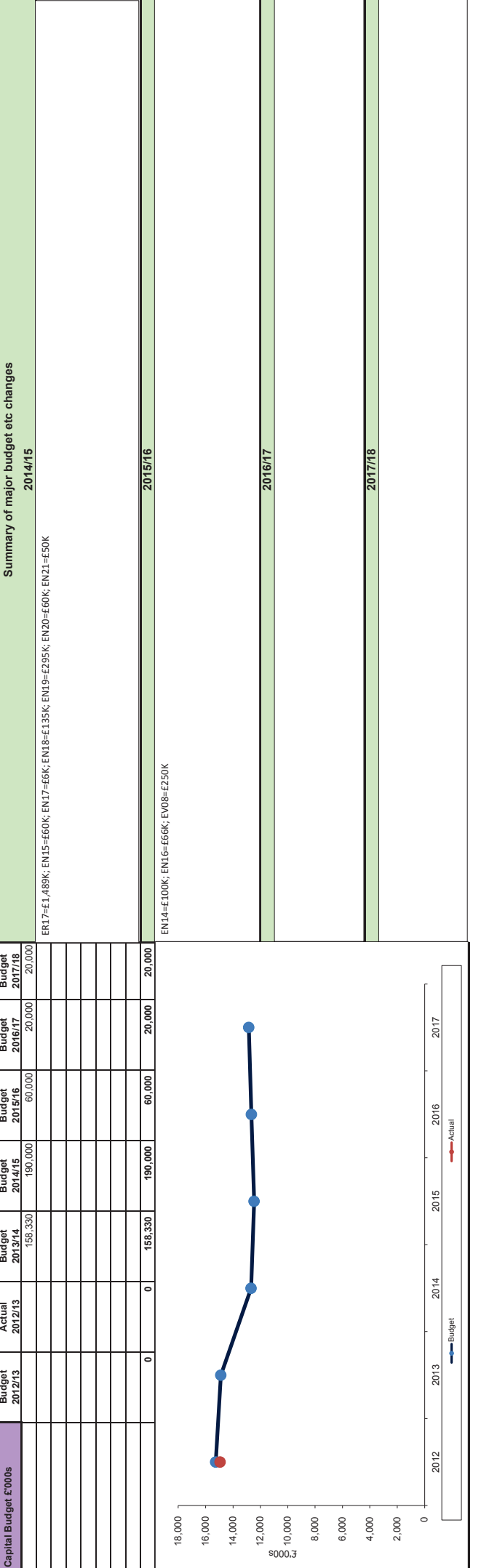
Transport - Passenger Fleet Service

PROJECT DESCRIPTION		MAJOR EXPECTED OUTCOME		Likelihood	Risk Impact	Score
<b>Project 1</b>	Project Title: Project Details:	Project Title: Project Details:	More efficient way of working	2	2	4
Start date	2012					
End date	on going					
<b>Project 2</b>	Project Title: Project Details:	<b>Tachograph Facility</b> At the present time there is no tachograph repair facility within the borough. We have to visit a Tachograph Centre 40+ times a year. We are investigating the viability of operating an in house repair centre that could both repair LB Merton Vehicles as well as taking on 3rd party work.	Income generation	2	2	4
Start date	2012					
End date	2014-15					
<b>Project 3</b>	Project Title: Project Details:		Select one major outcome			0
Start date						
End date						
<b>Project 4</b>	Project Title: Project Details:		Select one major outcome			0
Start date						
End date						
<b>Project 5</b>	Project Title: Project Details:		Select one major outcome			0
Start date						
End date						
<b>Project 6</b>	Project Title: Project Details:		Select one major outcome			0
Start date						
End date						
<b>Project 7</b>	Project Title: Project Details:		Select one major outcome			0
Start date						
End date						
<b>Project 8</b>	Project Title: Project Details:		Select one major outcome			0
Start date						
End date						
<b>Project 9</b>	Project Title: Project Details:		Select one major outcome			0
Start date						
End date						
<b>Project 10</b>	Project Title: Project Details:		Select one major outcome			0
Start date						
End date						

Waste Management	Planning Assumptions										The Corporate strategies your service contributes to
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18					
<b>Cllr Judy Saunders Cabinet Member for Performance &amp; Implementation</b>											
<b>Enter a brief description of your main activities and objectives below</b>	Population										Waste Management Plan
As a unitary authority, Werton is responsible for both household waste collection and disposal. Household Reuse and Recycling Centres - Merton is required to provide facilities for the disposal of excess household and garden waste free of charge.	Increased housing density										Performance Management Framework
Objectives	Household waste tonnage										London wide strategy
• provide efficient and accessible services to all of our customers, including those with specific needs.											Climate Change Strategy
• to advise our customers on the services provided and to keep improving our services in line with customer needs.											
• promote public awareness of waste minimisation and encourage re-use and recycling through information, education and empowerment.											
<b>Anticipated demand</b>	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18					
Population	203,247	206,038	208,822	211,569	214,229	216,806					
Increased housing density	80,890	80,890	81,000	81,000	81,800	82,100					
Household waste tonnage	71,000										
<b>Anticipated non financial resources</b>	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18					
Staff (FTE)	97	107	110.5	107.5	107.5	107.5					
Transport	33	31	31	29	29	29					
<b>Performance indicator</b>							<b>Performance Targets (T) &amp; Provisional Performance Targets (PT)</b>	<b>Polarity</b>	<b>Reporting cycle</b>	<b>Indicator type</b>	<b>Main impact if indicator not met</b>
% Household waste recycled	2012/13(T)	2013/14(T)	2014/15(T)	2015/16(PT)	2016/17(PT)	2017/18(PT)	High	Monthly	Business critical	Reputational risk	
	40	42	43	44	45	45	High	Annual	Perception	Reputational risk	
% Residents satisfied with refuse collection	525	512	504	496	483	483	Low	Monthly	Outcome	Increased costs	
Residual waste kg per household pa	49	48	47	46	10	10	Low	Monthly	Outcome	Increased costs	
% Municipal solid waste landfilled	70	60	55	50	45	45	Low	Monthly	Outcome	Reduced customer service	
Number of missed bins per 100,000	875	874	873	872	868	868	Low	Monthly	Outcome	Reputational risk	
Total waste arising from households	14	12	10	10	9	9	High	Quarterly	Outcome	Increased costs	
Days lost from through sickness per FTE	70	73	76	79	79	79	High	Annual	Perception	Reputational risk	
% Residents satisfied with recycling facilities							High	Annual	Output	Reduced customer service	



Revenue £'000s	DEPARTMENTAL BUDGET AND RESOURCES					
	Budget 2012/13	Actual 2012/13	Budget 2013/14	Budget 2014/15	Budget 2015/16	Budget 2016/17
Revenue	16,140	16,158	15,763	14,053	13,833	14,029
Expenditure	3,513	4,082	3,465	3,632	3,504	3,577
Government grants	1,960	1,910	1,910	1,367	1,374	1,374
Reimbursements	0	0	0	0	0	0
Customer & client receipts	274	460	274	308	308	308
Recharges	603	641	598	638	638	638
Reserves	0	-147	0	0	0	0
Capital Funded	0	0	0	0	0	0
<b>Council Funded Net Budget</b>	<b>15,263</b>	<b>14,942</b>	<b>14,891</b>	<b>12,679</b>	<b>12,459</b>	<b>12,655</b>



**Summary of major budget etc changes 2014/15**

EN14=£1,489K; EN15=£60K; EN17=£6K; EN18=£135K; EN19=£295K; EN20=£60K; EN21=£50K

EN14=£1,489K; EN15=£60K; EN17=£6K; EN18=£135K; EN19=£295K; EN20=£60K; EN21=£50K

EN14=£1,489K; EN15=£60K; EN17=£6K; EN18=£135K; EN19=£295K; EN20=£60K; EN21=£50K

**2015/16**

EN14=£1,489K; EN15=£60K; EN17=£6K; EN18=£135K; EN19=£295K; EN20=£60K; EN21=£50K

**2016/17**

EN14=£1,489K; EN15=£60K; EN17=£6K; EN18=£135K; EN19=£295K; EN20=£60K; EN21=£50K

DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD

Waste Management

PROJECT DESCRIPTION		MAJOR EXPECTED OUTCOME		Likelihood	Risk Impact	Score
<b>Project 1</b>	Project Title: South London waste partnership (phase B)  The partnership manages the waste disposal for Merton, Kingston, Croydon and Sutton. Management consists of disposing waste in a sustainable manner and to ensure cost effectiveness.	Project Details: More efficient way of working	2	4	8	
Start date 2012  End date 2014						
<b>Project 2</b>	Project Title: Improved enforcement regime to support time-banding in town centres  Once implemented will reduce back office staff numbers as a result of reducing reliance on paper schedules and in addition the GPS vehicle tracking system will lead to improved service and fuel efficiency. There will need to be capital investment approx. £120K.	Project Details: More efficient way of working	2	2	4	
Start date 2013  End date 2014						
<b>Project 3</b>	Project Title: Mobile technology including GPS and in cab monitors	Project Details: More efficient way of working	3	2	6	
Start date 2014  End date 2015						
<b>Project 4</b>	Project Title: Double shift garden waste collection vehicles reduce 2 x vehicles  Issues with disposal licences may cause a delay to the commencement date of this project.	Project Details: More efficient way of working	3	2	6	
Start date 2015  End date 2016						
<b>Project 5</b>	Project Title: Project Details:	Project Details: 0	0	0	0	
Start date   End date						
<b>Project 6</b>	Project Title: Project Details:	Project Details: 0	0	0	0	
Start date   End date						
<b>Project 7</b>	Project Title: Project Details:	Project Details: 0	0	0	0	
Start date   End date						
<b>Project 8</b>	Project Title: Project Details:	Project Details: 0	0	0	0	
Start date   End date						
<b>Project 9</b>	Project Title: Project Details:	Project Details: 0	0	0	0	
Start date   End date						
<b>Project 10</b>	Project Title: Project Details:	Project Details: 0	0	0	0	
Start date   End date						

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# **Section F**

## **List of Revenue Savings 2014/18**

## REVENUE SAVINGS 2014-18

The revenue savings agreed by service departments during the 2014/18 Business Planning Process are set out in the following pages.

During this process the revenue savings proposals were considered by Cabinet on:

- 9 December 2012
- 17 February 2013

Final revenue savings will be considered by Council on 5 March 2014. Revenue savings were scrutinised by the Overview and Scrutiny Commission and Panels during the January 2014 cycle of meetings and by the Overview and Scrutiny Commission on 30 January 2014.

In total the following savings have been identified by each department:

<b>SERVICE DEPARTMENTS: SUMMARY OF SAVINGS</b>			
<b>Department</b>	<b>2015/16 £000</b>	<b>2016/17 £000</b>	<b>2017/18 £000</b>
Children, Schools and Families	150	7	325
Community and Housing	321	814	484
Corporate Services	291	412	493
Environment and Regeneration	535	125	125
<b>In Year Total</b>	<b>1,297</b>	<b>1,358</b>	<b>1,427</b>
<b>Cumulative Total</b>	<b>1,297</b>	<b>2,655</b>	<b>4,082</b>

These savings are in addition to those savings identified as part of the 2012-16 and 2013-17 Business Planning Processes.

The tree tables over the page summarise the spread of agreed risks across financial years for the council:

## SUMMARY OF TOTAL RISKS OVER FINANCIAL YEARS

### 2015/16 RISKS

<b>DELIVERABILITY RISK</b>	High	0.00%	0.00%	7.25%
	Medium	12.80%	21.97%	34.31%
	Low	22.44%	0.93%	0.31%
		<b>Low</b>	<b>Medium</b>	<b>High</b>
<b>REPUTATIONAL RISK</b>				

### 2016 /17 RISKS

<b>DELIVERABILITY RISK</b>	High	0.00%	0.00%	53.61%
	Medium	6.48%	13.62%	9.72%
	Low	16.57%	0.00%	0.00%
		<b>Low</b>	<b>Medium</b>	<b>High</b>
<b>REPUTATIONAL RISK</b>				

### 2017 /18 RISKS

<b>DELIVERABILITY RISK</b>	High	0.00%	0.00%	22.56%
	Medium	5.19%	7.99%	32.59%
	Low	21.58%	2.38%	7.71%
		<b>Low</b>	<b>Medium</b>	<b>High</b>
<b>REPUTATIONAL RISK</b>				

The table below summarises the Savings by type for the council over the financial period of the Medium Term Financial Strategy:

**Total Savings Identified as part of the 2014-18 Planning Period**

		<b>2014/15 £000</b>	<b>2015/16 £000</b>	<b>2016/17 £000</b>
<b>SI1</b>	Income: increase in current level of charges	129	195	125
<b>SI2</b>	Income: increase arising from expansion of existing service/new service	174	58	35
<b>SS1</b>	Staffing: reduction in costs due to efficiency	0	60	78
<b>SS2</b>	Staffing: reduction in costs due to deletion/reduction in service	320	95	681
<b>SNS1</b>	Non - Staffing: reduction in costs due to efficiency	272	154	148
<b>SNS2</b>	Non - Staffing: reduction in costs due to deletion/reduction in service	94	728	322
<b>SP1</b>	Procurement / Third Party arrangements - efficiency	273	12	0
<b>SP2</b>	Procurement / Third Party arrangements - deletion/reduction in service	0	0	38
<b>SG1</b>	Grants: Existing service funded by new grant	0	0	0
<b>SG2</b>	Grants: Improved Efficiency of existing service currently funded by unringfenced grant	0	0	0
<b>SPROP</b>	Reduction in Property related costs	35	56	0
<b>TOTAL</b>		<b>1,297</b>	<b>1,358</b>	<b>1,427</b>

The following pages provide a detailed breakdown of the savings identified as part of the 2014-18 Business Planning Process, these are displayed in departmental order. The saving detail starts with changes to the existing savings identified by prior years Business Planning Processes. The Panel shown in the first column of the analysis represents the Scrutiny Panel who reviewed the proposals, these are:

C&YP Children & Young People  
O&S Overview and Scrutiny  
HC&OP Healthier Communities & Older People  
SC Sustainable Communities



# **Adjustments to Prior Years Identified Savings**

### Revisions to Current Savings Summary

	<b>2014/15 £000</b>	<b>2015/16 £000</b>	<b>2016/17 £000</b>	<b>2017/18 £000</b>	<b>Total £000</b>
Children, Schools & Families	0	0	0	0	0
Corporate Services	141	52	(256)	0	(63)
Community & Housing	350	(350)	0	0	0
Environment & Regeneration	914	(500)	(414)	0	0
<b>Total</b>	<b>1,405</b>	<b>(798)</b>	<b>(670)</b>	<b>0</b>	<b>0</b>
<b>Cumulative total</b>	<b>1,405</b>	<b>607</b>	<b>(63)</b>	<b>(63)</b>	

APPENDIX 2

CORPORATE SERVICES DEPARTMENT

AMENDMENT TO PREVIOUSLY AGREED SAVINGS

Original Savings		Original Savings	Revised Savings				Description of Saving
Original Ref	Description of Saving	2014/15 £000	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	
CS16 13/14	I&T	35	0	0	-35	0	<b>Description</b> <b>I&amp;T</b> <b>Saving deferred</b> Surrender of remainder of ITSD overtime budget
CS45 13/14	Resources	0	-52	0	0	0	<b>Resources</b> <b>Saving brought forward from 2015/16</b> Resources -Improved Cash Management
CS12 12/13	Customer Services	50	0	0	-50	0	<b>Customer Services</b> <b>Saving deferred</b> Support Services - delete1 f.t.e. manager post.
CS13 12/13	Customer Services	31	0	0	-31	0	<b>Customer Services</b> <b>Saving deferred</b> Recovery/Bailiffs - reduce debt recovery/bailiff admin. By 1 f.t.e.
New	Replacement Saving	0	-23	0	0	0	<b>Replacement saving</b> <b>Communications Admin. Assistant (See details attached)</b>
New	Replacement Saving	0	-40	0	0	0	<b>Replacement Saving</b> <b>Advertising, film and sponsorship officer (See details attached)</b>
<b>Total Corporate Services Savings</b>		<b>116</b>	<b>-115</b>	<b>0</b>	<b>-116</b>	<b>0</b>	

NB £52k saving for CS45 agreed in 2015/16 to be brought forward to 2014/15.

Savings Type

- 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
- SP2 Procurement / Third Party arrangements - deletion/reduction in service
- 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
- SII Income - increase in current level of charges
- SI2 Income - increase arising from expansion of existing service/new service

Panel

- Children & Young People
- Corporate Capacity
- Healthier Communities & Older People
- Sustainable Communities

**COMMUNITY AND HOUSING DEPARTMENT  
AMENDMENT TO PREVIOUSLY AGREED SAVINGS**

Original Savings		Original Savings	Revised Savings					
Original Ref	Description of Saving	2014/15 £000	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	Description	Description of Saving
ASC14	<b>Adult Social Care</b> Supported Living (Including De-registration)	100	250	0	0	0	Description Service Implications Staffing Implications Business Plan Implications Impact on other departments Equalities Implications	<b>Adult Social Care</b> <b>Remove Day Care Costs from Residential Customers</b> Cessation of day care costs from residential customers care support packages. None None None See overall EIA
ASC55	Procurement Efficiencies	206	50	0	0	0	Description Service Implications Staffing Implications Business Plan Implications Impact on other departments Equalities Implications	<b>Reduction in staffing in Access and Assessment</b> Risk of increased delays in assessments and care planning and/or reductions in reviews Reduction in staffing None None See overall EIA
ASC18	Supporting People	350	0	350	0	0	Description Service Implications Staffing Implications Business Plan Implications Impact on other departments Equalities Implications	Reduce additional commissioned services. Reduction and cessation of other commissioned services. None None None See overall EIA
CH11	Supporting People (Additional)	100	36	0	0	0	Description Service Implications Staffing Implications Business Plan Implications Impact on other departments Equalities Implications	<b>All Saints Respite Extension</b> Extend All Saints Respite Service offer to PD customers. None None None See overall EIA
NEW	Replacement Saving	0	70	0	0	0	Description Service Implications Staffing Implications Business Plan Implications Impact on other departments Equalities Implications	<b>Assistive Technology</b> Roll out of 'Just Checking' system as part of the customer assessment process (reinstatement and revised figure for the former ASC10 - optimise telecare usage). None None None See overall EIA
<b>Total Community and Housing Savings</b>		<b>756</b>	<b>406</b>	<b>350</b>	<b>0</b>	<b>0</b>		

**Savings Type**

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
SP2	Procurement / Third Party arrangements - deletion/reduction in service
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
SII	Income - increase in current level of charges
SI2	Income - increase arising from expansion of existing service/new service

**Panel**

**Children & Young People**  
**Corporate Capacity**  
**Healthier Communities & Older People**  
**Sustainable Communities**

## ENVIRONMENT AND REGENERATION DEPARTMENT

## AMENDMENT TO PREVIOUSLY AGREED SAVINGS

Original Savings		Original Savings	Revised Savings				Description of Saving
Original Ref	Description of Saving	2014/15 £000	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	
ER10	EHTSL	400	100	300*	0	0	<b>Description</b> <b>EHTSL Regulatory Services</b> Merton, Sutton, Kingston and Sutton are in the process of exploring the possibility of sharing 'regulatory services' or of one authority becoming the lead provider of services for other council(s). Merton is relatively well placed to act as lead provider in a number of service areas as a result of the high level of professional expertise and knowledge that is not reflected in the other boroughs involved. This approach would maintain a level of resilience.
<b>Total Environment and Regeneration Savings</b>		<b>400</b>	<b>100</b>	<b>300*</b>	<b>0</b>	<b>0</b>	

\* £70k of this saving will be transferred to C&H as a result of the associated budgets becoming their responsibility.

**Savings Type**

<b>SS2</b>	Staffing: reduction in costs due to deletion/reduction in service
<b>SNS1</b>	Non - Staffing: reduction in costs due to efficiency
<b>SNS2</b>	Non - Staffing: reduction in costs due to deletion/reduction in service
<b>SP1</b>	Procurement / Third Party arrangements - efficiency
<b>SP2</b>	Procurement / Third Party arrangements - deletion/reduction in service
<b>SG1</b>	Grants: Existing service funded by new grant
<b>SG2</b>	Grants: Improved Efficiency of existing service currently funded by unringfenced grant
<b>SPROP</b>	Reduction in Property related costs
<b>SII</b>	Income - increase in current level of charges
<b>SI2</b>	Income - increase arising from expansion of existing service/new service

**Panel**

Children & Young People  
Corporate Capacity  
Healthier Communities & Older People  
Sustainable Communities

## CORPORATE SERVICES DEPARTMENT

### AMENDMENT TO PREVIOUSLY AGREED SAVINGS

		Original Savings	Revised Savings				
Original Ref	Description of Saving	2014/15 £000	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	Description of Saving
	<b>HR Business Partners</b>	140	(140)	0	140	0	Deferral of saving to be able to assist organisation with necessary transformation in the short term.

**ENVIRONMENT AND REGENERATION DEPARTMENT  
AMENDMENT TO PREVIOUSLY AGREED SAVINGS**

		Revised Savings				Description of Saving	
Original Ref	Description of Saving	Original Savings 2014/15 £000	2014/15 £000	2015/16 £000	2016/17 £000		2017/18 £000
ER07	Development & Building Control	200	(200)	200	0	0	The Government are proposing changes to the current charging model for DC. This would mean that the council will be able to set its own fees (levels are currently prescribed) in order to recover the full cost of delivering a number of services in this area, although it will not be able to make a profit.  DCLG have recently proposed a one-off adjustment to increase planning application fees in line with inflation amounting to around 15%, as the Government, who set the fee, have not increased it since 2008.
ER23	Future Merton	414	(414)	0	414	0	To be determined through TOM - greater emphasis on income generation through targeted regeneration delivery.
<b>Total Environment and Regeneration Savings</b>		<b>614</b>	<b>(614)</b>	<b>200</b>	<b>414</b>	<b>0</b>	

# **Children, Schools and Families Department**



**DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES SAVINGS - BUDGET PROCESS 2014/18**

Panel	Ref	Description of Saving	Baseline Budget 13/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
C&YP	CSF01	<p><b>Service Description</b></p> <p><b>Early Years</b></p> <p>Substantial reduction in EY budgets whilst retaining existing Children's Centres targeted work in areas of higher deprivation (up to 10% reduction overall to Children's Centre services). Reduction in funding and in kind contributions to voluntary sector organisations</p> <p><b>Service Implication</b></p> <p>Substantial reduction in services to support Children's Centres and early years day care providers , virtually no quality assurance capability to support early years provision, will cover safeguarding issues only; no training programme. Only limited cover of statutory requirements. Reduction in standards of early years provision and reduction in integrated service delivery</p> <p><b>Staffing Implications</b></p> <p>Approximately 10 FTE staff redundancies.</p> <p><b>Business Plan implications</b></p> <p>Reduced service offering. Potential adverse impact on educational standards for older children and increased pressure on children's social care. Dependent on government changes to DSG which may impact negatively on the overall funding of the early years service; such changes are uncertain and will not impact before 2015/16.</p> <p><b>Impact on other departments</b></p> <p><b>Equalities Implications</b></p> <p>Will lead to a reduction in service to disadvantaged and vulnerable groups within the community, particularly very young children and their families.</p>	1,204		150	7	250	Medium	High	SS2

**DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES SAVINGS - BUDGET PROCESS 2014/18**

Panel	Ref	Description of Saving	Baseline Budget 13/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
C&YP	CSF02	<p><u>Service Description</u></p> <p><b>Service Implication</b></p> <p><b>Staffing Implications</b></p> <p><b>Business Plan implications</b></p> <p><b>Impact on other departments</b></p> <p><b>Equalities Implications</b></p>	448				75	Low	High	SS2 & SP2
<p><u>School Improvement</u></p> <p>Reduced service offer</p> <p>Support for schools requiring improvement would remain and high level monitoring of good or better schools. Reduced commissioning of schools to secure advanced skills teachers, expert teachers, sharing of best practice and school to school support. Training programme moves towards self funding.</p> <p>Limited - given time frame hope to secure through natural turnover</p> <p>Reduced service offering, Increased dependency on DSG and school funding for LA core functions. Changes to the DSG may impact on this through the national education funding review. Such changes are uncertain and will not impact before 2015/16</p> <p>None.</p> <p>Reduction to service will impact on LA work to narrow the gap in education achievement for disadvantaged groups unless the schools' increase their funding of this work.</p>										
<b>Total Children, Schools and Families Savings</b>			<b>0</b>	<b>150</b>	<b>7</b>	<b>325</b>				

# **Community and Housing Department**

**DEPARTMENT: COMMUNITY AND HOUSING SAVINGS - BUDGET PROCESS 2014/15**

Panel	Ref	Description of Saving	Baseline Budget 2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)	
C&YP	CH1	<p><u>Service</u></p> <p><b>Description</b></p> <p><b>Service Implication</b></p> <p><b>Staffing Implications</b></p> <p><b>Business Plan implications</b></p> <p><b>Impact on other departments</b></p> <p><b>Equalities Implications</b></p>	<p><u>Commissioning</u></p> <p><b>Placement budget:</b> Further reduction of the ASC placement budget, increasing the targets on 3 already agreed and ambitious proposals as follows:                      Brokerage efficiency savings, by finding the best value option and setting personal budgets on this basis                      These savings add to the targets of existing programmes: procurement, brokerage and contracting for home care. The ASC transformation plan will continue with its existing principles of promoting greater independence. This approach would be driven through all ASC access channels (Brokerage, MAAT, OT and MILES), and through reviews.                      None identified.                      None identified.                      None identified.                      None identified.                      ASC customers are more likely to be older and have disabilities compared with the general population.</p>	36,658	31	242	107	High	High	SNS2

**DEPARTMENT: COMMUNITY AND HOUSING SAVINGS - BUDGET PROCESS 2014/15**

Panel	Ref	Description of Saving	Baseline Budget 2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
C&YP	CH2	<p><b>Service Description</b></p> <p><b>Service Implication</b></p> <p><b>Staffing Implications</b></p> <p><b>Business Plan implications</b></p> <p><b>Impact on other departments</b></p> <p><b>Equalities Implications</b></p>	36,658	31	242	107	High	High	SNS2
		<p><b>Placements</b></p> <p><b>Remodelling and re-procuring the domiciliary care service, following the end of the 3 year contract starting in 2012</b></p> <p>These savings add to the targets of existing programmes: procurement, brokerage and contracting for home care. The ASC transformation plan will continue with its existing principles of promoting greater independence. This approach would be driven through all ASC access channels (Brokerage, MAAT, OT and MILES), and through reviews</p> <p>None identified.</p> <p>None identified.</p> <p>None identified.</p> <p>ASC customers are more likely to be older and have disabilities compared with the general population.</p>							

**DEPARTMENT: COMMUNITY AND HOUSING SAVINGS - BUDGET PROCESS 2014/15**

Panel	Ref	Description of Saving	Baseline Budget 2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
C&YP	CH3	<p><b>Service Description</b></p> <p><b>Service Implication</b></p> <p><b>Staffing Implications</b></p> <p><b>Business Plan implications</b></p> <p><b>Impact on other departments</b></p> <p><b>Equalities Implications</b></p>	36,658	32	244	108	High	High	SNS2
		<p><b>Placements</b></p> <p><b>Procurement Opportunities (Placement budget)</b></p> <p>These savings add to the targets of existing programmes: procurement, brokerage and contracting for home care. The ASC transformation plan will continue with its existing principles of promoting greater independence. This approach would be driven through all ASC access channels (Brokerage, MAAT, OT and MILES), and through reviews</p> <p>None identified.</p> <p>None identified.</p> <p>None identified.</p> <p>ASC customers are more likely to be older and have disabilities compared with the general population.</p>							

**DEPARTMENT: COMMUNITY AND HOUSING SAVINGS - BUDGET PROCESS 2014/15**

Panel	Ref	Description of Saving	Baseline Budget 2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
C&YP	CH4	<p><u>Service Description</u></p> <p><b>Service Implication</b></p> <p><b>Staffing Implications</b></p> <p><b>Business Plan implications</b></p> <p><b>Impact on other departments</b></p> <p><b>Equalities Implications</b></p>	5,895	170	0	0	Medium	High	SS2
<p><u>Access &amp; Assessment</u></p> <p><b>Staffing reductions across Access and Assessment</b></p> <p>Less capacity within the A&amp;A team which will mean less professional support available for ASC customers, reduced capacity to conduct customer reviews, increased waiting times for assessment and delayed access to services.</p> <p>Loss of staff and therefore capacity. Proposed 4 FTE posts.</p> <p>None identified.</p> <p>None identified.</p> <p>ASC customers are more likely to be older and have disabilities compared with the general population</p>									

**DEPARTMENT: COMMUNITY AND HOUSING SAVINGS - BUDGET PROCESS 2014/15**

Panel	Ref	Description of Saving	Baseline Budget 2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
SC	CH5	<p><u>Service</u>  <b>Description Service Implication</b>  <b>Staffing Implications</b>  <b>Business Plan implications</b>  <b>Impact on other departments</b>  <b>Equalities Implications</b></p>	513	12	0	0	Low	Medium	SNS1
		<p><u>Library &amp; Heritage Service</u>  <b>Reduction in media fund</b>                      Reduced expenditure on library stock will be balanced by improvements in the way stock is purchased.                      None identified.                      None identified.                      None identified.                      Whilst less stock would be purchased the criteria will still be to supply a broad range of stock to meet community needs.</p>							



**DEPARTMENT: COMMUNITY AND HOUSING SAVINGS - BUDGET PROCESS 2014/15**

Panel	Ref	Description of Saving	Baseline Budget 2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
SC	CH6	<p><u>Service</u></p> <p><b>Description Service Implication</b></p> <p><b>Staffing Implications</b></p> <p><b>Business Plan implications</b></p> <p><b>Impact on other departments</b></p> <p><b>Equalities Implications</b></p>	333	10	0	0	Medium	Low	SNS1
		<p><u>Library &amp; Heritage Service</u></p> <p><b>Increase income</b> Increased income will be delivered by maximising the use of space for commercial activities in library halls etc. None identified.</p> <p>None identified.</p> <p>None identified.</p> <p>None identified.</p> <p>Making more space available for commercial usage in halls may restrict some usage for community meetings but bookings will be taken on a first come first served basis.</p>							

**DEPARTMENT: COMMUNITY AND HOUSING SAVINGS - BUDGET PROCESS 2014/15**

Panel	Ref	Description of Saving	Baseline Budget 2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
SC	CH7	<p><u>Service</u></p> <p><b>Description</b></p> <p><b>Service Implication</b></p> <p><b>Staffing Implications</b></p> <p><b>Business Plan implications</b></p> <p><b>Impact on other departments</b></p> <p><b>Equalities Implications</b></p>	1,224	0	0	90	Medium	High	SS2
		<p><u>Library &amp; Heritage Service</u></p> <p><b>Introduce self-serve libraries at off peak times</b></p> <p>Smaller libraries to be self-service and supported only by a security guard during off peak times. 3.5 FTE at risk</p> <p>None identified.</p> <p>None identified.</p> <p>Limited support for customers would be available during the self-service periods but this will be clearly promoted.</p>							

**DEPARTMENT: COMMUNITY AND HOUSING SAVINGS - BUDGET PROCESS 2014/15**

Panel	Ref	Description of Saving	Baseline Budget 2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
SC	CH8	<p><u>Service</u></p> <p><b>Description</b></p> <p><b>Service Implication</b></p> <p><b>Staffing Implications</b></p> <p><b>Business Plan implications</b></p> <p><b>Impact on other departments</b></p> <p><b>Equalities Implications</b></p>	400	35	56	0	Medium	Medium	SG2
		<p><u>Housing Needs &amp; Enabling</u></p> <p><b>Reduction of Homelessness Prevention Grant</b></p> <p>The HPG is used for the prevention of homelessness thus minimising the use of temporary accommodation. To date there has been an underspend of the HPG.</p> <p>None identified.</p> <p>The reduction in the Homelessness Prevention Grant may impact upon our ability to respond to homelessness.</p> <p>Increased homelessness has impacts on both CSF and ASC. Increased rough sleeping will impact on crime and disorder/ Safer Merton.</p> <p>BME communities are over represented nationally in homeless statistics and this may lead to a further increase in episodes of homelessness for these groups.</p>							

**DEPARTMENT: COMMUNITY AND HOUSING SAVINGS - BUDGET PROCESS 2014/15**

Panel	Ref	Description of Saving	Baseline Budget 2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
SC	CH9	<p><u>Service</u></p> <p><b>Description Service Implication</b></p> <p><b>Staffing Implications</b></p> <p><b>Business Plan implications</b></p> <p><b>Impact on other departments</b></p> <p><b>Equalities Implications</b></p>	172	0	30	36	Low	Low	SNS1
		<p><u>Housing Needs &amp; Enabling</u></p> <p><b>Rationalisation of admin budget</b>                      Little projected impact on service overall. Potential difficulties in service improvement/TOM and retention of Customer Service Excellence accreditation.                      None identified.</p> <p>None identified.</p> <p>None identified.</p> <p>None identified.</p> <p>None identified.</p>							

**DEPARTMENT: COMMUNITY AND HOUSING SAVINGS - BUDGET PROCESS 2014/15**

Panel	Ref	Description of Saving		Baseline Budget 2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
SC	CH10	<u>Service</u>	<u>Housing Needs &amp; Enabling</u>	1,048	0	0	36	Medium	Medium	SS2
		<b>Description</b>	<b>Deletion of one staffing post</b>							
		<b>Service Implication</b>	The loss of front line operational staff may affect the council's ability to respond to housing need particularly in its ability to respond in a timely manner to prevent homelessness. Currently the council continues to maintain its position in having the lowest number of households in temporary accommodation in London despite the implementation of welfare reform. Deletion of one FTE post.							
		<b>Staffing Implications</b>								
		<b>Business Plan implications</b>	Homelessness Preventions: The reduction of staff could see a decrease in the number of homeless preventions being achieved.							
		<b>Equalities Implications</b>	Increased homelessness has impacts on both CSF and ASC. Increased rough sleeping will impact on crime and disorder/ Safer Merton.							
<b>Total Community and Housing Savings</b>					<b>321</b>	<b>814</b>	<b>484</b>			

# **Corporate Services Department**

**DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2014/15**

Panel	Ref	Description of Saving	Baseline Budget 13/14 £000	2015/16 £000	2016/17 £000	2017/18 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)							
O&S	CS60	<u>Corporate services</u> Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	109			109	Low	Low	SS2							
		Deletion of Assistant Director post None. Duties to be reallocated One post (one assistant director post currently vacant) None. None. None.														
		<u>Corporate services</u> Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications									174	58		Low	Low	SI2
		Dividend income from CHAS 2013 Limited None. None. None. None. None.														

**DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2014/15**

Panel	Ref	Description of Saving	Baseline Budget 13/14 £000	2015/16 £000	2016/17 £000	2017/18 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
O&S	CS62	<p><u>Corporate services</u>  <b>Description</b>                      Service Implication</p> <p>Recharges to Public Health Public Health function transferred to the local authority and is supported by numerous in house services. The recharge will reflect total cost of service</p> <p><b>Staffing</b>                      Implications</p> <p><b>Business Plan</b>                      implications</p> <p><b>Impact on other</b>                      departments</p> <p><b>Equalities</b>                      Implications</p>			70		Low	Low	SI1



**DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2014/15**

Panel	Ref	Description of Saving	Baseline Budget 13/14 £000	2015/16 £000	2016/17 £000	2017/18 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	CS63	<p><u>Service Description</u></p> <p><b>Service Implication</b></p> <p><b>Staffing Implications</b></p> <p><b>Business Plan implications</b></p> <p><b>Impact on other departments</b></p>	1122		88	74	Medium	Low	SS2
		<p><u>Business Improvement</u></p> <p>Reorganisation of systems development and support arrangements.</p> <p>The anticipated streamlining of systems and support arrangements is expected to increase efficiency and reduce overheads without impacting negatively on the quality of services.</p> <p>Reduction in posts anticipated.</p> <p>None - proposal is in line with intended streamlining and rationalisation of systems and support arrangements.</p> <p>None - proposal is supported by transformational work planned to streamline systems and reduce support demand.</p>							

**DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2014/15**

Panel	Ref	Description of Saving	Baseline Budget 13/14 £000	2015/16 £000	2016/17 £000	2017/18 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
O&S	CS64	<u>Resources</u> Description Reduction of treasury running costs through review, improvement and efficiency None as savings will be derived from efficiency None None None None None	34		20		Low	Low	SNS1
		Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications							
O&S	CS65	<u>Resources</u> Description Consolidation of various budgets within Resources division None as savings will be derived from efficiency None None None None	95		35	31	Low	Low	SNS1
		Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications							

**DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2014/15**

Panel	Ref	Description of Saving	Baseline Budget 13/14 £000	2015/16 £000	2016/17 £000	2017/18 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)	
O&S	CS66	<u>Resources</u> Description	-	47		47	LOW	LOW	SNS1	
		Service Implication								Review recharges of Resources support function to pension fund
		Staffing Implications								None
		Business Plan implications								None
		Impact on other departments								None
		Equalities Implications								None
O&S	CS67	<u>Resources</u> Description	-	237	12		LOW	LOW	SP1	
		Service Implication								Reduction in bank and giro charges
		Staffing Implications								None
		Business Plan implications								None
		Impact on other departments								None
		Equalities Implications								None

**DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2014/15**

Panel	Ref	Description of Saving	Baseline Budget 13/14 £000	2015/16 £000	2016/17 £000	2017/18 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
O&S	CS68	<p><u>Resources Description</u></p> <p>Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p>		117			Low	Low	SP1
O&S	CS70	<p><u>Infrastructure &amp; Transactions Description</u></p> <p>Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p>				35	Low	High	SI2

**DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2014/15**

Panel	Ref	Description of Saving		Baseline Budget 13/14 £000	2015/16 £000	2016/17 £000	2017/18 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
O&S	CS71	<u>Infrastructure &amp; Transactions</u> Description	Delete two in house trainers posts None				85	Low	Low	SS2
		Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	2 posts None None None None							
O&S	CS72	<u>Infrastructure &amp; Transactions</u> Description	Consolidation of Infrastructure & Transactions revenue budgets				34	Low	Medium	SNS1
		Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	None None None None None							

**DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2014/15**

Panel	Ref	Description of Saving	Baseline Budget 13/14 £000	2015/16 £000	2016/17 £000	2017/18 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
O&S	CS73	<u>Corporate Governance</u> Description	1032		60	20	Medium	Medium	SS1
		Service Implication Staffing Implications Business Plan implications							
		<p>Saving from 4 borough shared legal service None Likely to be 2 FTE reduction None</p> <p>Need to ensure level of service received by departments is maintained None</p>							
O&S	CS74	<u>Human Resources</u> Description Service Implication  Staffing Implications Business Plan implications  Impact on other departments  Equalities Implications	622		69		Medium	Medium	SNS1
		<p>Review of L&amp;D spend Learning and development spend to be reduced in light of experience from consolidation of budgets, improved strategic alignment of L&amp;D activity, 4-borough opportunities. Likely to be x1 FTE reduction arising from staffing review Need to ensure budgets and spend are correctly aligned to the Workforce strategy aims and support the Council's business plans Need to ensure that L&amp;D needs can be appropriately met - training needs analysis and business impact assessment will be key to delivery Need to ensure equal access to learning and development opportunities across the Council</p>							

**DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2014/15**

Panel	Ref	Description of Saving	Baseline Budget 13/14 £000	2015/16 £000	2016/17 £000	2017/18 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
O&S	CS75	<p><b>Service Description</b></p> <p>Review of COT team staffing in light of potential for 4-borough shared service opportunities</p> <p><b>Service Implication</b></p> <p>Aims to improve efficiencies and economies of scale through a wider partnership approach</p> <p><b>Staffing Implications</b></p> <p>Likely to be x1 FTE reduction arising from staffing review</p> <p><b>Business Plan implications</b></p> <p>Need to ensure service standards are maintained</p> <p><b>Impact on other departments</b></p> <p>Need to ensure that service standards are maintained in light of staffing reductions</p> <p><b>Equalities Implications</b></p> <p>Given the profile of the workforce is mainly female this will have an equality impact</p>	506			58	Medium	Medium	SS1
<b>Total Corporate Services Savings</b>			<b>291</b>	<b>412</b>	<b>493</b>				

# **Environment and Regeneration Department**



**DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS - BUDGET PROCESS 2015/18**

Panel	Ref	Description of Saving	Baseline Budget 13/14 £000	2015/16 £000	2016/17 £000	2017/18 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
O&S	EV01	<b>Service/Section Description</b>	<b>Safer Merton</b> Repurchase of CCTV maintenance contract leading to efficiency savings. None None None None None	<b>151</b>	<b>36</b>			<b>Low</b>	<b>SP1</b>
		<b>Service Implication</b>							
		<b>Staffing Implications</b>							
		<b>Business Plan implications</b>							
		<b>Impact on other departments</b>							
		<b>Equalities Implications</b>							
		SC							
<b>Service Implication</b>									
<b>Staffing Implications</b>									
<b>Business Plan implications</b>									
<b>Impact on other departments</b>									
<b>Equalities Implications</b>									

**DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS - BUDGET PROCESS 2015/18**

Panel	Ref	Description of Saving	Baseline Budget 13/14 £000	2015/16 £000	2016/17 £000	2017/18 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
SC	EV08	<b>Service/Section Description</b>	4,526	250			Medium	Medium	SNS1
		<b>Waste disposal</b>							
		Increased recycling rate by 3% followign education and communications activity funded by WCSS. This will be driven by the incentivisation and education programme to commence in March 2014.							
		None							
		None							
		None							
<b>Service Implication</b>	None								
<b>Staffing Implications</b>	None								
<b>Business Plan implications</b>	None								
<b>Impact on other departments</b>	None								
<b>Equalities Implications</b>	None								
SC	EV09	<b>Service/Section Description</b>	220	120			Medium	Low	SP1
		<b>Leisure &amp; Culture Development</b>							
		Renegotiation of contract with GLL for management of Leisure Centres							
		None							
		None							
		None							
<b>Service Implication</b>	None								
<b>Staffing Implications</b>	None								
<b>Business Plan implications</b>	None								
<b>Impact on other departments</b>	Legal and corporate finance input to contract renegotiations								
<b>Equalities Implications</b>	None								

**DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS - BUDGET PROCESS 2015/18**

Panel	Ref	Description of Saving	Baseline Budget 13/14 £000	2015/16 £000	2016/17 £000	2017/18 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
SC	EV11	<p><b>Service/Section</b>  <b>Parking Services</b></p> <p><b>Description</b>                      Increase all pay and display charges for on and off street parking by 10%. it should be noted that no allowance has been made for elasticity of demand this figure could reduce by 25%</p> <p><b>Service Implication</b>                      Need to ensure that any increase in pay and display charges is legally compliant with DFT guidance regarding the rationale for increasing permit charges. The initial changes will require considerable work in changing all the electronic chips. It will take 15 working days plus cost of electronic chips of £20K.</p> <p><b>Staffing Implications</b>                      This revenue increase is over and above figures already given.</p> <p><b>Business Plan implications</b>                      Complaints and FOI requests</p> <p><b>Impact on other departments</b>                      None</p> <p><b>Equalities Implications</b>                      None</p>	(3,692)	125	125	125	Medium	High	SI1
<b>Total Environment and Regeneration Savings</b>			<b>535</b>	<b>125</b>	<b>125</b>	<b>125</b>			

**Section G**

**Revenue Estimates**  
**2014-15**

# **Corporate Estimates 2014-15**

**SUMMARY - SUBJECTIVE ANALYSIS**

<b>FULL TIME EQUIVALENTS</b>		<b>2013/14</b>	<b>2014/15</b>	
Number of FTE Staff		<b>2,133.5</b>	<b>2,163.5</b>	
Number of FTE Sutton / PCT TUPE Staff		<b>61.5</b>	<b>64.8</b>	
Total FTE Staff		<b>2,195.0</b>	<b>2,228.3</b>	
<b>SUBJECTIVE ANALYSIS OF ESTIMATES</b>				
	<b>2013/14 Estimate £000</b>	<b>Inflation £000</b>	<b>Other Variations £000</b>	<b>2014/15 Estimate £000</b>
<b>Expenditure</b>				
Employees	90,148	145	(25)	90,268
Premises	8,267	92	447	8,806
Transport	10,909	108	1,807	12,823
Supplies and Services	164,380	811	(5,929)	159,262
Third Party Payments	83,063	1,037	(4,421)	79,679
Transfer Payments	99,048	6	9,300	108,354
Support Services	33,533	0	(2,712)	30,821
Depreciation and Impairment Losses	13,990	0	1,236	15,226
<b>GROSS EXPENDITURE</b>	<b>503,338</b>	<b>2,199</b>	<b>(297)</b>	<b>505,240</b>
<b>Income</b>				
Government Grants	(237,012)	0	(13,126)	(250,138)
Other Reimbursements and Contributions	(22,123)	(2)	(241)	(22,365)
Customer and Client Receipts	(56,043)	(278)	348	(55,972)
Interest	(44)	0	0	(44)
Recharges	(35,222)	0	3,850	(31,372)
Reserves	(980)	0	51	(929)
<b>GROSS INCOME</b>	<b>(351,424)</b>	<b>(279)</b>	<b>(9,117)</b>	<b>(360,821)</b>
<b>NET EXPENDITURE</b>	<b>151,914</b>	<b>1,920</b>	<b>(9,415)</b>	<b>144,419</b>
Corporate Provisions	12,345	0	5,777	18,123
<b>NET EXPENDITURE</b>	<b>164,260</b>	<b>1,919</b>	<b>(3,637)</b>	<b>162,542</b>
<b>Funded by:</b>				
Revenue Support Grant	(47,221)	0	7,482	(39,738)
Business Rates	(32,019)	0	(2,352)	(34,371)
New Homes Bonus	(2,724)	0	(475)	(3,199)
Council Tax	(73,850)	0	(1,199)	(75,049)
Council Tax Freeze Grant 2013/14	(835)	0	835	0
Council Tax Freeze Grant 2014/15	0	0	(858)	(858)
WPCC Levy	(269)	0	(25)	(293)
Collection Fund	(2,545)	0	(1,691)	(4,236)
PFI Grant	(4,797)	0	0	(4,797)
	<b>(164,260)</b>	<b>0</b>	<b>1,718</b>	<b>(162,542)</b>
	<b>0</b>	<b>1,919</b>	<b>(1,919)</b>	<b>0</b>

Other Variations: Contingency/Other

<b>Major Items: Corporate Provisions</b>	<b>£000</b>	<b>fte</b>
Corporate borrowing and Investment	(297)	0.0
Further provision for revaluation/RCCO	547	0.0
Pension Fund and Auto-enrolment	8,347	0.0
Contingency and centrally held provisions	(29)	0.0
Cost of DR Recovery	(47)	0.0
CHAS - Council Tax loss	(1,226)	0.0
Appropriation to/from Reserves	0	0.0
Depreciation and impairment	(1,535)	0.0
Levies	17	0.0
<b>TOTAL</b>	<b>5,777</b>	<b>0</b>

## CIPFA - Standard Subjective Analysis

### Introduction

The subjective analysis is the analysis of income and expenditure that is applicable to all Best Value reporting requirements for all accounting periods from 1 April 2008.

We use a set standard subjective analysis for a number of reasons:-

- The subjective analysis is a CIPFA recommended structure.
- It minimises the reporting requirements for Government statistical reporting.
- It provides information in a multi-dimensional format for Best Value
- It improves consistency and therefore helps Authorities to make effective comparisons for Best Value and other financial requirements
- A subjective Analysis provides further information that is useful for benchmarking analysis.
- For analysing costs in reviews.

### Glossary of the standard Subjective analysis

#### Details of Expenditure groups and what is included:

1 Employees: This group includes the costs of employee expenses, both direct and indirect to the Authority.

##### Direct employee expenses

- Salaries
- Employer's National Insurance contribution
- Employers retirement benefit costs
- Agency Staff
- Employee expenses

##### Indirect employee expenses

- Relocation
- Interview
- Training
- Advertising
- Severance payments
- Employee - related schemes

2 Premises: This group includes expenses directly related to the running of the premises and land.

- Energy costs
- Rent
- Rates
- Water Services
- Fixtures and Fittings
- Apportionment of expenses of operating buildings
- Cleaning and Domestic Supplies
- Grounds maintenance costs
- Premises Insurance
- Contribution to premises - related provisions.

- 3 Transport: This group includes all costs associated with the provision, hire or use of transport, including travelling allowances and home to school transport.
- Direct Transport costs
- Repair and maintenance, running costs and contributions to provisions in respect of vehicles.
  - Repairs and maintenance of (e.g.) roads included in this heading, but should be included in the relevant subjective headings (such as staff costs, supplies and services etc),
  - This could include the write-off in the year if any assets not deemed material by the authority's capital accounting policies i.e. below de minimis thresholds set).
- Contract hire and operating leases
- Public Transport
- Staff Travelling expenses
- Car allowances
- Contribution to transport related provisions
- 4 Supplies and Services: This group includes all direct supplies and service expenditure to the authority.
- Equipment, furniture and materials
  - Catering Services
  - Communications and computing includes
  - Expenses
  - Grants and subscriptions
  - Private Finance Initiatives and Public Private Partnership schemes.
  - Contributions to provisions
  - Miscellaneous expenses
- 5 Third Party Payments: Independent units within the council;
- Joint Authorities
  - Other Local authorities
  - Health authorities
  - Government departments
  - Voluntary associations
  - Other establishments
  - Private contractors
  - Other agencies
  - Debit resulting from soft loans
- 6 Transfer Payments: This includes the cost of payments to individuals for which no goods or services are received in return by the local authority. Four sub-groups are suggested: However, this list is not exhaustive.
- Schoolchildren and students
  - Adult Social Services clients
  - Housing benefits
  - Debit resulting from soft loans



- 7 Support Services: Charges for services that support the provision of services to the public.
- Finance
  - IT
  - Human Resources
  - Property Management /Office Accommodation
  - Legal services (not included in the definition of Corporate and democratic Core)
  - Procurement Services
  - Corporate Services not included in the definition of Corporate and democratic Core)
  - Transport Functions
- 8 Depreciation and Impairment losses: This provides the subjective analysis that will record the revenue impact of capital items in the services revenue accounts for the authority
- 9 Income: This group included all income received by the services from external users or by way of charges or recharges to internal users.
- Government Grants
- Specific and special government grants
- Other Reimbursements and contributions
- Revenue Income received to finance a function/project jointly or severally undertaken with other bodies.
  - Contributions from other local authorities.
  - Value of costs recharged to outside bodies including other committees.
- Customer and Client Receipts
- Sales products or materials, data technology or surplus products.
  - Fee and charges for services, use of facilities, admissions and lettings
  - Rents, tithes, acknowledgements. way leaves and other land and property based charges of a non-casual user.
- Interest
- Recharges
- Value of costs recharged to internal users
- Reserves
- All credits resulting from soft loans should be included in this subjective
  - (as a corporate entry).

## SUMMARY

<b>FULL TIME EQUIVALENTS</b>		<b>2013/14</b>	<b>2014/15</b>		
Number of FTE Staff		2,133.5	2,163.5		
Number of FTE Sutton/PCT TUPE Staff		61.5	64.8		
Total FTE Staff		2,195.0	2,228.3		
<b>SERVICE AREA ANALYSIS</b>		<b>2013/14 Estimate £000</b>	<b>Inflation £000</b>	<b>Other Variations £000</b>	<b>2014/15 Estimate £000</b>
Corporate Services		10,530	194	562	11,285
Education Services	]				
Children's Services	] CSF	50,712	766	(3,438)	48,040
Environment and Regeneration		25,778	391	(3,315)	22,854
Adult Social Care	]				
Cultural Services	] C&H	63,472	552	(2,692)	61,333
Housing General Fund	]				
Public Health		0	0	0	0
CRM		159		(159)	0
Single Status		474		(373)	101
Pay Award		790	17	0	807
<b>TOTAL NET SERVICE EXPENDITURE</b>		<b>151,915</b>	<b>1,919</b>	<b>(9,415)</b>	<b>144,420</b>
Corporate Provisions/Appropriations		12,345	0	5,777	18,123
<b>NET EXPENDITURE</b>		<b>164,260</b>	<b>1,919</b>	<b>(3,637)</b>	<b>162,542</b>
<b>Funded by:</b>					
Revenue Support Grant		(47,221)	0	7,482	(39,738)
Business Rates		(32,019)	0	(2,352)	(34,371)
New Homes Bonus		(2,724)	0	(475)	(3,199)
Council Tax		(73,850)	0	(1,199)	(75,049)
Council Tax Freeze Grant 2013/14		(835)	0	835	0
Council Tax Freeze Grant 2014/15		0	0	(858)	(858)
WPCC Levy		(269)	0	(25)	(293)
Collection Fund		(2,545)	0	(1,691)	(4,236)
PFI Grant		(4,797)	0	0	(4,797)
		<b>(164,260)</b>	<b>0</b>	<b>1,718</b>	<b>(162,542)</b>
		<b>0</b>	<b>1,919</b>	<b>(1,919)</b>	<b>0</b>
Other Variations: Contingency/Other					
<b>Major Items: Corporate Provisions</b>		<b>£000</b>	<b>fte</b>		
Corporate borrowing and Investment		(297)	0.0		
Further prov. re-venueisation/RCCO		547	0.0		
Pension Fund and Auto-enrolment		8,347	0.0		
Contingency/centrally held provisions		(29)	0.0		
Change in Grants		(47)	0.0		
CHAS - Council Tax loss		(1,226)	0.0		
Appropriation to/from Reserves		0	0.0		
Depreciation and impairment		(1,535)	0.0		
Council Tax Freeze Grant 2012/13		0	0.0		
Levies		17	0.0		
<b>TOTAL</b>		<b>5,777</b>	<b>0</b>		

## CORPORATE ITEMS ANALYSIS

	2013/14 Estimate £000	Inflation £000	Other Variations £000	2014/15 Estimate £000
<b>Expenditure</b>				
Cost of Borrowing including Minimum Revenue Provision	14,261	0	(158)	14,103
Further provision for revaluation/RCCO	1,618	0	547	2,165
Pension Fund	4,787	0	8,347	13,134
Pensions: Auto-enrolment	300	0	0	300
Centrally held provision for Utilities inflation	1,000	0	(700)	300
Adjustment re Income re P3/P4	0	0	400	400
Provision for excess inflation	314	0	271	585
Bad Debt Provision	500	0	0	500
Contingency	1,500	0	0	1,500
Change in Corporate Specific and Special Grants	0	0	(47)	(47)
CHAS - Council Tax Loss	1,226	0	(1,226)	0
<b>Levies:-</b>				
Lee Valley	220		(5)	214
London Pensions Fund	268		(2)	266
Environment Agency	157		0	157
WPC	269		25	293
<b>GROSS EXPENDITURE</b>	<b>26,420</b>	<b>0</b>	<b>7,451</b>	<b>33,871</b>
<b>Income</b>				
Investment Income	(383)		(139)	(522)
Depreciation & Impairment	(13,692)		(1,535)	(15,227)
Use of Reserves - Closing the Gap Reserve	0		0	0
<b>GROSS INCOME</b>	<b>(14,075)</b>	<b>0</b>	<b>(1,674)</b>	<b>(15,749)</b>
<b>NET EXPENDITURE</b>	<b>12,345</b>	<b>0</b>	<b>5,777</b>	<b>18,123</b>

# **Children, Schools and Families Department Estimates 2014-15**

## CHILDREN, SCHOOLS AND FAMILIES DEPARTMENT

This Page contains the Budget for the whole Children, Schools and Families Department including funding provided directly to Merton's Schools

### FULL TIME EQUIVALENTS

Number of FTE Staff

2013/14	2014/15	DSG	LA
497.1	520.9	75.4	445.5

### SUBJECTIVE ANALYSIS OF ESTIMATES

	2013/14 Estimate £000	Inflation £000	Other Variations £000	2014/15 Estimate £000	2014/15 DSG Estimate £000	2014/15 LA Estimate £000
<b>Expenditure</b>						
Employees	25,036	(26)	124	25,134	4,202	20,932
Premises	804	15	605	1,424	209	1,215
Transport	3,440	49	(150)	3,339	63	3,276
Supplies and Services	142,473	531	(4,319)	138,685	130,482	8,203
Third Party Payments	26,510	211	337	27,058	10,445	16,613
Transfer Payments	431	6	(20)	417	0	417
Support Services	4,657	0	(87)	4,570	138	4,432
Depreciation and Impairment Losses	4,989	0	246	5,235	0	5,235
<b>GROSS EXPENDITURE</b>	<b>208,340</b>	<b>786</b>	<b>(3,264)</b>	<b>205,862</b>	<b>145,539</b>	<b>60,323</b>
<b>Income</b>						
Government Grants	(146,458)	0	(554)	(147,012)	(142,184)	(4,828)
Other Reimbursements and Contributions	(6,999)	0	514	(6,485)	(1,160)	(5,325)
Customer and Client Receipts	(4,235)	(20)	(114)	(4,369)	(2,195)	(2,174)
Interest	(44)	0	0	(44)	0	(44)
Recharges	0	0	0	0	0	0
Reserves	108	0	(20)	88	0	88
<b>GROSS INCOME</b>	<b>(157,628)</b>	<b>(20)</b>	<b>(174)</b>	<b>(157,822)</b>	<b>(145,539)</b>	<b>(12,283)</b>
<b>NET EXPENDITURE</b>	<b>50,712</b>	<b>766</b>	<b>(3,438)</b>	<b>48,040</b>	<b>0</b>	<b>48,040</b>

Other Variations are analysed as follows:

Major Items	£000	fte
Savings	(860)	(10.6)
Overhead adjustments	0	
Depreciation adjustments	453	
Technical adjustments	(2,636)	
Revenuisation	(390)	
Transfers between departments	(5)	
<b>TOTAL</b>	<b>(3,438)</b>	<b>(10.6)</b>

## SUMMARY: CHILDREN, SCHOOLS AND FAMILIES DEPARTMENT

### FULL TIME EQUIVALENTS

Number of FTE Staff

2013/14	2014/15	DSG	LA
497.1	520.9	75.4	445.5

### SERVICE AREA ANALYSIS

	2013/14 Estimate £000	Inflation £000	Other Variations £000	2014/15 Estimate £000	2014/15 DSG Estimate £000	2014/15 LA Estimate £000
Senior Management	1,314	11	(29)	1,296	0	1,296
Childrens Social Care	13,131	53	(54)	13,130	97	13,033
Commissioning, Strategy and Performance	13,670	88	(499)	13,259	4,533	8,726
Education	29,204	114	5,409	34,727	21,603	13,124
Schools	(15,954)	0	(5,246)	(21,200)	(26,233)	5,033
Other Childrens, Schools and Families	9,347	500	(3,019)	6,828	0	6,828
<b>TOTAL NET EXPENDITURE</b>	<b>50,712</b>	<b>766</b>	<b>(3,438)</b>	<b>48,040</b>	<b>0</b>	<b>48,040</b>

## CHILDREN, SCHOOLS AND FAMILIES DEPARTMENT

### Senior Management

This budget contains provision for the Senior Management of Children, Schools and Families Department.

#### FULL TIME EQUIVALENTS

Number of FTE Staff

2013/14	2014/15	DSG	LA
4.0	4.0	0.0	4.0

#### SUBJECTIVE ANALYSIS OF ESTIMATES

	2013/14 Estimate £000	Inflation £000	Other Variations £000	2014/15 Estimate £000	2014/15 DSG Estimate £000	2014/15 LA Estimate £000
<b>Expenditure</b>						
Employees	514	0	(19)	495	0	495
Premises	0	0	0	0	0	0
Transport	1	0	(1)	0	0	0
Supplies and Services	741	11	(9)	743	0	743
Third Party Payments	0	0	0	0	0	0
Transfer Payments	0	0	0	0	0	0
Support Services	58	0	0	58	0	58
Depreciation and Impairment Losses	0	0	0	0	0	0
<b>GROSS EXPENDITURE</b>	<b>1,314</b>	<b>11</b>	<b>(29)</b>	<b>1,296</b>	<b>0</b>	<b>1,296</b>
<b>Income</b>						
Government Grants	0	0	0	0	0	0
Other Reimbursements and Contributions	0	0	0	0	0	0
Customer and Client Receipts	0	0	0	0	0	0
Interest	0	0	0	0	0	0
Recharges	0	0	0	0	0	0
Reserves	0	0	0	0	0	0
<b>GROSS INCOME</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>NET EXPENDITURE</b>	<b>1,314</b>	<b>11</b>	<b>(29)</b>	<b>1,296</b>	<b>0</b>	<b>1,296</b>

Other Variations are analysed as follows:

Major Items	£000	fte
Overhead adjustments	0	
Transfer between departments	0	
Shared legal services devolved budgets	0	
Technical adjustments	(29)	
<b>TOTAL</b>	<b>(29)</b>	<b>0.0</b>

## CHILDREN, SCHOOLS AND FAMILIES DEPARTMENT

### Children's Social Care

This budget contains the funding for central social work; family and adolescent service; Mash and child protection; permanency, placements and looked after children; as well as safeguarding, standards and training.

#### FULL TIME EQUIVALENTS

Number of FTE Staff

2013/14	2014/15	DSG	LA
206.4	207.2	2.0	205.2

#### SUBJECTIVE ANALYSIS OF ESTIMATES

	2013/14 Estimate £000	Inflation £000	Other Variations £000	2014/15 Estimate £000	2014/15 DSG Estimate £000	2014/15 LA Estimate £000
<b>Expenditure</b>						
Employees	9,217	3	278	9,497	92	9,405
Premises	121	2	1	124	0	124
Transport	191	2	(8)	186	1	185
Supplies and Services	1,198	13	(115)	1,096	4	1,092
Third Party Payments	1,844	27	(90)	1,781	0	1,781
Transfer Payments	412	6	(20)	398	0	398
Support Services	1,899	0	(154)	1,745	0	1,745
Depreciation and Impairment Losses	11	0	0	11	0	11
<b>GROSS EXPENDITURE</b>	<b>14,893</b>	<b>53</b>	<b>(108)</b>	<b>14,838</b>	<b>97</b>	<b>14,741</b>
<b>Income</b>						
Government Grants	(957)	0	(25)	(982)	0	(982)
Other Reimbursements and Contributions	(633)	0	98	(535)	0	(535)
Customer and Client Receipts	(5)	0	0	(5)	0	(5)
Interest	0	0	0	0	0	0
Recharges	0	0	0	0	0	0
Reserves	(167)	0	(19)	(186)	0	(186)
<b>GROSS INCOME</b>	<b>(1,762)</b>	<b>0</b>	<b>54</b>	<b>(1,708)</b>	<b>0</b>	<b>(1,708)</b>
<b>NET EXPENDITURE</b>	<b>13,131</b>	<b>53</b>	<b>(54)</b>	<b>13,130</b>	<b>97</b>	<b>13,033</b>

Other Variations are analysed as follows:

Major Items	£000	fte
Savings	(100)	(2.8)
Overhead adjustments	0	
Depreciation adjustments	0	
Transfer between departments	0	
Technical adjustments	45	
<b>TOTAL</b>	<b>(55)</b>	<b>(2.8)</b>



## CHILDREN, SCHOOLS AND FAMILIES DEPARTMENT

### Commissioning, Strategy and Performance

This page contains the budgets for access to resources service; policy, planning and performance; joint commissioning and partnerships; as well as contract procurement and school organisation.

#### FULL TIME EQUIVALENTS

Number of FTE Staff

2013/14	2014/15	DSG	LA
48.8	56.3	5.9	50.4

#### SUBJECTIVE ANALYSIS OF ESTIMATES

	2013/14 Estimate £000	Inflation £000	Other Variations £000	2014/15 Estimate £000	2014/15 DSG Estimate £000	2014/15 LA Estimate £000
<b>Expenditure</b>						
Employees	2,118	0	140	2,258	201	2,057
Premises	138	1	393	532	125	407
Transport	39	1	1	41	7	33
Supplies and Services	6,849	57	(557)	6,349	2,030	4,319
Third Party Payments	6,915	31	(1,085)	5,861	4,019	1,843
Transfer Payments	0	0	0	0	0	0
Support Services	512	0	83	595	32	563
Depreciation and Impairment Losses	0	0	0	0	0	0
<b>GROSS EXPENDITURE</b>	<b>16,571</b>	<b>90</b>	<b>(1,025)</b>	<b>15,636</b>	<b>6,414</b>	<b>9,222</b>
<b>Income</b>						
Government Grants	(746)	0	640	(106)	0	(106)
Other Reimbursements and Contributions	(209)	0	(101)	(310)	(28)	(282)
Customer and Client Receipts	(1,946)	(2)	(13)	(1,961)	(1,853)	(108)
Interest	0	0	0	0	0	0
Recharges	0	0	0	0	0	0
Reserves	0	0	0	0	0	0
<b>GROSS INCOME</b>	<b>(2,901)</b>	<b>(2)</b>	<b>526</b>	<b>(2,377)</b>	<b>(1,881)</b>	<b>(496)</b>
<b>NET EXPENDITURE</b>	<b>13,670</b>	<b>88</b>	<b>(499)</b>	<b>13,259</b>	<b>4,533</b>	<b>8,726</b>

Other Variations are analysed as follows:

Major Items	£000	fte
Savings	(350)	(2.00)
Overhead adjustments	0	
Transfer between departments	0	
Revenuisation	(390)	
Technical adjustments	241	
<b>TOTAL</b>	<b>(499)</b>	<b>(2.00)</b>

## CHILDREN, SCHOOLS AND FAMILIES DEPARTMENT

### Education

To page contains the budgets for school improvement; early years and children's centres; education inclusion; as well as special educational needs and disability integrated service.

#### FULL TIME EQUIVALENTS

Number of FTE Staff

2013/14	2014/15	DSG	LA
235.7	251.2	67.5	183.7

#### SUBJECTIVE ANALYSIS OF ESTIMATES

	2013/14 Estimate £000	Inflation £000	Other Variations £000	2014/15 Estimate £000	2014/15 DSG Estimate £000	2014/15 LA Estimate £000
<b>Expenditure</b>						
Employees	10,453	0	(348)	10,105	3,270	6,835
Premises	511	12	211	734	50	684
Transport	3,210	48	(147)	3,111	55	3,056
Supplies and Services	12,779	58	1,119	13,956	12,197	1,759
Third Party Payments	8,430	13	992	9,435	6,426	3,009
Transfer Payments	19	0	0	19	0	19
Support Services	2,188	0	(31)	2,157	106	2,051
Depreciation and Impairment Losses	58	0	133	191	0	191
<b>GROSS EXPENDITURE</b>	<b>37,648</b>	<b>131</b>	<b>1,929</b>	<b>39,708</b>	<b>22,104</b>	<b>17,604</b>
<b>Income</b>						
Government Grants	(2,261)	0	2,011	(250)	(80)	(170)
Other Reimbursements and Contributions	(3,958)	0	1,569	(2,389)	(79)	(2,310)
Customer and Client Receipts	(2,225)	(17)	(100)	(2,342)	(342)	(2,000)
Interest	0	0	0	0	0	0
Recharges	0	0	0	0	0	0
Reserves	0	0	0	0	0	0
<b>GROSS INCOME</b>	<b>(8,444)</b>	<b>(17)</b>	<b>3,480</b>	<b>(4,981)</b>	<b>(501)</b>	<b>(4,480)</b>
<b>NET EXPENDITURE</b>	<b>29,204</b>	<b>114</b>	<b>5,409</b>	<b>34,727</b>	<b>21,603</b>	<b>13,124</b>

Other Variations are analysed as follows:

Major Items	£000	fte
Savings	(410)	(5.7)
Overhead adjustments	0	
Transfer between departments	(6)	
Depreciation adjustments	133	
Technical adjustments	5,692	
<b>TOTAL</b>	<b>5,409</b>	<b>(5.7)</b>

## CHILDREN, SCHOOLS AND FAMILIES DEPARTMENT

### Schools

This budget covers schools funding as well as some centrally retained DSG money to support the schools function.

#### FULL TIME EQUIVALENTS

Number of FTE Staff

2013/14	2014/15	DSG	LA
0.0	0.0	0.0	0.0

#### SUBJECTIVE ANALYSIS OF ESTIMATES

	2013/14		Other	2014/15	2014/15	2014/15
	Estimate	Inflation	Variations	Estimate	DSG	LA
	£000	£000	£000	£000	Estimate	Estimate
					£000	£000
<b>Expenditure</b>						
Employees	625	0	13	638	638	0
Premises	34	0	0	34	34	0
Transport	0	0	0	0	0	0
Supplies and Services	120,830	0	(4,578)	116,252	116,252	0
Third Party Payments	0	0	0	0	0	0
Transfer Payments	0	0	0	0	0	0
Support Services	0	0	0	0	0	0
Depreciation and Impairment Losses	4,920	0	113	5,033	0	5,033
<b>GROSS EXPENDITURE</b>	<b>126,409</b>	<b>0</b>	<b>(4,452)</b>	<b>121,957</b>	<b>116,924</b>	<b>5,033</b>
<b>Income</b>						
Government Grants	(142,363)	0	259	(142,104)	(142,104)	0
Other Reimbursements and Contributions	0	0	(1,053)	(1,053)	(1,053)	0
Customer and Client Receipts	0	0	0	0	0	0
Interest	0	0	0	0	0	0
Recharges	0	0	0	0	0	0
Reserves	0	0	0	0	0	0
<b>GROSS INCOME</b>	<b>(142,363)</b>	<b>0</b>	<b>(794)</b>	<b>(143,157)</b>	<b>(143,157)</b>	<b>0</b>
<b>NET EXPENDITURE</b>	<b>(15,954)</b>	<b>0</b>	<b>(5,246)</b>	<b>(21,200)</b>	<b>(26,233)</b>	<b>5,033</b>

Other Variations are analysed as follows:

Major Items	£000	fte
Depreciation adjustments	320	
Technical adjustments	(5,566)	
<b>TOTAL</b>	<b>(5,246)</b>	<b>0</b>

## CHILDREN, SCHOOLS AND FAMILIES DEPARTMENT

### Other Children Schools and Families Budgets

This budget covers residual schools retained budgets, asylum seeker costs, past and present pension and redundancy costs and PFI unitary charges.

#### FULL TIME EQUIVALENTS

Number of FTE Staff

2013/14	2014/15	DSG	LA
2.2	2.2	0.0	2.2

#### SUBJECTIVE ANALYSIS OF ESTIMATES

	2013/14 Estimate £000	Inflation £000	Other Variations £000	2014/15 Estimate £000	2014/15 DSG Estimate £000	2014/15 LA Estimate £000
<b>Expenditure</b>						
Employees	2,109	(30)	61	2,140	0	2,140
Premises	0	0	0	0	0	0
Transport	0	0	0	0	0	0
Supplies and Services	75	392	(175)	292	0	292
Third Party Payments	9,321	139	519	9,979	0	9,979
Transfer Payments	0	0	0	0	0	0
Support Services	0	0	16	16	0	16
Depreciation and Impairment Losses	0	0	0	0	0	0
<b>GROSS EXPENDITURE</b>	<b>11,505</b>	<b>501</b>	<b>421</b>	<b>12,427</b>	<b>0</b>	<b>12,427</b>
<b>Income</b>						
Government Grants	(130)	0	(3,440)	(3,570)	0	(3,570)
Other Reimbursements and Contributions	(2,198)	0	0	(2,198)	0	(2,198)
Customer and Client Receipts	(60)	(1)	0	(61)	0	(61)
Interest	(44)	0	0	(44)	0	(44)
Recharges	0	0	0	0	0	0
Reserves	274	0	0	274	0	274
<b>GROSS INCOME</b>	<b>(2,158)</b>	<b>(1)</b>	<b>(3,440)</b>	<b>(5,599)</b>	<b>0</b>	<b>(5,599)</b>
<b>NET EXPENDITURE</b>	<b>9,347</b>	<b>500</b>	<b>(3,019)</b>	<b>6,828</b>	<b>0</b>	<b>6,828</b>

Other Variations are analysed as follows:

Major Items	£000	fte
Savings	0	
Overhead adjustments	0	
Technical adjustments	(3,019)	
<b>TOTAL</b>	<b>(3,019)</b>	<b>0.0</b>

# **Community and Housing Department Estimates 2014-15**

## COMMUNITY AND HOUSING DEPARTMENT Total

The department includes Adult Social Care, Housing, Libraries and Merton Adult Education.

### FULL TIME EQUIVALENTS

	2013/14	2014/15
Number of FTE Staff	527.91	531.08
Number of FTE PCT TUPE staff	19.88	24.24

### SUBJECTIVE ANALYSIS OF ESTIMATES

	2013/14 Original Estimate £000	Inflation £000	Other Variations £000	2014/15 Estimate £000
<b>Expenditure</b>				
Employees	19,499	15	(404)	19,110
Premises	1,059	16	19	1,094
Transport	1,415	21	(234)	1,202
Supplies and Services	4,824	66	285	5,175
Third Party Payments	41,939	637	(792)	41,784
Transfer Payments	13,030	0	(3,298)	9,732
Support Services	8,538	0	(182)	8,356
Depreciation and Impairment Losses	725	0	14	739
<b>GROSS EXPENDITURE</b>	<b>91,028</b>	<b>755</b>	<b>(4,592)</b>	<b>87,192</b>
<b>Income</b>				
Government Grants	(2,802)	0	(175)	(2,977)
Other Reimbursements and Contributions	(10,135)	0	2,080	(8,055)
Customer and Client Receipts	(11,277)	(203)	(171)	(11,651)
Interest	0	0	0	0
Recharges	(3,317)	0	208	(3,109)
Reserves	(25)	0	(42)	(67)
<b>GROSS INCOME</b>	<b>(27,556)</b>	<b>(203)</b>	<b>1,900</b>	<b>(25,859)</b>
<b>NET EXPENDITURE</b>	<b>63,473</b>	<b>552</b>	<b>(2,692)</b>	<b>61,333</b>

Other Variations are analysed as follows:

Major Items	£000	fte
Current Year savings	(2,465)	0
Previous years savings	0	0
Previous years growth	1,243	0
Overheads adjustments	26	0
Depreciation adjustments	14	0
Rebasing of Income	553	0
Technical adjustments	355	0
Transfers between departments	252	6.03
Grants	(4)	0
Other	(2,666)	0
<b>TOTAL</b>	<b>(2,692)</b>	<b>6.03</b>

**SUMMARY: COMMUNITY AND HOUSING  
DEPARTMENT**

**FULL TIME EQUIVALENTS**

**Number of FTE Staff  
Number of FTE PCT TUPE  
staff**

2013/14	2014/15
524.71	531.08
19.88	24.24
544.59	555.32

**SERVICE AREA ANALYSIS**

	CHANGE BETWEEN YEARS			2014/15 Estimate £000
	2013/2014 Current Estimate £000	Inflation £000	Other £000	
Senior Management	356	4	36	396
Adult Social Care	57,683	513	(2,698)	55,498
Libraries and Heritage	3,303	12	(122)	3,193
Merton Adult Education	173	7	(141)	39
Housing General Fund	1,958	16	233	2,207
<b>NET EXPENDITURE</b>	<b>63,473</b>	<b>552</b>	<b>(2,692)</b>	<b>61,333</b>

## COMMUNITY AND HOUSING DEPARTMENT Senior Management

This area includes the cost of the Director and PA.

### FULL TIME EQUIVALENTS

Number of FTE Staff  
Number of FTE PCT TUPE staff

2013/14	2014/15
2.00	2.00
0.00	0.00

### SUBJECTIVE ANALYSIS OF ESTIMATES

	2013/14 Original Estimate £000	Inflation £000	Other Variations £000	2014/15 Estimate £000
<b>Expenditure</b>				
Employees	224	0	0	224
Premises	0	0	0	0
Transport	0	0	0	0
Supplies and Services	90	4	40	134
Third Party Payments	0	0	0	0
Transfer Payments	0	0	0	0
Support Services	42	0	(4)	38
Depreciation and Impairment Losses	0	0	0	0
<b>GROSS EXPENDITURE</b>	<b>356</b>	<b>4</b>	<b>36</b>	<b>396</b>
<b>Income</b>				
Government Grants	0	0	0	0
Other Reimbursements and Contributions	0	0	0	0
Customer and Client Receipts	0	0	0	0
Interest	0	0	0	0
Recharges	0	0	0	0
Reserves	0	0	0	0
<b>GROSS INCOME</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>NET EXPENDITURE</b>	<b>356</b>	<b>4</b>	<b>36</b>	<b>396</b>

Other Variations are analysed as follows:

Major Items	£000	fte
Current Year savings	0	
Previous years savings	0	
Growth	0	
Overheads adjustments	(4)	
Depreciation adjustments	0	
Rebasing of Income	0	
Technical adjustments	40	
Transfers between departments	0	
Grants	0	
Other	0	
<b>TOTAL</b>	<b>36</b>	<b>0.00</b>



## COMMUNITY AND HOUSING DEPARTMENT Adult Social Care

This area includes Older People, Mental Health, Learning Disability, Physical Disability and sensory Impaired clients. It also includes No Recourse to Public Fund, aids support and substance misuse clients, concessionary fares and clients receiving other services.

### FULL TIME EQUIVALENTS

Number of FTE Staff

2013/14	2014/15
422.65	420.19

Number of FTE PCT TUPE staff

19.88	24.24
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### SUBJECTIVE ANALYSIS OF ESTIMATES

#### Expenditure

	2013/14 Original Estimate £000	Inflation £000	Other Variations £000	2014/15 Estimate £000
Employees	15,181	15	(732)	14,464
Premises	500	8	(27)	481
Transport	1,390	21	(244)	1,167
Supplies and Services	3,592	45	277	3,914
Third Party Payments	40,964	622	(1,021)	40,565
Transfer Payments	12,550	0	(3,156)	9,394
Support Services	7,166	0	(125)	7,041
Depreciation and Impairment Losses	76	0	0	76

#### GROSS EXPENDITURE

<b>81,419</b>	<b>711</b>	<b>(5,028)</b>	<b>77,102</b>
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#### Income

Government Grants	(131)	0	(4)	(135)
Other Reimbursements and Contributions	(10,012)	0	2,076	(7,936)
Customer and Client Receipts	(10,276)	(198)	50	(10,424)
Interest	0	0	0	0
Recharges	(3,317)	0	208	(3,109)
Reserves	(0)	0	0	0

#### GROSS INCOME

<b>(23,736)</b>	<b>(198)</b>	<b>2,330</b>	<b>(21,604)</b>
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#### NET EXPENDITURE

<b>57,683</b>	<b>513</b>	<b>(2,698)</b>	<b>55,498</b>
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Other Variations are analysed as follows:

Major Items	£000	fte
Current Year savings	(2,187)	
Previous years savings	0	
Growth	1,243	
Overheads adjustments	83	
Depreciation adjustments	0	
Rebasing of Income	553	
Technical adjustments	293	
Transfers between departments	(3)	
Grants	(4)	
Other	(2,676)	
<b>TOTAL</b>	<b>(2,698)</b>	<b>0.00</b>

## COMMUNITY AND HOUSING DEPARTMENT Library & Heritage Services

Services are provided through three main town centre libraries, Mitcham, Morden, Wimbledon and four neighbourhood libraries, Donald Hope, Pollards Hill, Raynes Park and West Barnes. Additional services available are home visits and school services. Also available is the Heritage Service located at Morden Library.

### FULL TIME EQUIVALENTS

Number of FTE Staff

2013/14	2014/15
46.40	47.00

### SUBJECTIVE ANALYSIS OF ESTIMATES

	2013/14 Original Estimate £000	Inflation £000	Other Variations £000	2013/14 Estimate £000
<b>Expenditure</b>				
Employees	1,319	0	8	1,327
Premises	418	6	(23)	401
Transport	3	0	1	4
Supplies and Services	618	9	(45)	582
Third Party Payments	66	1	(2)	65
Transfer Payments	0	0	0	0
Support Services	814	0	(125)	689
Depreciation and Impairment Losses	553	0	13	566
<b>GROSS EXPENDITURE</b>	<b>3,791</b>	<b>16</b>	<b>(173)</b>	<b>3,634</b>
<b>Income</b>				
Government Grants	0	0	0	0
Other Reimbursements and Contributions	(120)	0	6	(114)
Customer and Client Receipts	(343)	(4)	20	(327)
Interest	0	0	0	0
Recharges	0	0	0	0
Reserves	(25)	0	25	0
<b>GROSS INCOME</b>	<b>(488)</b>	<b>(4)</b>	<b>51</b>	<b>(441)</b>
<b>NET EXPENDITURE</b>	<b>3,303</b>	<b>12</b>	<b>(122)</b>	<b>3,193</b>

Other Variations are analysed as follows:

Major Items	£000	fte
Current Year savings	(10)	
Previous years savings	0	
Previous years growth	0	
Overheads adjustments	(125)	
Depreciation adjustments	13	
Rebasing of Income	0	
Technical adjustments	15	
Transfers between departments	(15)	
Grants	0	
Other	0	
<b>TOTAL</b>	<b>(122)</b>	<b>0.00</b>

## COMMUNITY AND HOUSING DEPARTMENT Adult Education

Provides high quality learning and training needs of Merton communities for ages 16-65. Funded by LSC, MAE is able to support financially qualifying learners and or offer free courses. Services are provided through two main town centres Whatley Avenue, Wimbledon's Marlborough hall, and four neighbourhood centres, Cobham Court, Mitham's Canons house, Pollards Hill and Morden libraries.

### FULL TIME EQUIVALENTS

Number of FTE Staff

2013/14	2014/15
31.36	29.36

### SUBJECTIVE ANALYSIS OF ESTIMATES

	2013/14		Other Variations £000	2014/15
	Original £000	Inflation £000		Estimate £000
<b>Expenditure</b>				
Employees	1,813	0	(28)	1,785
Premises	141	2	31	174
Transport	3	0	(0)	3
Supplies and Services	334	5	6	345
Third Party Payments	0	0	0	0
Transfer Payments	0	0	0	0
Support Services	286	0	25	311
Depreciation and Impairment Losses	96	0	1	97
<b>GROSS EXPENDITURE</b>	<b>2,673</b>	<b>7</b>	<b>35</b>	<b>2,715</b>
<b>Income</b>				
Government Grants	(1,873)	0	0	(1,873)
Other Reimbursements and Contributions	(3)	0	3	0
Customer and Client Receipts	(624)	0	(179)	(803)
Interest	0	0	0	0
Recharges	0	0	0	0
Reserves	0	0	0	0
<b>GROSS INCOME</b>	<b>(2,500)</b>	<b>0</b>	<b>(176)</b>	<b>(2,676)</b>
<b>NET EXPENDITURE</b>	<b>173</b>	<b>7</b>	<b>(141)</b>	<b>39</b>

Other Variations are analysed as follows:

Major Items	£000	fte
Current Year savings	(176)	
Previous years savings	0	
Previous years growth	0	
Overheads adjustments	25	
Depreciation adjustments	1	
Rebasing of Income	0	
Technical adjustments	(2)	
Transfers between departments	0	
Grants	0	
Other	11	
<b>TOTAL</b>	<b>(141)</b>	<b>0.00</b>

**COMMUNITY AND HOUSING DEPARTMENT**  
**Housing General Fund**

**Housing Needs and Enabling Service**

**FULL TIME EQUIVALENTS**

Number of FTE Staff

2013/14	2014/15
25.5	32.5

**SUBJECTIVE ANALYSIS OF ESTIMATES**

	2013/14 Original Estimate £000	Inflation £000	Other Variations £000	2014/15 Estimate £000
<b>Expenditure</b>				
Employees	962	0	348	1,310
Premises	1	0	37	38
Transport	18	0	10	28
Supplies and Services	190	3	7	200
Third Party Payments	909	14	231	1,154
Transfer Payments	480	0	(142)	338
Support Services	230	0	47	277
Depreciation and Impairment Losses	0	0	0	0
<b>GROSS EXPENDITURE</b>	<b>2,790</b>	<b>17</b>	<b>538</b>	<b>3,345</b>
<b>Income</b>				
Government Grants	(798)	0	(171)	(969)
Other Reimbursements and Contributions	0	0	(5)	(5)
Customer and Client Receipts	(34)	(1)	(62)	(97)
Interest	0	0	0	0
Recharges	0	0	0	0
Reserves	0	0	(67)	(67)
<b>GROSS INCOME</b>	<b>(832)</b>	<b>(1)</b>	<b>(305)</b>	<b>(1,138)</b>
<b>NET EXPENDITURE</b>	<b>1,958</b>	<b>16</b>	<b>233</b>	<b>2,207</b>

Other Variations are analysed as follows:

Major Items	£000	fte
Current Year savings	(92)	
Previous years savings	0	
Growth	0	
Overheads adjustments	47	
Depreciation adjustments	0	
Rebasing of Income	0	
Technical adjustments	9	
Transfers between departments	270	6.03
Grants	0	
Other	(1)	
<b>TOTAL</b>	<b>233</b>	<b>6.03</b>

## COMMUNITY AND HOUSING DEPARTMENT Public Health

This area includes all Public Health responsibilities.

### FULL TIME EQUIVALENTS

Number of FTE Staff  
Number of FTE PCT TUPE staff

2013/14	2014/15
9.00	13.77
0.00	0.00

### SUBJECTIVE ANALYSIS OF ESTIMATES

	2013/14 Original Estimate £000	Inflation £000	Other Variations £000	2014/15 Estimate £000
<b>Expenditure</b>				
Employees	569	0	353	922
Premises	0	0	0	0
Transport	6	0	1	7
Supplies and Services	4,227	0	204	4,431
Third Party Payments	4,086	0	288	4,374
Transfer Payments	0	0	0	0
Support Services	97	0	13	110
Depreciation and Impairment Losses	0	0	0	0
<b>GROSS EXPENDITURE</b>	<b>8,985</b>	<b>0</b>	<b>859</b>	<b>9,844</b>
<b>Income</b>				
Government Grants	(8,985)	0	(251)	(9,236)
Other Reimbursements and Contributions	0	0	(608)	(608)
Customer and Client Receipts	0	0	0	0
Interest	0	0	0	0
Recharges	0	0	0	0
Reserves	(0)	0	0	0
<b>GROSS INCOME</b>	<b>(8,985)</b>	<b>0</b>	<b>(859)</b>	<b>(9,844)</b>
<b>NET EXPENDITURE</b>	<b>(0)</b>	<b>0</b>	<b>0</b>	<b>0</b>

Other Variations are analysed as follows:

Major Items	£000	fte
Current Year savings	0	
Previous years savings	0	
Growth	0	
Overheads adjustments	9	
Depreciation adjustments	0	
Rebasing of Income	0	
Technical adjustments	242	4.77
Transfers between departments	0	
Grants	(251)	
Other	0	
<b>TOTAL</b>	<b>0</b>	<b>4.77</b>

# **Corporate Services Department Estimates 2014-15**

## SUMMARY: CORPORATE SERVICES DEPARTMENT

### FULL TIME EQUIVALENTS

Number of FTE Staff

Number of FTE Sutton TUPE staff

2013/14	2014/15
444.5	460.5
41.6	40.6
<b>486.1</b>	<b>501.1</b>

### SUBJECTIVE ANALYSIS OF ESTIMATES

	2013/14 Original Estimate £000	Inflation £000	Other Variations £000	2014/15 Estimate £000
<b>Expenditure</b>				
Employees	21,877	32	1,311	23,220
Premises	3,075	31	(224)	2,882
Transport	173	2	(32)	143
Supplies and Services	13,272	165	(2,359)	11,078
Third Party Payments	1,230	20	83	1,333
Transfer Payments	85,566	0	12,623	98,188
Support Services	10,041	0	(781)	9,260
Depreciation and Impairment Losses	1,688	0	231	1,919
<b>GROSS EXPENDITURE</b>	<b>136,922</b>	<b>250</b>	<b>10,851</b>	<b>148,023</b>
<b>Income</b>				
Government Grants	(87,328)	0	(12,411)	(99,739)
Other Reimbursements and Contributions	(2,402)	(2)	(3,009)	(5,413)
Customer and Client Receipts	(9,772)	(55)	3,493	(6,333)
Interest	0	0	0	0
Recharges	(26,890)	0	1,637	(25,253)
Reserves	0	0	0	0
<b>GROSS INCOME</b>	<b>(126,392)</b>	<b>(56)</b>	<b>(10,290)</b>	<b>(136,738)</b>
<b>NET EXPENDITURE</b>	<b>10,529</b>	<b>194</b>	<b>562</b>	<b>11,285</b>

## SUMMARY: CORPORATE SERVICES DEPARTMENT

### FULL TIME EQUIVALENTS

Number of FTE Staff

Number of FTE Sutton TUPE staff

2013/14	2014/15
444.5	460.5
41.6	40.6
<b>486.1</b>	<b>501.1</b>

### SERVICE AREA ANALYSIS

#### CHANGE BETWEEN YEARS

	2013/14 Original Estimate £000	Inflation £000	Other Variations £000	2014/15 Estimate £000
Customer Services	1,240	2	1,222	2,465
Infrastructure & Transactions	171	76	(247)	(0)
Business Improvement	504	10	(445)	69
Corporate Governance	1,704	24	(117)	1,610
Resources	1,487	48	407	1,942
HR	140	7	(143)	4
Corporate Items	5,284	26	(114)	5,196
<b>TOTAL EXPENDITURE</b>	<b>10,529</b>	<b>194</b>	<b>562</b>	<b>11,285</b>
Contingency / Other	0	0	0	0
Capital Financing Adjustment	0	0	0	0
Levies	0	0	0	0
<b>NET EXPENDITURE</b>	<b>10,529</b>	<b>194</b>	<b>562</b>	<b>11,285</b>



## CUSTOMER SERVICES

The Customer Services Division consists of: Merton Link (including the Cash Office, Translation Services and Contact Centre), Support Team, Local Taxation (including Business Rates, Baliff Team and Recovery Team), Benefits Administration, Registrars, Debt Recovery, Corporate Communications, Web Team and Consultation & Community Engagement. CHAS is now trading as a limited company and reported separately.

### FULL TIME EQUIVALENTS

Number of FTE Staff

2013/14	2014/15
162.4	139.4

### SUBJECTIVE ANALYSIS OF ESTIMATES

	2013/14 Original Estimate £000	Inflation £000	Other Variations £000	2014/15 Estimate £000
<b>Expenditure</b>				
Employees	5,749	0	(712)	5,038
Premises	39	0	(19)	20
Transport	91	1	(28)	63
Supplies and Services	3,346	21	(1,920)	1,447
Third Party Payments	475	6	(20)	461
Transfer Payments	0	0	367	367
Support Services	2,753	0	(288)	2,465
Depreciation and Impairment Losses	3	0	0	3
<b>GROSS EXPENDITURE</b>	<b>12,456</b>	<b>29</b>	<b>(2,620)</b>	<b>9,865</b>
<b>Income</b>				
Government Grants	(1,826)	0	(155)	(1,981)
Other Reimbursements and Contributions	(930)	0	0	(930)
Customer and Client Receipts	(6,185)	(27)	4,027	(2,184)
Interest	0	0	0	0
Recharges	(2,275)	0	(30)	(2,305)
Reserves	0	0	0	0
<b>GROSS INCOME</b>	<b>(11,216)</b>	<b>(27)</b>	<b>3,842</b>	<b>(7,400)</b>
<b>NET EXPENDITURE</b>	<b>1,240</b>	<b>2</b>	<b>1,222</b>	<b>2,465</b>

Other Variations are analysed as follows:

Major Items	£000	fte
Previous years savings	(213)	(4.0)
Transfer between Corporate services divisions		(2.0)
Technical adjustments	1,753	(17.0)
Depreciation adjustments		
Overhead adjustments	(318)	
<b>TOTAL</b>	<b>1,222</b>	<b>(23.0)</b>

## INFRASTRUCTURE & TRANSACTIONS

The Infrastructure & Transactions Division consists of Facilities Management, IT Service Delivery, Post & Print Room and Transactional services.

### FULL TIME EQUIVALENTS

Number of FTE Staff

2013/14	2014/15
83.7	82.7

### SUBJECTIVE ANALYSIS OF ESTIMATES

	2013/14 Original Estimate £000	Inflation £000	Other Variations £000	2014/15 Estimate £000
<b>Expenditure</b>				
Employees	3,304	7	55	3,365
Premises	2,908	28	(203)	2,733
Transport	39	1	(7)	33
Supplies and Services	2,828	42	(182)	2,687
Third Party Payments	274	3	(70)	207
Transfer Payments	0	0	0	0
Support Services	930	0	(55)	875
Depreciation and Impairment Losses	1,685	0	231	1,916
<b>GROSS EXPENDITURE</b>	<b>11,967</b>	<b>80</b>	<b>(232)</b>	<b>11,815</b>
<b>Income</b>				
Government Grants	0	0	0	0
Other Reimbursements and Contributions	0	0	0	0
Customer and Client Receipts	(1,990)	(4)	(70)	(2,063)
Interest	0	0	0	0
Recharges	(9,807)	0	55	(9,752)
Reserves	0	0	0	0
<b>GROSS INCOME</b>	<b>(11,797)</b>	<b>(4)</b>	<b>(15)</b>	<b>(11,815)</b>
<b>NET EXPENDITURE</b>	<b>171</b>	<b>76</b>	<b>(247)</b>	<b>(0)</b>

Other Variations are analysed as follows:

Major Items	£000	fte
Previous years savings	(327)	(1.0)
Technical adjustments	(181)	
Depreciation adjustments	261	
Overheads adjustments	0	
<b>TOTAL</b>	<b>(247)</b>	<b>(1.0)</b>

## BUSINESS IMPROVEMENT

The Business Improvement Division consists of IT Business Systems, IT Business Process Re-engineering, Business Improvement and Programme Office.

### FULL TIME EQUIVALENTS

Number of FTE Staff

2013/14	2014/15
29.9	30.9

### SUBJECTIVE ANALYSIS OF ESTIMATES

	2013/14 Original Estimate £000	Inflation £000	Other Variations £000	2014/15 Estimate £000
<b>Expenditure</b>				
Employees	1,477	0	64	1,541
Premises	0	0	0	0
Transport	3	0	0	3
Supplies and Services	639	10	280	928
Third Party Payments	0	0	0	0
Transfer Payments	0	0	0	0
Support Services	339	0	(21)	318
Depreciation and Impairment Losses	0	0	0	0
<b>GROSS EXPENDITURE</b>	<b>2,458</b>	<b>10</b>	<b>323</b>	<b>2,791</b>
<b>Income</b>				
Government Grants	0	0	0	0
Other Reimbursements and Contributions	0	0	0	0
Customer and Client Receipts	(79)	0	(5)	(84)
Interest	0	0	0	0
Recharges	(1,875)	0	(763)	(2,638)
Reserves	0	0	0	0
<b>GROSS INCOME</b>	<b>(1,954)</b>	<b>0</b>	<b>(768)</b>	<b>(2,722)</b>
<b>NET EXPENDITURE</b>	<b>504</b>	<b>10</b>	<b>(445)</b>	<b>69</b>

Other Variations are analysed as follows:

Major Items	£000	fte
Previous years savings	(81)	(1.0)
Transfer between departments		2.0
Technical adjustments	420	
Overheads adjustments	(784)	
<b>TOTAL</b>	<b>(445)</b>	<b>1.0</b>

## CORPORATE GOVERNANCE

The Corporate Governance Division consists of the South London Legal Partnership, Internal Audit, Investigations, Democracy Services, Electoral Services, Information Governance and Safety Services.

### FULL TIME EQUIVALENTS

Number of FTE Staff

2013/14	2014/15
90.5	134.5

### SUBJECTIVE ANALYSIS OF ESTIMATES

	2013/14 Original Estimate £000	Inflation £000	Other Variations £000	2014/15 Estimate £000
<b>Expenditure</b>				
Employees	4,441	3	2,154	6,599
Premises	9	0	1	10
Transport	29	0	5	35
Supplies and Services	1,648	25	(19)	1,654
Third Party Payments	0	0	0	0
Transfer Payments	0	0	0	0
Support Services	705	0	(196)	509
Depreciation and Impairment Losses	0	0	0	0
<b>GROSS EXPENDITURE</b>	<b>6,832</b>	<b>29</b>	<b>1,946</b>	<b>8,807</b>
<b>Income</b>				
Government Grants	0	0	0	0
Other Reimbursements and Contributions	(1,472)	(2)	(3,009)	(4,482)
Customer and Client Receipts	(197)	(4)	(429)	(629)
Interest	0	0	0	0
Recharges	(3,460)	0	1,375	(2,085)
Reserves	0	0	0	0
<b>GROSS INCOME</b>	<b>(5,129)</b>	<b>(5)</b>	<b>(2,063)</b>	<b>(7,197)</b>
<b>NET EXPENDITURE</b>	<b>1,704</b>	<b>24</b>	<b>(117)</b>	<b>1,610</b>

Other Variations are analysed as follows:

Major Items	£000	fte
Previous years savings	(59)	(1.0)
Technical adjustments	(1,237)	45.0
Overhead adjustments	1,179	
<b>TOTAL</b>	<b>(117)</b>	<b>44.0</b>

## RESOURCES

The Resources Division consists of Policy & Strategy, Commercial Services, Business Planning, Accountancy and Business Partners . The Pensions service is now managed by LB Wandsworth. The costs for the directorate function are included within Resources.

### FULL TIME EQUIVALENTS

Number of FTE Staff

2013/14	2014/15
73.2	68.2

### SUBJECTIVE ANALYSIS OF ESTIMATES

	2013/14 Original Estimate £000	Inflation £000	Other Variations £000	2014/15 Estimate £000
<b>Expenditure</b>				
Employees	4,030	0	(209)	3,821
Premises	103	2	0	105
Transport	4	0	0	4
Supplies and Services	4,198	61	(425)	3,834
Third Party Payments	14	0	154	169
Transfer Payments	9	0	0	9
Support Services	823	0	(105)	718
Depreciation and Impairment Losses	0	0	0	0
<b>GROSS EXPENDITURE</b>	<b>9,181</b>	<b>63</b>	<b>(585)</b>	<b>8,660</b>
<b>Income</b>				
Government Grants	0	0	0	0
Other Reimbursements and Contributions	0	0	0	0
Customer and Client Receipts	(789)	(15)	0	(804)
Interest	0	0	0	0
Recharges	(6,905)	0	991	(5,914)
Reserves	0	0	0	0
<b>GROSS INCOME</b>	<b>(7,694)</b>	<b>(15)</b>	<b>991</b>	<b>(6,718)</b>
<b>NET EXPENDITURE</b>	<b>1,487</b>	<b>48</b>	<b>407</b>	<b>1,942</b>

Other Variations are analysed as follows:

Major Items	£000	fte
Previous years savings	(480)	(1.0)
Technical adjustments	0	(4.0)
Overheads adjustments	886	
<b>TOTAL</b>	<b>407</b>	<b>(5.0)</b>

## HR

The HR division consists of: Strategic HR, Business Partnerships, Corporate Learning & Development, Diversity, iTrent Client team, Recruitment & Resourcing, Central Operations Team. The function also interfaces with Staff Side. The HR service is shared with the LB of Sutton. The payroll service is shared with LB of Sutton, LB of Kingston and Richmond.

### FULL TIME EQUIVALENTS

Number of FTE Staff

Number of FTE Sutton TUPE staff

2013/14	2014/15
4.8	4.8
41.6	40.6
<b>46.4</b>	<b>45.4</b>

### SUBJECTIVE ANALYSIS OF ESTIMATES

	2013/14 Original Estimate £000	Inflation £000	Other Variations £000	2014/15 Estimate £000
<b>Expenditure</b>				
Employees	2,220	6	(40)	2,185
Premises	17	0	(3)	15
Transport	7	0	(2)	5
Supplies and Services	210	3	5	218
Third Party Payments	255	4	0	259
Transfer Payments	0	0	0	0
Support Services	533	0	(82)	451
Depreciation and Impairment Losses	0	0	0	0
<b>GROSS EXPENDITURE</b>	<b>3,241</b>	<b>13</b>	<b>(122)</b>	<b>3,132</b>
<b>Income</b>				
Government Grants	0	0	0	0
Other Reimbursements and Contributions	0	0	0	0
Customer and Client Receipts	(533)	(6)	(30)	(569)
Interest	0	0	0	0
Recharges	(2,568)	0	9	(2,559)
Reserves	0	0	0	0
<b>GROSS INCOME</b>	<b>(3,101)</b>	<b>(6)</b>	<b>(21)</b>	<b>(3,128)</b>
<b>NET EXPENDITURE</b>	<b>140</b>	<b>7</b>	<b>(143)</b>	<b>4</b>

Other Variations are analysed as follows:

Major Items	£000	fte
Previous years savings	(90)	(1.0)
Technical adjustments	20	
Overheads adjustments	(73)	
Transfer from departments	0	
<b>TOTAL</b>	<b>(143)</b>	<b>(1.0)</b>

## CORPORATE ITEMS

Corporate Management is composed of Housing Benefit subsidy payments and entitlements, Agency contract, Coroners Court and Severance payments.

### FULL TIME EQUIVALENTS

Number of FTE Staff

2013/14	2014/15
0	0

### SUBJECTIVE ANALYSIS OF ESTIMATES

	2013/14 Original Estimate £000	Inflation £000	Other Variations £000	2014/15 Estimate £000
<b>Expenditure</b>				
Employees*	657	16	(1)	672
Premises	0	0	0	0
Transport	0	0	0	0
Supplies and Services	403	4	(98)	308
Third Party Payments	212	7	19	238
Transfer Payments	85,556	0	12,256	97,812
Support Services	3,958	0	(34)	3,924
Depreciation and Impairment Losses	0	0	0	0
<b>GROSS EXPENDITURE</b>	<b>90,786</b>	<b>26</b>	<b>12,142</b>	<b>102,954</b>
<b>Income</b>				
Government Grants	(85,502)	0	(12,256)	(97,758)
Other Reimbursements and Contributions	0	0	0	0
Customer and Client Receipts	0	0	0	0
Interest	0	0	0	0
Recharges	0	0	0	0
Reserves	0	0	0	0
<b>GROSS INCOME</b>	<b>(85,502)</b>	<b>0</b>	<b>(12,256)</b>	<b>(97,758)</b>
<b>NET EXPENDITURE</b>	<b>5,284</b>	<b>26</b>	<b>(114)</b>	<b>5,196</b>

Other Variations are analysed as follows:

Major Items	£000	fte
Savings		
Technical adjustments	(80)	
Overheads adjustments	(34)	
Shared legal services devolved budgets		
<b>TOTAL</b>	<b>(114)</b>	<b>0.0</b>

\* The employee budgets shown here relate to employee redundancy payments. There are no FTE's in Corporate Items

# **Environment and Regeneration Department**



## ENVIRONMENT AND REGENERATION DEPARTMENT

### Departmental Summary

#### FULL TIME EQUIVALENTS

Number of FTE Staff

2013/14	2014/15
655	637

#### SUBJECTIVE ANALYSIS OF ESTIMATES

	2013/2014 Original Estimate £000	Inflation £000	Other Variations £000	2014/2015 Estimate £000
<b>Expenditure</b>				
Employees	22,313	107	(524)	21,896
Premises	3,329	30	47	3,406
Transport	5,881	36	2,223	8,140
Supplies and Services	3,812	49	464	4,325
Third Party Payments	13,384	169	(4,049)	9,504
Transfer Payments	21	0	(5)	16
Support Services	10,297	0	(1,662)	8,635
Depreciation and Impairment Losses	6,588	0	745	7,333
<b>GROSS EXPENDITURE</b>	<b>65,625</b>	<b>391</b>	<b>(2,761)</b>	<b>63,255</b>
<b>Income</b>				
Government Grants	(424)	0	14	(410)
Other Reimbursements and Contributions	(2,587)	0	174	(2,413)
Customer and Client Receipts	(30,758)	0	(2,860)	(33,618)
Interest	0	0	0	0
Recharges	(5,015)	0	2,005	(3,010)
Reserves	(1,063)	0	113	(950)
<b>GROSS INCOME</b>	<b>(39,848)</b>	<b>0</b>	<b>(554)</b>	<b>(40,402)</b>
<b>NET EXPENDITURE</b>	<b>25,777</b>	<b>391</b>	<b>(3,315)</b>	<b>22,853</b>

Other variations are analysed as follows:

Major Items	£000	fte
Savings	(3,673)	(11.5)
Depreciation adjustments	716	
Overheads adjustments	343	
Transfer between departments	(271)	(6.0)
Technical adjustments	(430)	1.0
<b>TOTAL</b>	<b>(3,315)</b>	<b>(16.5)</b>

## SUMMARY: ENVIRONMENT & REGENERATION

### FULL TIME EQUIVALENTS

Number of FTE Staff

2013/14	2014/15
655	637

### SERVICE AREA ANALYSIS

#### CHANGE BETWEEN YEARS

	2013/2014 Original Estimate £000	Inflation £000	Other Variations £000	2014/2015 Estimate £000
Street Scene and Waste	27,310	322	(2,071)	25,561
Public Protection and Development	(4,794)	20	(967)	(5,741)
Sustainable Communities	1,945	41	(201)	1,785
Safer Merton	1,316	5	(73)	1,248
Senior Management and Support	0	3	(3)	0
<b>TOTAL EXPENDITURE</b>	<b>25,778</b>	<b>391</b>	<b>(3,315)</b>	<b>22,853</b>

## ENVIRONMENT AND REGENERATION DEPARTMENT

**Street Scene and Waste:** Traffic and Highway Services, Transport Services, Waste Management and Operations.

### FULL TIME EQUIVALENTS

Number of FTE Staff

2013/14	2014/15
361	351

### SUBJECTIVE ANALYSIS OF ESTIMATES

	2013/2014 Original Estimate £000	Inflation £000	Other Variations £000	2014/2015 Estimate £000
<b>Expenditure</b>				
Employees	10,917	105	(154)	10,868
Premises	1,532	18	(113)	1,437
Transport	5,386	30	2,211	7,627
Supplies and Services	1,183	13	336	1,532
Third Party Payments	10,491	156	(2,377)	8,270
Transfer Payments	2	0	0	2
Support Services	5,470	0	(1,397)	4,073
Depreciation and Impairment Losses	5,818	0	618	6,436
<b>GROSS EXPENDITURE</b>	<b>40,799</b>	<b>322</b>	<b>(876)</b>	<b>40,245</b>
<b>Income</b>				
Government Grants	0	0	(288)	(288)
Other Reimbursements and Contributions	(625)	0	(1,269)	(1,894)
Customer and Client Receipts	(10,553)	0	(1,452)	(12,005)
Recharges	(2,311)	0	1,814	(497)
Reserves	0	0	0	0
<b>GROSS INCOME</b>	<b>(13,489)</b>	<b>0</b>	<b>(1,195)</b>	<b>(14,684)</b>
<b>NET EXPENDITURE</b>	<b>27,310</b>	<b>322</b>	<b>(2,071)</b>	<b>25,561</b>

Other variations are analysed as follows:

Major Items	£000	fte
Savings	(2,793)	(6.3)
Depreciation adjustments	618	
Overheads adjustments	417	
Transfer between departments	(1)	
Technical Adjustments	(312)	1.0
<b>TOTAL</b>	<b>(2,071)</b>	<b>(5.3)</b>

## ENVIRONMENT AND REGENERATION DEPARTMENT

**Public Protection & Development:** Consumer and Business Protection, Environmental Health, Development Control, Building Control, Parking Control.

### FULL TIME EQUIVALENTS

Number of FTE Staff

2013/14	2014/15
146	136

### SUBJECTIVE ANALYSIS OF ESTIMATES

	2013/2014 Original Estimate £000	Inflation £000	Other Variations £000	2014/2015 Estimate £000
<b>Expenditure</b>				
Employees	5,559	0	(333)	5,226
Premises	676	2	13	691
Transport	229	3	(6)	226
Supplies and Services	589	10	71	670
Third Party Payments	323	5	(2)	326
Transfer Payments	2	0	0	2
Support Services	1,743	0	(108)	1,635
Depreciation and Impairment Losses	56	0	20	76
<b>GROSS EXPENDITURE</b>	<b>9,177</b>	<b>20</b>	<b>(345)</b>	<b>8,852</b>
<b>Income</b>				
Government Grants	(48)	0	48	(0)
Other Reimbursements and Contributions	(199)	0	100	(99)
Customer and Client Receipts	(13,619)	0	(768)	(14,387)
Recharges	0	0	0	0
Reserves	(104)	0	(2)	(106)
<b>GROSS INCOME</b>	<b>(13,970)</b>	<b>0</b>	<b>(622)</b>	<b>(14,592)</b>
<b>NET EXPENDITURE</b>	<b>(4,794)</b>	<b>20</b>	<b>(967)</b>	<b>(5,741)</b>

Other variations are analysed as follows:

Major Items	£000	fte
Savings	(518)	(4.0)
Depreciation adjustments	21	
Overheads adjustments	(108)	
Transfer between departments	(270)	(6.0)
Technical Adjustments	(92)	
<b>TOTAL</b>	<b>(967)</b>	<b>(10.0)</b>

## ENVIRONMENT AND REGENERATION DEPARTMENT

**Sustainable Communities:** Physical Regeneration, Spatial Planning and Policy, Regeneration Partnerships, Property Management, Greenspaces, Leisure and Culture Development, Transport Planning & Safety Education, Business Performance.

### FULL TIME EQUIVALENTS

Number of FTE Staff

2013/14	2014/15
113	117

### SUBJECTIVE ANALYSIS OF ESTIMATES

	2013/2014 Original Estimate £000	Inflation £000	Other Variations £000	2014/2015 Estimate £000
<b>Expenditure</b>				
Employees	4,051	2	150	4,203
Premises	1,116	10	150	1,276
Transport	239	3	18	260
Supplies and Services	1,500	20	225	1,745
Third Party Payments	1,003	6	(229)	780
Transfer Payments	17	0	(5)	12
Support Services	2,620	0	(68)	2,552
Depreciation and Impairment Losses	611	0	72	683
<b>GROSS EXPENDITURE</b>	<b>11,157</b>	<b>41</b>	<b>313</b>	<b>11,511</b>
<b>Income</b>				
Government Grants	(59)	0	7	(52)
Other Reimbursements and Contributions	(223)	0	5	(218)
Customer and Client Receipts	(6,580)	0	(640)	(7,220)
Recharges	(1,416)	0	25	(1,391)
Reserves	(933)	0	89	(844)
<b>GROSS INCOME</b>	<b>(9,212)</b>	<b>0</b>	<b>(514)</b>	<b>(9,726)</b>
<b>NET EXPENDITURE</b>	<b>1,945</b>	<b>41</b>	<b>(201)</b>	<b>1,785</b>

Other variations are analysed as follows:

Major Items	£000	fte
Savings	(336)	(1.2)
Depreciation adjustments	43	
Overheads adjustments	(43)	
Technical Adjustments	135	
<b>TOTAL</b>	<b>(201)</b>	<b>(1.2)</b>

## ENVIRONMENT AND REGENERATION DEPARTMENT

**Safer Merton:** Management of the Community Safety Partnership and related legislation.

### FULL TIME EQUIVALENTS

Number of FTE Staff

2013/14	2014/15
25	22

### SUBJECTIVE ANALYSIS OF ESTIMATES

	2013/2014 Original Estimate £000	Inflation £000	Other Variations £000	2014/2015 Estimate £000
<b>Expenditure</b>				
Employees	1,012	0	(171)	841
Premises	5	0	(3)	2
Transport	7	0	0	7
Supplies and Services	179	3	(3)	179
Third Party Payments	1,568	2	(1,441)	129
Transfer Payments	0	0	0	0
Support Services	331	0	(101)	230
Depreciation and Impairment Losses	104	0	35	139
<b>GROSS EXPENDITURE</b>	<b>3,204</b>	<b>5</b>	<b>(1,684)</b>	<b>1,525</b>
<b>Income</b>				
Government Grants	(317)	0	247	(70)
Other Reimbursements and Contributions	(1,539)	0	1,338	(201)
Customer and Client Receipts	(6)	0	0	(6)
Recharges	0	0	0	0
Reserves	(26)	0	26	0
<b>GROSS INCOME</b>	<b>(1,888)</b>	<b>0</b>	<b>1,611</b>	<b>(277)</b>
<b>NET EXPENDITURE</b>	<b>1,316</b>	<b>5</b>	<b>(73)</b>	<b>1,248</b>

Other variations are analysed as follows:

Major Items	£000	fte
Saving	(3)	
Depreciation adjustments	35	
Overheads adjustments	(101)	
<b>TOTAL</b>	<b>(69)</b>	<b>0.0</b>

## ENVIRONMENT AND REGENERATION DEPARTMENT

**Senior Management and Support:** The Department's senior management and secretarial support.

### FULL TIME EQUIVALENTS

Number of FTE Staff

2013/14	2014/15
10	11

### SUBJECTIVE ANALYSIS OF ESTIMATES

	2013/2014 Original Estimate £000	Inflation £000	Other Variations £000	2014/2015 Estimate £000
<b>Expenditure</b>				
Employees	774	0	(16)	758
Premises	0	0	0	0
Transport	20	0	0	20
Supplies and Services	360	3	(165)	198
Third Party Payments	0	0	0	0
Transfer Payments	0	0	0	0
Support Services	134	0	12	146
Depreciation and Impairment Losses	0	0	0	0
<b>GROSS EXPENDITURE</b>	<b>1,288</b>	<b>3</b>	<b>(169)</b>	<b>1,122</b>
<b>Income</b>				
Government Grants	0	0	0	0
Other Reimbursements and Contributions	0	0	0	0
Customer and Client Receipts	0	0	0	0
Recharges	(1,288)	0	166	(1,122)
Reserves	0	0	0	0
<b>GROSS INCOME</b>	<b>(1,288)</b>	<b>0</b>	<b>166</b>	<b>(1,122)</b>
<b>NET EXPENDITURE</b>	<b>0</b>	<b>3</b>	<b>(3)</b>	<b>0</b>

Other variations are analysed as follows:

Major Items	£000	fte
Saving	(23)	
Overheads adjustments	178	
Technical adjustments	(155)	
<b>TOTAL</b>	<b>0</b>	<b>0</b>

# **Glossary of Terms & List of Acronyms**



<b>BUSINESS PLAN - GLOSSARY OF TERMS</b>
<p><b>ANNUAL MINIMUM REVENUE PROVISION</b> The council is required to pay off an element of the accumulated General Fund capital spend each financial year through a revenue charge, as required by the Local Government and Housing Act 1989.</p>
<p><b>ASSET MANAGEMENT PLAN / REVIEW</b> An Asset Management Plan (AMP) is a tactical plan for managing an organisation's infrastructure and other assets to deliver an agreed standard of service. This information is reviewed annually.</p>
<p><b>BALANCES</b> Balances are maintained to meet expenditure pending the receipt of income and to provide a cushion against expenditure being higher or income lower than expected. Contributions to balances can be either a planned contribution from the revenue budget or a transfer of any revenue surplus at the year end. The maintenance of an appropriate level of balances is a fundamental part of prudent financial management.</p>
<p><b>BORROWING STRATEGY</b> A borrowing strategy set up the parameters within which money may be borrowed by the Authority. These parameters are designed to manage the risk taken by the authority within best practice.</p>
<p><b>BUDGET</b> Statement of the spending plans for the year.</p>
<p><b>CAPITAL EXPENDITURE</b> Expenditure on the acquisition of a fixed asset or expenditure, which adds to, and not merely maintains, the value of an existing fixed asset.</p>
<p><b>CAPITAL FINANCING REQUIREMENT (CFR)</b> Is the total historical outstanding capital expenditure which has not yet been paid for from either revenue or capital resources i.e. a measure of the underlying borrowing need.</p>
<p><b>CAPITAL PROGRAMME</b> Is documentation which summarises the outcome of priority allocations contained in the capital strategy and details individual schemes for approval by Council / Cabinet.</p>
<p><b>CAPITAL PROGRAMME BOARD</b> The Capital Programme Board ensures:</p> <ul style="list-style-type: none"> <li>• that the overall capital investment strategy is consistent with strategic objectives, is affordable within the revenue budget strategy, examining potential funding options.</li> <li>• that bids are submitted in accordance with set framework and guidelines (including business cases, value for money and options appraisal) and prioritised in accordance of agreed criteria</li> <li>• compiles and manages a multi-year capital programme for consideration by CMT and approval by Cabinet</li> <li>• oversees the Council's Accommodation and disposals strategy.</li> </ul>
<p><b>CAPITAL PROJECTS / SCHEMES</b> Capital Projects / Schemes is the level at which Member approval is obtained.</p>
<p><b>CAPITAL RECEIPTS</b> Proceeds from the sale of fixed assets and repayments of capital grants and loans. These are divided into reserved and usable parts.</p>

**BUSINESS PLAN - GLOSSARY OF TERMS Continued...****CAPITAL MONITORING**

The monthly comparison of actual spend against the anticipated spend (profiled budget) and the revision of projected year end spend where necessary. Periodically budget managers will be required to review their in year budget requirement and re-profile their projected expenditure over subsequent financial years.

**CAPITAL STRATEGY**

A Capital Strategy is a core planning document designed to dovetail with the MTFS and Treasury Strategy to ensure that limited capital resources are deployed in accordance with corporate priorities / achieving our vision. The document will also detail how the proposed capital programme will be funded.

**CASH FLOW MANAGEMENT**

Cash flow is the movement of money into or out of a business. Cash flow management optimises activity and investment around these cash flows.

**CHARTERED INSTITUTE OF PUBLIC FINANCE AND ACCOUNTANCY (CIPFA)**

The Institute produces standards and codes of practice that must be followed in preparing the Council's financial statements.

**CODE OF PRACTICE LOCAL AUTHORITY ACCOUNTING**

These are designed to support consistent standards of financial accounting in local authorities. There are two accounting codes :-

The Code of Practice on Local Authority Accounting in the United Kingdom. Its stated objective is to specify the principles and practices of accounting required to give a "true and fair" view of the financial position and transactions of a local authority. Its focus is consistent financial reporting at the level of the formal statements of accounts for which purpose it requires each local authority to provide four core statements, certain supplementary statements and a range of specific disclosures.

The Service Reporting Code of Practice (SerCOP) supports consistent financial reporting between local authorities below the level of the formal statement of accounts. In particular the SerCOP is designed to support consistency and comparability in reporting the cost of individual services and activities. The Code of Practice on Local Authority Accounting requires that the analysis of services in the Consolidated Revenue Account, one of the four core statements, should follow that prescribed by the SerCOP.

**COLLECTION FUND**

This is a statutory 'ring fenced' account. It records income and expenditure on Council Tax, Non Domestic Rates, payments to the precepting authorities and transfer to the Council's General Fund.

**COMMUNITY ORGANISATION**

An organisation with benevolent or philanthropic purposes.

**BUSINESS PLAN - GLOSSARY OF TERMS Continued...****COMPACT**

Compacts are partnership agreements between statutory bodies and the voluntary and community sector to improve their relationships and provide a framework within which the sectors can understand what to expect from each other. Compacts offer the means of supporting the development of the voluntary and community sector's capacity so that groups can do more to meet both their aims and those of their statutory partners, thereby enhancing their contribution to the local community. The national compact (between central government and the voluntary and community sector) was launched in 1998 and it is now a requirement for all local authorities and PCTs to develop a compact with the voluntary and community sector. They are not legally binding documents but the Compact is approved and signed policy and affects the conduct of all partners.

**COMPREHENSIVE SPENDING REVIEW (CSR)**

The CSR is a governmental process carried out by HM Treasury which sets out fixed three-year departmental expenditure limits and, through public sector service agreements, defines key service improvements.

**CONTINGENCY**

A contingency is the setting aside of a finite sum to offset the cost of a future event or circumstance which may or may not occur.

**CORPORATE AND DEMOCRATIC CORE**

The corporate and democratic core comprises all activities which local authorities engage in specifically because they are elected, multi-purpose authorities. It has two elements - corporate management and democratic representation and management. The activities within the corporate and democratic core are in addition to those which would be carried out by a series of independent, single purpose bodies managing the same services. There is, therefore, no logical basis for apportioning these costs to services.

**CORPORATE GOVERNANCE**

Corporate Governance is the system by which local authorities direct and control their functions and communicate to their communities.

**COUNCIL TAX**

This is the main source of local taxation to local authorities. It is levied on households within the authority's area and the proceeds are paid into the Collection Fund for distribution to precepting authorities and to the authority's own General Fund.

**COUNTRY LIMITS**

The current economic climate has not only affected companies and financial institutions; it has affected sovereigns as well. This will be incorporated into counterparty selection.

**CREDIT APPROVAL**

The permission to borrow given to each local authority annually by the Secretary of State. Local authorities can obtain supplementary credit approvals during the year for particular projects.

**CREDITORS**

The individual or organisation to whom the Authority owes money. Accordingly, it does not include money on taxation to the Council.

<b>BUSINESS PLAN - GLOSSARY OF TERMS Continued...</b>
<b>COUNCIL'S BORROWING REQUIREMENT</b> Based on projected spend, this is the amount of money a local authority will need to borrow to finance this projected spend.
<b>COUNTERPARTIES</b> The organisation in respect of which the Authority borrows from or invests money with.
<b>COUNTERPARTIES DOWNGRADES</b> A counterparty will be removed, suspended or kept on close watch from the council's approved list if it fails to meet the Council's criteria.
<b>CORPORATE BONDS</b> Is a bond that a corporation issues to raise money in order to expand its business.
<b>COUPON</b> Is the interest rate stated on a bond at the time it is issued.
<b>CREDITWORTHINESS</b> An assessment of the likelihood that a borrower will default on their debt obligations. It is based upon factors, such as their history of repayment and their credit score. Lending institutions also consider the availability of assets and extent of liabilities to determine the probability of default.
<b>DEBTORS</b> A debtor is an organisation or individual that owes the Authority money.
<b>DEBT RESCHEDULING</b> Where certain debt may be redeemed and a further loan obtained. This may be undertaken to provide an even spread of debt redemption date and terms, It may also be used to optimise beneficial borrowing rates in the market while maintaining activity within acceptable risk levels.
<b>DEPRECIATION</b> Depreciation is a charge to the revenue account to reflect the reduction in the useful economic life of a fixed asset. The reduction in the value of a fixed asset in the balance sheets is in line with the expected useful life.
<b>COUNTERPARTY DOWNGRADES</b> This is a reduction in the credit rating of an organisation during a periodic review.
<b>EARMARKED CAPITAL RESOURCES / GRANTS</b> Money received by the Authority which has certain conditions / restrictions over its use limiting the type of expenditure that it may be applied against.
<b>FINANCIAL INSTRUMENT</b> A real or virtual document representing a legal agreement involving some sort of monetary value. In today's financial marketplace, financial instruments can be classified generally as equity based, representing ownership of the asset, or debt based, representing a loan made by an investor to the owner of the asset.
<b>FINANCIAL YEAR</b> The financial year runs from 1 April to the following 31 March.
<b>FIXED ASSETS</b> Assets that yield benefits to the local authority and the services it provides for a period of more than one year. These assets can be tangible or intangible.
<b>FTSE 100</b> This is the index of the top 100 UK listed companies by market capitalisation.

**BUSINESS PLAN - GLOSSARY OF TERMS Continued...****GENERAL FUND**

The main fund of the Council, from which all expenditure is met and all income is paid, with the exception of those items, which by statute have to be taken to some other account.

**GOVERNMENT GRANTS**

Financial assistance by government and other bodies, in the form of cash transfers to an authority, issued in return for compliance with certain conditions relating to the activities of the authority.

**GROSS EXPENDITURE**

The total expenditure of a fund or account.

**GROUP LIMITS**

This is a limit on the amount of money that may be invested with or borrowed from a particular conglomerate.

**HOUSING REVENUE ACCOUNT (HRA)**

This is a statutory account that shows all income and expenditure relating to the provision, management and maintenance of the Council's housing stock. The government defines the items of income and expenditure that must be included in the account. This account is ring-fenced under the Local Government and Housing Act 1989.

**INTERNATIONAL FINANCIAL REPORTING STANDARD (IFRS)**

International Financial Reporting Standards are the standards that both the SORP and the UK GAAP are converging towards and local authorities have had to fully comply with since 2010/11 financial year

**INVESTMENT POLICY**

The London Borough of Merton's investment policy has regard to the CLG's Guidance on Local Government Investments and the 2011 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes. The council's investment priorities will be security first, liquidity second, then return.

**INVESTMENT STRATEGY**

The investment of the Authority's cash balances to optimise its strategic and operational needs.

**INVESTMENT TREASURY INDICATOR AND LIMIT**

This is a prudential indicator for funds invested for more than 364 days, designed to measure the need for early investment redemption against the Authority's liquidity requirement.

**LENDERS OPTION BORROWERS OPTION (LOBO)**

When borrowing or lending money, certain time related limits may be established when the arrangement is made e.g. at a certain point in time the interest rate of a loan will increase; at this point both parties have the opportunity to opt in / out of the arrangement.

**LEVY**

An amount levied by a local authority or other statutory body which is paid by the Council.

**LIABILITIES**

An entity's obligations to transfer economic benefits as a result of past transactions or events.

**BUSINESS PLAN - GLOSSARY OF TERMS Continued...****LOCALISM ACT 2011**

It sets out a series of proposals with the potential to achieve a substantial and lasting shift in power away from central government and towards local people. They include: new freedoms and flexibilities for local government; new rights and powers for communities and individuals; reform to make the planning system more democratic and more effective

**MERTON 2015 BOARD**

Merton 2015 Board oversees the management and monitoring of the Merton 2015 programme and the promotion of best practices within the Council. Its work falls into four main areas:

- manage and monitor the Merton 2015 programme including giving the go ahead for new projects and project closure;
- steer the implementation and future development of the Merton 2015 programme;
- lead on developing and maintaining cross-cutting initiatives; and
- manage, co-ordinate and monitor business improvement activity across the council.

**MINIMUM REVENUE PROVISION**

The council is required to pay off an element of the accumulated General Fund capital spend each financial year through a revenue charge, as required by the Local Government and Housing Act 1989.

**NON-DOMESTIC RATE (NDR)**

A levy on businesses based on national 'rateable value' of the premises occupied. NDR is collected by the Council in line with national criteria, paid into a national pool and then redistributed to all local and police authorities on the basis of population.

**NON-SPECIFIED INVESTMENTS**

A body which has been provided with a government issued guarantee for wholesale deposits within specific timeframes.

**OPERATIONAL BOUNDARY**

The operational boundary is a prudential indicator for monitoring the total external debt, gross of investments, and separately identifying borrowing from other long term liabilities.

**PENSION FUND**

The Local Government Pension Scheme (LGPS) is a scheme established by statute to provide death and retirement benefits for all eligible employees. The scheme's benefits are defined in the LGPS Regulations, and are geared to a scheme member's final salary and length of service (this current scheme is currently under review).

The scheme is financed by a combination of employee and employer contributions, together with income from a fund of investments. The employee contribution rate is set at 6% of pensionable pay, whilst the employer's rate varies according to an assessment of the funds current and forecast pension/benefit costs, (the fund's liabilities), relative to its income. This assessment is undertaken, in accordance with LGPS Regulations, every three years by the Fund's appointed actuary, who sets the necessary level of employer contribution into the fund so that the fund's liabilities can be paid.



**BUSINESS PLAN - GLOSSARY OF TERMS Continued...****PERFORMANCE MANAGEMENT FRAMEWORK**

Performance management is about how an organisation consistently plans and manages to ensure continuous improvement. Sustainable improvements in services are unlikely to happen without it. A performance framework is designed to help individuals, teams, divisions etc. understand :

- what the organisation is trying to achieve (golden thread),
- the planning, monitoring and review cycle
- their responsibilities.

**PRECEPTS**

An amount collected by the Council as part of the Council Tax on behalf of another statutory body.

**PRIVATE FINANCE INITIATIVE (PFI)**

PFI contracts are agreements with private sector organisations to refurbish, maintain and operate fixed assets on behalf of public sector organisations such as local authorities.

**PROCUREMENT BOARD**

The Procurement Board provides a corporate focus for procurement issues and oversees the procurement development in Merton. The Board also provides both strategic direction for, and effective governance of, the procurement arrangements across the Authority, ensuring they are effective, efficient and utilised.

**PROFILE**

Refers to budget management, where an allocated annual budget is split over the months in which it is estimated that expenditure will be incurred. For example, utility bills may well be split into four and entered into the months in which quarterly payments are due.

**PROVISIONS**

Amounts set aside for any liabilities or losses which are likely to be incurred, but which are uncertain as to the amounts or the dates on which they will arise.

**PRUDENTIAL CODE OF BORROWING**

The Local Government Finance Act (NI) 2011 requires the Council to adopt the CIPFA Prudential Code for Capital Finance in Local Authorities. In doing so, the Council is required to set and monitor a series of Prudential Indicators, the key objectives of which are to ensure that, within a clear framework, the capital investment plans of the council are affordable, prudent and sustainable.

**RESCHEDULING OF DEBT**

The switching of debt between the short term and the longer term and vice versa to obtain favourable borrowing rates.

**RESERVES**

These are amounts set aside for specific purposes. The Council has discretion in whether it wishes to set aside these amounts as distinct from sums set aside in provisions.

**REVENUE EXPENDITURE**

Expenditure incurred on day to day running costs and confined to accounts within one financial year.

**BUSINESS PLAN - GLOSSARY OF TERMS Continued...****REVENUE MONITORING**

The monthly comparison of actual expenditure and income spend against the anticipated spend (profiled budget). A budget manager will then allow for known income/expenditure to project the year end position

**RISK MANAGEMENT**

A risk is a threat, obstacle, barrier, etc. that will stop the Authority from achieving its ambitions, aims and objectives. Risk management is the process of managing the risks that may prevent delivery of desired outcomes so that the organisation can anticipate and respond positively to change. Merton's approach to risk management is to raise awareness, integrate it into day to day operations and establish a robust framework and procedures to identify, analyse, assess and manage risk.

**SECTION 151 OFFICER**

Section 151 of the Local Government Act 1972 requires every local authority to make arrangements for the proper administration of their financial affairs and requires one officer to be nominated to take responsibility for the administration of those affairs. The Section 151 officer is usually the local authority's treasurer and must be a qualified accountant belonging to one of the recognised chartered accountancy bodies. The Section 151 officer has a number of statutory duties, including the duty to report any unlawful financial activity involving the authority (past, present or proposed) or failure to set or keep to a balanced budget.

**SECURITISATION**

'Securitisation' as used in this context means the disposal of future revenues. For example, someone receiving rents from properties might transfer the entitlement to that income to a bank for (e.g.) 20 years, in exchange for an immediate lump-sum payment.

**SPECIFIED INVESTMENTS**

These are to be sterling investments of a maturity period of not more than 364 days, or those which could be for a longer period but where the Council has the right to be repaid within 364 days if it wishes. These are low risk assets where the possibility of loss of principal or investment income is considered negligible.

**SUPER OUTPUT AREA**

A Super Output Area (SOA) is a geographical area designed for the collection and publication of small area statistics. It is used on the Neighbourhood Statistics site, and has a wider application throughout national statistics. SOAs give an improved basis for comparison throughout the country because the units are more similar in size of population than, for example, electoral wards

**SUPPORT SERVICES**

These are services that are not statutory local authority services but which give support to those services.

**SUPPORTED CAPITAL EXPENDITURE**

This is the term for central government support for local authority capital expenditure with effect from 1 April 2004. Under the new system, central government provides allocations to replace the previous system of credit approvals. The allocations enable services to borrow to finance capital schemes. The services also receive revenue funding through the revenue support grant to pay for the borrowing.



**BUSINESS PLAN - GLOSSARY OF TERMS Continued...****TAX INCREMENTAL FINANCING**

The Local Government Finance Bill was passed in December 2011 and introduces a rate retention scheme enabling local authorities to retain a proportion of the business rates generated in their area. The Bill also includes a framework for the localisation of support for council tax in England, which alongside other council tax measures will give councils increased financial autonomy and a greater stake in the economic future of their local area, while providing continuation of council tax support for the most vulnerable in society. In determining the affordability of borrowing for capital purposes, authorities currently take account of their current income streams and forecast future income.

**TREASURY MANAGEMENT**

The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

**TREASURY MANAGEMENT PRACTICES / TREASURY MANAGEMENT CODE OF PRACTICE**

The Local Government Finance Act (NI) 2011 requires the Council to adopt the CIPFA Prudential Code for Capital Finance in Local Authorities. In doing so, the Council is required to set and monitor a series of Prudential Indicators, the key objectives of which are to ensure that, within a clear framework, the capital investment plans of the council are affordable, prudent and sustainable.

**USEFUL LIFE**

This is the period over which the local authority derives benefit from the use of a fixed asset.

**BUSINESS PLAN - GLOSSARY OF TECHNICAL TERMS ARISING FROM BUSINESS RATE RETENTION SCHEME**

**Aggregate start-up funding assessment**

This is the total amount of funding that has been allocated to the local government sector in 2013-14. It is the adjusted local government spending control total for 2013-14.

**Baseline funding level**

The amount of a local authority's *start up funding assessment* which is provided through the *local share* of the estimated business rates aggregate at the outset of the scheme. It will form the baseline against which *tariffs* and *top-ups* will be calculated.

**Billing authority**

A local authority which bills and collects business rates, for example a district council or unitary council.

**Billing authority business rates baseline**

Determined by dividing the *local share* of the estimated business rates aggregate between billing authorities on the basis of their *proportionate shares*.

**Central share**

The percentage share of locally collected business rates that will be paid to central government by billing authorities. This will be set at 50 per cent. The *central share* will be re-distributed to local government through grants including the *Revenue Support Grant*.

**Efficiency Support Grant**

A grant awarded to local authorities who, in 2013-14 and 2014-15, would otherwise see a reduction of more than 8.8 per cent of their revenue spending power.

**Estimated Business Rates Aggregate**

The total business rates forecast to be collected by all billing authorities in England. This will include two adjustments, one to address volatility in outturn compared to forecast and the other to cover future appeals losses.

**Floor damping**

A method by which stability in funding is maintained through limiting the effect of reductions in grant. A floor guarantees a lower limit to year-on-year reductions in grant for each authority. The grant changes of authorities whose grants are above the floor are scaled back by a fixed proportion to help pay for the floor.

**Formula funding**

This refers to the element of the aggregate start-up funding assessment that used to be funded through formula grant and which is distributed according to a mathematical formula to individual local authorities.

**BUSINESS PLAN - GLOSSARY OF TECHNICAL TERMS ARISING FROM BUSINESS RATE RETENTION SCHEME Continued ...**

**Individual authority business rates baseline**

Derived by apportioning the *billing authority business rates baseline* between billing and major precepting authorities on the basis of *major precepting authority shares*.

**Individual authority start-up funding assessment**

Referred to as start-up funding allocation in the technical consultation paper. A local authority's share of the *local government spending control total* which will comprise its *Revenue Support Grant* for the year in question and its *baseline funding level*.

**Levy**

A mechanism to limit disproportionate benefit from increase in business rates. The levy is applied proportionally on a 1:1 basis. Thus a 1 per cent increase in business rates income produces a corresponding 1 per cent increase in revenue from the rates retention scheme. There is a limit on the maximum levy rate of 50p in the pound. Levy payments will be used to fund the safety net.

**Local government spending control total**

The total amount of expenditure in the Department for Communities and Local Government's Local Government Departmental Expenditure Limit allocated to the local government sector by HM Treasury for each year of a Spending Review. For 2013-14, this is equal to the start-up funding assessment.

**Local share**

The percentage share of locally collected business rates that will be retained by local government. This will be set at 50 per cent. At the outset, the *local share* of the estimated business rates aggregate will be divided between billing authorities on the basis of their *proportionate shares*.

**Major precepting authority**

A local authority that does not collect business rates but is part of the business rates retention scheme. They are county councils in two tier areas, single purpose fire and rescue authorities and the Greater London Authority.

**Major precepting authority shares**

Used to establish the proportion of the *local share* that is paid by a billing authority to its major precepting authorities. Also applied to *billing authority business rates baselines* to establish *individual authority business rates baselines* for both billing and major precepting authorities.

**BUSINESS PLAN - GLOSSARY OF TECHNICAL TERMS ARISING FROM BUSINESS RATE RETENTION SCHEME Continued ...**

**Multiplier**

The business rates multiplier when multiplied by the rateable value of a property determines a ratepayer's business rate bill. There are two multipliers – one for small businesses and one for larger businesses. These are set nationally. The small business multiplier is updated annually by the retail prices index (although exceptionally a lesser increase may be imposed) and the other multiplier adjusted accordingly. There will be no change to the way in which multipliers are set as a result of the introduction of the business rates retention scheme.

**New Burdens**

The Government uses the New Burdens Assessment to keep pressure on council tax bills to a minimum. It requires all government departments to justify why new duties, powers, targets and other bureaucratic burdens should be placed on local authorities, as well as how much these policies and initiatives will cost and where the money will come from to pay for them.

**National Non-Domestic Rates 1 Form (NNDR1)**

The form submitted by 31 January by a billing authority to its major precepting authority and central government to provide an estimate of its business rate income for the upcoming financial year.

**Proportionate Share**

This is the percentage of the national business rates yield which a billing authority has collected - on the basis of the average rates collected by authorities over the two years 2010-11 and 2011-12. This percentage will be applied to the *local share* of the estimated business rates aggregate to determine the *billing authority business rates baseline*.

**Rate reliefs**

The rating system currently provides mandatory relief to charities and other categories of ratepayer (e.g. certain rural ratepayers) and permits authorities to grant discretionary relief to other rate payers. There will be no changes to the terms of existing mandatory and discretionary reliefs for businesses as a result of the introduction of the business rates retention scheme.

**Relative Needs Formulae**

These are the first stage in the calculation the Government uses to distribute formula funding.

**Reset**

New *baseline funding levels*, new *individual authority business rates baselines* (and therefore new *tariffs* or *top-ups*) are set for each authority to take account of changes in relative need and resource.

**BUSINESS PLAN - GLOSSARY OF TECHNICAL TERMS ARISING FROM BUSINESS RATE RETENTION SCHEME Continued ...**

**Reset period**

The years between *resets* in which local authorities are able to retain (after taking into account the *levy* and payments owing to relevant shares) the growth in business rates income. It is the Government's intention that the initial *reset period* will run from 2013 to 2020, and thereafter for ten years.

**Revenue Support Grant**

All authorities will receive *Revenue Support Grant* from central government in addition to its *baseline funding level*. An authority's *Revenue Support Grant* amount plus its *baseline funding level* will together comprise its *start-up funding assessment*.

**Ring-fenced grant**

A grant paid to local authorities which has conditions attached to it, which restrict the purposes for which it may be spent.

**Safety net**

Mechanism to protect any authority which sees its business rates income drop, in any year, by more than 7.5 per cent below their *baseline funding level*. The baseline funding levels are updated each year by the September Retail Prices Index for the purposes of assessing eligibility for the safety net.

**Safety net payment**

A payment made by central government to local authorities who are eligible for safety net support. These are payable after the end of the financial year

**Safety net payment on account**

A safety net payment made to a local authority on the basis of forecast non domestic rating income. This means it will be made in year – in advance of the calculation of actual *safety net payments* - which will be calculated on the basis of audited accounts data following the end of that financial year. Any difference between the two amounts will be reconciled and corrected.

**Safety net threshold**

This is 92.5 per cent of a local authority's baseline funding level.

**Service tiers**

There are three service tiers corresponding to the services supplied by the three types of authorities. These are upper-tier services – those services, other than fire, supplied by county councils in two-tier areas; fire and rescue services; and lower-tier services – those services supplied by district councils in two-tier areas. Some authorities may provide more than one tier of service.

**Spending Power**

The definition of revenue spending power is spending power from council tax, Government revenue grants and National Health Service Funding for social care. The calculation of each local authority's spending power is used to calculate eligibility for Efficiency Support Grant.

**BUSINESS PLAN - GLOSSARY OF TECHNICAL TERMS ARISING FROM BUSINESS RATE RETENTION SCHEME Continued ...**

**Tariffs and top-ups**

Calculated by comparing an *individual authority business rates baseline* against its *baseline funding level*. *Tariffs* and *top-ups* will be self-funding, fixed at the start of the scheme and index linked to the Retail Prices Index in future years.

**Tariff authority**

An authority with a higher *individual authority business rates baseline* than its *baseline funding level*, and which therefore pays a *tariff*.

**Tariff payment**

The payment made from tariff authorities to central government over the course of the financial year.

**Top-up authority**

An authority with a lower *individual authority business rates baseline* than its *baseline funding level*, and which therefore receives a *top-up*.

**Top-up payment**

The payment made from central government to top-up authorities over the course of the financial year.

**Transitional protection payment**

An adjustment to ensure that authorities do not experience gains or losses in rates income as a consequence of the transitional arrangements

## **BUSINESS PLAN – LIST OF ACRONYMS**

<b><u>Acronym</u></b>	<b><u>Definition</u></b>
AD	Assistant Director
ADASS	Association of Directors of Adult Social Services
Apps	Applications
ASB	Anti Social Behaviour
ASC	Adult Social Care
ASH	Our miscellaneous income, invoicing and recovery system
BC	Building Control
BESD	Behavioural Emotional and Social Difficulties
BME	Black Minority Ethnic
C & YP	Children and Young People
CAF	Common Assessment framework
CAMHS	Child and Adolescent Mental Health Services
CC	Children's Centre
CC	Children's Centre
CCTV	Close Circuit Television
CEN	Creative Environmental Networks
CEO	Civil Enforcement Officer
CFR	Capital Financing Requirement
CIPFA	Chartered Institute Public Finance and Accountancy
CMT	Corporate Management Team
CNEA	Clean Neighbourhood and Environment Act
COM	Current Operating Model
CPD	Centre for Professional Development
CPD	Continuing Professional Development
CPZ	Controlled Parking Zone
CRB	Criminal Records Bureau
CRM	Customer Relationship Management
CSC	Children's Social Care
CSF	Children Schools & Families
CYP	Children and Young People
CYPP	Children and Young peoples Plan
DC	Development Control
DEFRA	Department for Environment Food and Rural Affairs
DFG	Disabled Facilities grant

<b><u>Acronym</u></b>	<b><u>Definition</u></b>
DMT	Departmental Management Team
DSG	Dedicated Schools Grant
E&R	Environment and Regeneration
EA	Equality Analysis
EAL	English as an Additional Language
EH	Environmental Health
EIA	Equalities Impact Assessment
EIG	Early Intervention Grant
ERTG	Enforcement Review Task Group
ESOL	English for Speakers of Other Languages
EU	European Union
EY	Early Years
FACS	Fair Access to Care Services
FM	Facilities Management
FOI	Freedom Of Information
FPN	Fixed Penalty Notice
FTE	Full Time Equivalent
GLA	Greater London Authority
HB	Housing Benefits
HC&OP	Healthier Communities and older People
HCA	Homes and Community Agency
HNES	Housing Needs and Enabling Services
HRRC	Household Reuse and Recycling Centre
ICT	Information and Communications Technology
IFRS	International Financial Reporting Standard
IP	Intellectual Property
IT	Information Technology
iTrent	Our new payroll system
JD	Job Description
K	£ Thousand
L & D	Learning and Development
LA	Local Authority
LAC	Looked After Children
LALO	Local Authority Liaison Officer
LATS	Landfill Allowances and Trading Scheme
LB	London Borough
LBM	London Borough of Merton
LCGS	London Councils Grant Scheme
LDD	Learning Development and Diversity
LGA	Local Government Association
LLC	Local Land Charges
LSC	Learning Skills Council
LSCB	Local Safeguarding Children's Board
LSP	Local Strategic Partnership



<b><u>Acronym</u></b>	<b><u>Definition</u></b>
LOBO	Lenders Option Borrowers Option
MAE	Merton Adult Education
MARAC/DV	Multi Agency Risk Assessment Case Conference / Domestic Violence
MCIL	Merton Centre for Independent Living
MIS	Management Information System
MP	Member of Parliament
MRP	Minimum Revenue Provision
MSLT1&2	Merton's Senior Leadership Team Levels 1 and 2
MTFS	Medium Term Financial Strategy
MVSC	Merton Voluntary Service Council
NEET	Not in Education Employment or Training
NNDR	National Non Domestic Rate
O&S	Overview and Scrutiny
OJEU	Official Journal of the European Union
OT	Occupational Therapy
PATAS	Parking And Traffic Appeals Service
PC	Police Constable
PCN	Penalty Charge Notice
PCT	Primary Care Trust
PFI	Private Finance Initiative
PM&R	Pavement Maintenance and Repair
PM&R	Pavement Maintenance and Repair
PPD	Public Protection and Development
PPP	Policy Planning and Performance
PRS	Private Rented Sector
PVI	Private Voluntary and Independent
QA	Quality Assurance
SC	Sustainable Communities
SEN	Special Educational Needs
SEND	Special Educational Needs and Disabilities
SFA	Skills Funding Agency
SLA	Service Level Agreement(s)
SLWP	South West London Partnership
SME	Subject Matter Expert
SMT	Senior Management team
SOAs	Super Output Areas
SSQ	School Standards and Quality
SW	South West
SWLSG	South West London and St George's Mental Health NHS Trust
TBC	To Be Confirmed
TEC	Transport and Environment Committee
TFL	Transport For London
TOM	Target Operating Model
TUPE	The Transfer of Undertaking (Protection of Employment) Regulations
VAT	Value Added Tax

<b><u>Acronym</u></b>	<b><u>Definition</u></b>
VLE	Virtual Learning Environment
VS	Voluntary Sector
YOT	Youth Offending Team

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# Merton Council

Business Plan 2014 / 2018



Corporate Services  
London Borough of Merton  
7<sup>th</sup> floor  
London Road  
Morden  
SM4 5DX

## SECTION 2: GENERAL FUND REVENUE BUDGET AND COUNCIL TAX STRATEGY

### 1. Background to Financial Planning

- 1.1 The approach to Medium Term Financial Planning provides a great deal of flexibility in decision making and enables the impact of alternative options to be modeled. This has assisted with progress towards a balanced budget over the four year plan.
- 1.2 The MTFS has been re-priced and rolled forward a year so that each year from 2014/15 to 2017/18 starts from the approved budget 2013/14 and is built up showing the cumulative effect of variations over the period. The initial re-priced MTFS was reported to Cabinet on 16 September 2013 as follows:-

**Table 1: Initial Re-priced MTFS**

	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000
<b>Departmental Base Budget '13/14</b>	<b>151,915</b>	<b>151,915</b>	<b>151,915</b>	<b>151,915</b>
Departmental Budget Changes	(12,017)	(10,241)	(8,365)	(4,070)
<b>Re-Priced Departmental Budget</b>	<b>139,898</b>	<b>141,674</b>	<b>143,550</b>	<b>147,845</b>
Treasury/Capital financing	15,539	15,821	14,158	16,128
Other Corporate items	3,514	(4,071)	(4,452)	(4,452)
Levies	645	645	645	645
<b>Sub-total: Corporate provisions</b>	<b>19,698</b>	<b>12,395</b>	<b>10,351</b>	<b>12,321</b>
<b>BUDGET REQUIREMENT</b>	<b>159,596</b>	<b>154,069</b>	<b>153,901</b>	<b>160,166</b>
<b>TOTAL FUNDING</b>	<b>(159,291)</b>	<b>(146,925)</b>	<b>(143,585)</b>	<b>(142,611)</b>
<b>GAP (Cumulative)</b>	<b>305</b>	<b>7,144</b>	<b>10,316</b>	<b>17,555</b>
- Use of Reserves	(305)	(5,447)	0	0
<b>Sub-total</b>	<b>0</b>	<b>1,697</b>	<b>10,316</b>	<b>17,555</b>
- Savings – 2013/14 shortfall	0	(1,697)	(3,239)	(4,936)
- New Savings Target	0	0	(7,077)	(12,619)
<b>Gap</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

- 1.3 Since then, reports to Cabinet on 21 October 2013, 11 November 2013, 9 December 2013, 20 January 2014 and 17 February 2014 have presented updated information to Members, setting out the financial implications as assumptions have been reviewed and decisions made.
- 1.4 The decisions made in respect of each element of the MTFS impact on the overall financial position of the Authority and need to be taken into account as part of an overall package of decisions to balance the budget over 2014-18. In addition to the normal review of the base position, an appraisal of options and variables has been undertaken this year which has enabled the impact of different scenarios to be

modeled, in particular, in relation to estimated funding scenarios arising from the Government's Spending Review 2013 and Autumn Statement, as well as forecasting resources from the Business Rate Retention Scheme, and the impact of technical issues such as the Pension Fund Revaluation.

## 1.5 Setting a Balanced Budget

1.5.1 Resource and expenditure projections have been continually updated throughout the year to inform Members and officers of the overall position for 2014-2018. A four-year forward plan is presented, but it is still a legal requirement that a balanced (i.e. fully funded) budget is achieved for 2014/15. There are a number of ways in which a balanced budget is achieved:

- Reducing expenditure/costs;
- Identifying new savings or additional income;
- Adjusting the level of Council Tax ;
- Using unallocated reserves as a temporary measure pending the implementation of the options above.

1.5.2 Budget savings and growth proposals have been formulated within the overall constraints of the resource projections. The proposals have been approved in principle by the Cabinet and then considered by Overview and Scrutiny Panels as part of the scrutiny process. Scrutiny Panels met again during January 2013 and their feedback on the Council's spending proposals was considered by Cabinet on 17 February 2014.

1.5.3 The Medium Term Financial Strategy (MTFS) for the Council supports the achievement of the business plan and any financial implications arising from the agreed plan are included in financial planning for 2014/15 and beyond. The MTFS brings together all of the key elements relating to the Council's financial position which are reflected in the General Fund, and the Capital Programme. The detailed MTFS is included in Appendix 7.

## 1.6 Review of previous year's Savings

1.6.1 As with previous years, the business planning process is a multi-year approach and this includes a review of total expenditure and income over the period 2014-18.

1.6.2 Cabinet on 11 November 2013 and 9 December 2013 considered revisions to current savings proposals . The overall impact of these proposed amendments on the MTFS is as follows:-

**Table 2: Revisions to current savings**

	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	Total £000
Children, Schools & Families	0	0	0	0	0
Corporate Services	141	52	(256)	0	(63)
Environment & Regeneration	914	(500)	(414)	0	0
Community & Housing	350	(350)	0	0	0
<b>Total</b>	<b>1,405</b>	<b>(798)</b>	<b>(670)</b>	<b>0</b>	<b>(63)</b>
<b>Total - Cumulative</b>	<b>1,405</b>	<b>607</b>	<b>(63)</b>	<b>(63)</b>	

- 1.6.3 The current MTFs includes the following amounts in respect of the full year effects of previous year's savings.

**Table 3: Full Year Effects of previous years savings**

	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	Total £000
Children, Schools & Families	(860)	(631)	(250)	0	(1,741)
Corporate Services	(1,650)	(749)	(886)	0	(3,285)
Environment & Regeneration	(3,339)	(1,102)	(853)	0	(5,294)
Community & Housing	(2,465)	(764)	(1,608)	0	(4,837)
<b>Total</b>	<b>(8,314)</b>	<b>(3,246)</b>	<b>(3,597)</b>	<b>0</b>	<b>(15,157)</b>
<b>Total - Cumulative</b>	<b>(8,314)</b>	<b>(11,560)</b>	<b>(15,157)</b>	<b>(15,157)</b>	

- 1.6.4 One of the key objectives is to balance the budget and one of the shortcomings of the process in the past, which the Council has started to address in recent years, has been the inability to look over a long-term period and identify significant savings over more than one year.

- 1.6.5 The Business planning framework aims to enable strategic resource allocation and investment decisions to be made that allow for services to transform and change at different times in the future and which would otherwise be very difficult to plan under an annual planning framework.

## 1.7 Growth

- 1.7.1 The MTFs agreed by Council in March 2013 currently includes a net £1m p.a. for adult social care placements. This has been included for prudent planning purposes but greater rigour is required to demonstrate this need for future years alongside options to manage the spending pressure, which has the potential to be an option to help balance the budget. This will also now need to be reviewed alongside the Better Care Fund and future joint working with health. However, it is envisaged that an element of growth within people services will be required in response to the increasing population.

- 1.7.2 The growth included in the MTFS is summarised in the following table:

**Table 4: Growth Contained with the Current MTFS**

<b>Revised Growth</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>
People Services (cumulative)	1.000	2.000	2.000	2.000
<b>Total (cumulative)</b>	<b>1.000</b>	<b>2.000</b>	<b>2.000</b>	<b>2.000</b>

## 2. Local Government Finance Settlement 2014-16

- 2.1 The financial projections in the report to Cabinet on 20 January 2014 were based on the information as announced in the provisional Local Government Finance Settlement on 18 December 2013. Information in this report has been updated as more information has become available. The Final Local Government Finance Settlement figures were published on 5 February 2014. There was a small increase in RSG in 2014/15 of £9,000.
- 2.2 Details of the Final Local Government Settlement are included in Appendix 2.
- 2.3 A summary of the Council Tax Base calculation, and the resource implications arising from current business rates projections, is provided in Appendix 3.

## 3. Review of Corporate and Technical Provisions

- 3.1 Previous reports to Cabinet have set out the details and assumptions on which the budget has been formulated. The latest information is set out in the following paragraphs.
- 3.2 Review of Technical and Corporate Provisions
- 3.2.1 Technical and corporate adjustments incorporated in the MTFS have been reported to Cabinet throughout the business planning process for 2014/15.
- 3.2.2 The key assumptions included in the MTFS have been continually reviewed and updated as the budget process has developed. It should be noted that any one-off adjustments will need to be addressed in future years. The latest information is set out in the following paragraphs:-
- 3.3 Inflation
- 3.3.1 Predicting the level of inflation over a four year period with accuracy is not easy, particularly in the current economic climate and given the size of the Council's budget can lead to large variances if the actual inflation levels vary from the assumptions.



### 3.3.2 Pay

The latest estimates of pay inflation are:-

**Table 5: Estimates of pay inflation**

	2014/15	2015/16	2016/17	2017/18
Pay inflation in MTFS (%)	1%	1%	1.5%	1.5%
Estimate (cumulative £000)	807	1,614	2,825	4,035

There has been a pay freeze for the past three years. A 1% pay increase for 2013/14 has been agreed. The council has also agreed to implement the London Living wage for permanent and temporary staff. The Government has stipulated that it wants to restrict public sector pay awards to an average of 1% for 2014/15 (Autumn Statement 2011) and in the recent Spending Round 2013, the government announced that public sector pay awards will also be limited to an average of up to 1 per cent in 2015-16.

#### Pay Claim 2014/15

The UNISON NJC Committee have agreed to consult its members on the following two alternative options for the proposed 2014/15 NJC pay claim:

#### Option 1

The Living Wage (LW) hourly rate to be the minimum pay rate, with an equivalent percentage increase on all other spinal column points; or

#### Option 2

A flat rate increase of £1 an hour on all pay points, which would achieve the current Living Wage as the bottom NJC spinal column point.

Unison's claim proposes to increase the lowest local government pay scale of £6.45 an hour to the non-London living wage level of £7.45. This represents a 15.5% increase and option 1 proposes an equivalent increase on all other spinal column points. Under Option 2, the increase for the lowest pay scale level would be applied to other pay scales as a monetary increase of £1. This would result in an average increase of about 8.2%.

The local government employers are currently consulting local authorities over an offer for employees in England, Wales and Northern Ireland, and a response was expected in mid-February. However, as no response was received, the National Joint Council for Local Government Services (Trade Union Side) wrote to the Local Government Employers on 14 February in response to the employers' decision to cancel the planned meeting on that day and withhold the anticipated offer on NJC pay for

2014-2015. The union's letter from the National Secretary of the Local Government Service Group states that "In light of the failure to make us an NJC pay offer for 2014-15 and as a result of your suggestion that this year's pay offer will in any case be 'pegged' to the National Minimum Wage, I am writing to notify you that the Trade Union Side considers itself to be in formal dispute with you."

### 3.3.3 Prices

CPI annual inflation stands at 1.9% in January 2014, which is down from 2.0% in December 2013. The main reasons for the fall were a reduction in the prices of recreational goods and services, furniture and household goods and alcoholic beverages and tobacco. These were partially offset by an upward movement in the price of miscellaneous goods and services.

CPIH, the new measure of consumer price inflation including owner occupiers' housing costs, grew by 1.8% in the year to January 2014, down from 1.9% in December 2013. Owner occupiers' housing costs increased by 0.1% between December 2013 and January 2014.

RPI annual inflation stands at 2.8% in January 2014, up from 2.7% in December 2013.

#### Outlook for inflation:

On 6 February 2014, the Bank of England's Monetary Policy Committee (MPC) voted to maintain the Bank Base Rate at 0.5%. The Committee also voted to continue with its programme of asset purchases totalling £375 billion, financed by the issuance of central bank reserves.

The MPC reached its decisions in the context of the monetary policy guidance announced alongside the publication of the August 2013 Inflation Report.

The MPC's projections are underpinned by four key judgements:

1. global growth strengthens gradually, driven by the advanced economies
2. the domestic recovery becomes increasingly entrenched as the headwinds to demand lessen
3. slack in the economy is eroded only gradually, despite the recovery in demand
4. inflation returns to the target as the impetus from import prices abates, and a gradual rise in productivity growth attenuates domestic price pressures

The MPC published its latest Inflation Report on 12 February 2014. In the report it notes that the UK economy grew by 1.9% in 2013, the strongest annual growth for six years but this has so far not been accompanied by a material pickup in productivity. However, "employment gains have been

exceptionally strong and unemployment has fallen much more rapidly than expected. The LFS headline unemployment rate is likely to reach the MPC's 7% threshold by the spring of this year." The MPC also believes that "the inflation outlook is sensitive to several factors. The path of inflation will depend on the pace at which slack is absorbed and the impact that slack has on wages and prices. It is possible that the recent unexpectedly sharp falls in inflation reflect underlying cost and price pressures that are weaker than currently judged. Inflation will also be sensitive to developments in commodity prices and the exchange rate, both of which can move sharply."

In reaching its decision to hold the Bank Base Rate at 0.5% the MPC felt that CPI inflation had reduced to the 2% target more quickly than previously anticipated and with domestic costs continuing to be contained, CPI inflation would be expected to remain at or below the target of 2% for the next few years.

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

**Table 6: UK economy forecasts**

Source: HM Treasury - Forecasts for the UK Economy (February 2014)			
	Lowest %	Highest %	Average %
2013 (Quarter 4)			
CPI	2.1	2.7	2.2
RPI	2.6	2.7	2.6
LFS Unemployment Rate	6.9	7.7	7.2
2014 (Quarter 4)	Lowest %	Highest %	Average %
CPI	1.1	3.3	2.2
RPI	2.1	4.0	3.0
LFS Unemployment Rate	5.9	7.5	6.7

Clearly where the level of inflation during the year exceeds the amount provided for in the budget, this will put pressure on services to stay within budget and will require effective monitoring and control.

The current assumptions regarding price inflation incorporated into the MTFS are

**Table 7: Price inflation assumptions in MTFS**

	2014/15	2015/16	2016/17	2017/18
Price inflation in MTFS (%)	1.5%	1.5%	1.5%	1.5%
Estimate (cumulative £000)	2,250	4,500	6,750	9,000

Given the downward trend for inflation and analysts recent forecasts for it to continue to fall in the coming months, it is anticipated that the current provision in the MTFS is adequate. Clearly, this will be treated as a cash limit and if the level of inflation during the year exceeds the amount provided for in the budget, this will put pressure on services to stay within budget and will require effective monitoring and control.

### 3.3.4 Inflation > 1.5% on volatile budgets

There is also a corporate provision which is held to assist services that may experience price increases greatly in excess of the 1.5% inflation allowance provided when setting the budget. This will only be released for specific demonstrable demand.

**Table 8: Inflation exceeding 1.5%**

	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000
Inflation exceeding 1.5%	585	879	877	873

The cash limiting strategy is not without risks but if current levels of inflation were applied un-damped across the period then the budget gap would increase by c.£5m by 2017/18.

### 3.3.5 Income

The MTFS assumes that departments will achieve an additional 2% p.a. on their fees and charges.

**Table 9: Income based on a 2% per annum increase**

Income based on 2% p.a. increase	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000
Income	669	1,339	2,008	2,676

## 3.6 Collection Fund

3.6.1 The Collection Fund is a statutory fund separate from the General Fund. It accounts for income from Council Tax and from NNDR (Business Rates). In preparing the budget for 2013/14, the estimated surplus on the Collection Fund as at 31 March 2013 was £3.284m arising from Council Tax and this was to be shared £0.739m to the GLA and £2.545m to Merton. The actual surplus as at 31 March 2013 was £6.365m to be shared £1.378m to the GLA and £4.987m to Merton.

3.6.2 Due to the introduction of the Business Rates Retention Scheme last year, it will now be necessary to estimate a separate surplus/deficit arising from business rates. This is calculated as Part 4 of the NNDR1 2014/15 return to Central Government. Any surplus/deficit on the Collection Fund due to NNDR is shared 50% to Central Government, 30% to Merton and 20% to the GLA.

3.6.3 A more detailed summary of the calculations relating to the Collection Fund is included in Appendix 3 together with a copy of Merton's NNDR1 form for 2014/15.

3.6.4 The financial implications are summarised in the following table:-

**Table 10: Financial implications on Collection Fund**

	Estimated surplus/ (deficit) as at 31/03/14	Estimated surplus/ (deficit) as at 31/03/14	Total surplus/ (deficit) as at 31/03/14
	Council Tax	NNDR	
	£000	£000	£000
Central Government	N/A	(620)	(620)
GLA	1,266	(248)	1,018
Merton	4,608	(372)	4,236
Total	5,874	(1,240)	4,634

3.6.5 The net impact is a surplus of £4.236m and this will be incorporated into the budget 2014/15 and the MTFS 2014-18.

### 3.7 Pension Fund

3.7.1 By law the Superannuation Fund is valued every 3 years. The new valuation is based on the position at 31<sup>st</sup> March 2013 and is implemented in the 2014/15 financial year. The fund has shown an increase in funding level from 84% to c.89%. This is because the growth in the value of assets has exceeded the growth in liabilities. The actuary will be certifying contributions based on the agreed deficit funding period, i.e. Merton has completed the first 3 years of an agreed 15 deficit repayment period. In calculating the deficit repayment plan the actuary includes a loss of investment income as interest due at a rate of 5.9% p.a. This means that an additional 40% to 55% is added to the cost of the deficit repayment. For those authorities who have adopted very long term repayment periods the interest can substantially more than double the cost. This means that front loading repayments can give a significant benefit in overall payments and the level of repayment that will be required by the time the next revaluation is implemented in 2017/18. This issue has been referred to in previous Cabinet reports.

### 3.8 Concessionary Fares – 2014/15 Freedom Pass Settlement and Taxicards

3.8.1 Both of these schemes are administered by London Councils on behalf of London boroughs. At its meeting on 12 December 2013, London Councils' Transport and Environment Committee (TEC) considered the Concessionary Fares 2014/15 Settlement and following the outcome of negotiations with transport operators (Transport for London (TfL), the

Association of Train Operating Companies (ATOC) and independent bus operators) regarding compensation for carrying concessionary passengers in 2014/15.

3.8.2 The latest estimate for the cost of Freedom Passes to Merton in 2014/15 is £8,851,663.

3.8.3 For taxicards, it was previously agreed by London councils that the formula by which the TfL allocation to each borough is calculated would be brought in over a 3 year transitional period to avoid sudden large increases or reductions to boroughs' budgets. 2014/15 is the first year where TfL's budget will be allocated 100% by the formula.

The figures apportioned by the formula each year are based on:

- The number of people in each borough receiving Higher Rate Mobility Component of the Disability Living Allowance
- The number of people in each borough over 65 years of age
- The number of 'active' Taxicard members, defined as those who have taken at least one trip over a 12 month period

The projected cost of taxicards to Merton for 2014/15 is £169,541.

3.8.4 The overall estimates for 2014/15 are set out in the following table

**Table 11: Freedom Pass and Taxicard estimates for 2014/15**

Freedom Passes and Taxicards 2014/15	
<u>Budget 2013/14</u>	£
Freedom Passes	8,613,910
Taxicards	165,230
Total Budget 2013/14	8,779,140
Increase allowed for in MTFS in 2014/15	436,000
<b>Total Provision 2014/15 in latest draft MTFS</b>	<b>9,215,140</b>
<b><u>Latest Details from London Councils</u></b>	
Charge to Merton for Freedom Passes	(8,851,663)
Charge to Merton for Taxicards	(169,541)
<b>Latest Estimated Cost for 2014/15</b>	<b>(9,021,204)</b>
<b>Estimated Surplus Provision in MTFS</b>	<b>193,936</b>

The MTFS reflects this latest estimate.

### 3.9 Contingency

3.9.1 The budget approved for 2013/14 includes provision of £1.5m as a contingency to meet unforeseen cost and demand pressures, particularly those arising as the economy recovers from the recession.

3.9.2 There is also a need for additional temporary resources for Children, Schools and Families to be able to respond to the Children and Families Bill, extended statutory duties associated with 0-25 agenda and transition. This need will be kept under quarterly review.

### 3.10 Bad Debt Provision

3.10.1 The bad debt provision is calculated on the basis of an examination of debts within the council's financial systems to assess the probability of their collection. Due to effective and proactive debt management it is not considered that an increase in contribution will be necessary for 2014/15, even under the current economic circumstances. The level of provision will be kept under review within the MTFS.

### 3.11 Local Authority Better Care Fund and Mental Health S75 Agreement

3.11.1 The Council's budget for 2013/14 includes provision of £2.676m expenditure funded by the NHS Social Care transfer allocation.

3.11.2 In 2014/15 an additional £0.623m BCF Fund has been allocated to Merton. Therefore total BCF for Merton is £3.2m, of which £0.247m is ring-fenced for investments carried out by MCCG .

3.11.3 In 2015/16 the BCF allocation increases to £11.254m. The fund will be put into a pooled budget under S75 governance arrangements with MCCG. The Council and MCCG have developed and agreed a joint plan for the fund signed off by the Health & Wellbeing board. Nevertheless, low council tax was one of the priorities agreed by Council in its motion of 13 July 2011 – the 'July Principles'.

3.11.4 Better Care plan templates are to be submitted to NHS England by 14 February 2014 and Final templates are due to be submitted by 4 April 2014.

3.11.5 In 2015/16 The Better Care Fund will also contain two capital funds:-

- Disabled Facilities Grant - £528k
- Social Care Capital Grant - £416k

### 3.12 S75 Mental Health Agreement

3.12.1 The Council and the Trust have for the last 10 years, been managing a partnership agreement to facilitate the provision of services to adults and



older people with a mental illness. The agreement has been reviewed and is now being renewed under a S75 pooled fund agreement.

3.12.2 The service will be provided by the Trust as lead provider.

3.12.3 Contributions to Pooled Fund: 1 April 2014 to 31 March 2015

The Council's contribution to the Pooled Fund will be £1,684,000.

The Council's contribution to the Non Pooled Fund will be £1,220,000

The Trust's contribution to the Pooled Fund will be £2,765,000

3.12.4 The draft budget included in this report includes provision for the Council's contributions. A full report will be presented to Cabinet for approval in March.

3.13 Summary of Corporate and Technical Adjustments

3.13.1 The financial implications of the corporate and technical adjustments discussed in this report are summarised in Appendix 4.

4. **Departmental Savings Proposals 2014-18 and Service Planning**

4.1 In allocating savings targets for each Department, Cabinet has aimed to protect front-line services and services to the vulnerable in line with the 2011 'July principles'. Weightings for each department; Corporate Services, Environment and Regeneration, Community and Housing, and Children, Schools and Families in the ratio (100%) : (100%) : (67%) : (50%), have been applied which reduces the impact on Adult Social Care, Children's Social Care and vulnerable groups. At its meeting on 16 September 2013, Cabinet agreed the following departmental savings targets, based on controllable budgets:-

**Table 12: Savings targets agreed by Cabinet on 16 September 2013**

	<b>2014/15 £000</b>	<b>2015/16 £000</b>	<b>2016/17 £000</b>	<b>2017/18 £000</b>	<b>Total £000</b>
Community and Housing	0	491	2,492	2,093	5,076
Children, Schools and Families	0	265	1,344	1,129	2,738
Environment and Regeneration	0	645	3,276	2,752	6,673
Corporate Services	0	296	1,507	1,265	3,068
Total Savings	0	1,697	8,619	7,239	17,555
Cumulative	0	1,697	10,316	17,555	

4.1 Service departments reviewed their services and identified savings proposals which were considered by Cabinet on 9 December 2013 and Scrutiny Panels and the Commission in January 2014. The progress made so far is summarised in the following table:-



**Table 13: Savings identified up to January 2014**

<b>IDENTIFIED SAVINGS BY DEPARTMENT</b>	<b>2015/16 £000</b>	<b>2016/17 £000</b>	<b>2017/18 £000</b>	<b>Total £000s</b>
Community and Housing	321	814	484	<b>1,619</b>
Children, Schools and Families	150	7	564	<b>721</b>
Environment and Regeneration	935	225	125	<b>1,285</b>
Corporate Services	291	417	493	<b>1,201</b>
Total Savings	1,697	1,463	1,666	<b>4,826</b>
<b>Total Cumulative Savings</b>	<b>1,697</b>	<b>3,160</b>	<b>4,826</b>	

4.3 Based on the savings identified, there is the following (shortfall)/surplus against the targets:

**Table 14: (Shortfall)/surplus in savings currently identified**

<b>(SHORTFALL)/SURPLUS</b>	<b>2015/16 £000</b>	<b>2016/17 £000</b>	<b>2017/18 £000</b>	<b>Total £000s</b>
Community and Housing	(170)	(1,678)	(1,609)	<b>(3,457)</b>
Children, Schools and Families	(115)	(1,337)	(565)	<b>(2,017)</b>
Environment and Regeneration	290	(3,051)	(2,627)	<b>(5,388)</b>
Corporate Services	(5)	(1,090)	(772)	<b>(1,867)</b>
Total Savings	0	(7,156)	(5,573)	<b>(12,729)</b>
<b>Total Cumulative Savings</b>	<b>0</b>	<b>(7,156)</b>	<b>(12,729)</b>	

4.4 Where departments have not met their target or put forward options that are deemed not to be acceptable then the shortfall will be carried forward to future year's budget processes to be made good.

#### 4.5 Feedback from the Scrutiny Process:-

4.5.1 The Overview and Scrutiny Commission met on 30 January 2014 and feedback was provided to Cabinet on 17 February 2014.

4.5.2 Cabinet reviewed the feedback from the Scrutiny process and it was resolved that the Cabinet:-

- 1) acknowledges Scrutiny's support on savings CS60, CS61, CS62, CS63, CS64, CS65, CS66, CS67, CS68, CS70, CS71, CS72, CS73, CS74, CS75, EV01, CH6, CH5, CH9, CH10, CSF01, CSF02
- 2) agrees to give further thought to savings proposal CS63 over changing its risk rating to "medium", prior to Council
- 3) agrees to withdraw savings proposals CS69, and EV03-EV07

- 4) agrees to defer savings proposals EV10, and CSF03 until next year
- 5) notes the views expressed by scrutiny on CH6 and in paragraph 2.12
- 6) agrees to adopt a general principle of bringing forward budget savings whenever that can be done, including for the financial year 2014/15.
- 7) agrees with the proposal of the Sustainable Communities Overview and Scrutiny Panel on proposal EV02, rather than the recommendation contained within paragraph 2.13 of the report

#### 4.6 Financial Implications of Changes arising from response to Scrutiny

- 4.6.1 The financial implications of the changes agreed by Cabinet are summarised in the following table and set out in detail in Appendix 13:-

**Table 15: Summary of financial Implications of Proposed Changes**

Cumulative change	2015/16 £000	2016/17 £000	2017/18 £000
Corporate Services	0	5	5
Children, Schools & Families	0	0	239
Environment & Regeneration	400	500	500
Community & Housing	0	0	0
<b>Total</b>	<b>400</b>	<b>505</b>	<b>744</b>

- 4.6.2 The changes recommended for acceptance by Cabinet have been incorporated into the draft MTFS shown in Appendix 7. All savings agreed by Cabinet are detailed in Section 1(F) Business Plan.

### 5. **Budgetary Control 2013/14**

- 5.1 The revenue budgetary control information contained in the table below summarises the corporate position using the latest available information as at 31<sup>st</sup> December 2013 as shown in a separate report to Cabinet on 17 February 2014. As at 31<sup>st</sup> December 2013, there is a forecast underspend for the Council of £1.070m, net of the amount set aside to fund capital expenditure, balancing the budget reserve and the ring-fenced carry forward for Public Health in future years.
- 5.2 The underspend of £1.070m is made up as follows –

- departmental underspend                      £1.756m
- corporate overspend                              (£0.686m)

5.3 Sound financial management and continued robust challenge are resulting in lower levels of forecast spend at year-end. Where appropriate these reduced projections are being incorporated into the Medium Term Financial Strategy for 2014-18.

## 6. Capital Financing and Treasury Management

### Treasury Management, Capital Financing and Investment Income:

6.1 Details are included in Section 1 of this report. Capital financing costs are derived from the draft capital programme which is discussed in Section 1 and estimated revenue funding is built into the MTFs for the level of borrowing that is expected.

6.2 There have been a number of issues related to managing and financing the capital programme and these have been reported throughout the year.

6.3 The main issues relate to:-

- Schools
- revenue financing implications arising from slippage, re-profiling of the programme, reductions/deletions and growth in the programme

### 6.5 Revenuisation and Other Revenue Contributions to Capital

There has been an ongoing review of classification of expenditure which has previously been budgeted for in the capital programme but has subsequently turned out to be revenue in nature. However, it is important that this expenditure takes place and amounts identified that were formerly included in the capital programme that need to be funded from revenue have been identified. There are also a variety of assets with a short economic life within the capital programme. In 2013/14 these will be revenuised and funded via a combination of any treasury management under spending in year and drawing down of earmarked reserves. This will provide a more sustainable medium term position. In 2014/15 it is proposed that provisions are set aside for re-enlisting such short life assets supplemented by earmarked reserves. The overall change in provision in the MTFs for revenuisation and other revenue contributions to capital since last year is summarised in the following table:-

**Table 16: Summary of Revenuisation/Revenue funding of capital**

	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000
Change (cumulative)	(114)	(2,353)	(2,522)	(2,522)

6.6 Revenue implications arising from slippage, re-profiling and reductions/amendments and growth in the programme

Details relating to how the capital programme has changed from that approved by Council in March 2013 to the capital programme for 2014-18 are discussed in Section 1 of this report and related appendices. The capital programme has continued to be subject to major review as part of monthly monitoring and the process of developing the Business Plan for 2014-18.

6.7 In addition to reviewing the capital programme, focus has also been maintained on the treasury management aspects of funding the programme, to improve forecasts of available funding and to minimise as far as possible the costs of funding capital. This has included improved cash flow forecasting to enable the programme to be funded from internal resources for as long as possible to take advantage of current low levels of interest. Work is also continuing to ensure that grants and contributions are utilised effectively and this work will continue into the closing of accounts process for 2013/14 to ensure that the revenue impact of the capital programme is minimised in 2014/15 and beyond.

6.8 The revenue budget implications of the capital programme 2014-18 compared to those included in the MTFs approved by Council in March 2013 are summarised in the following table:-

**Table 17: Summary of Capital Financing Costs and movement since 2013/14**

	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000
Budgeted Capital financing costs of Programme approved by Council 6/03/2013	14,362	15,359	16,869	18,343
Change arising from recalculation of charges and review and re-profiling of capital programme as set out in Section 1	(781)	(1,151)	(1,031)	(301)
Estimated capital financing costs of Capital Programme 2014-18	13,581	14,208	15,838	18,042

6.9 The analysis of the budget for capital financing costs and investment income is set out in the following table:-

**Table 18: Details of Budgets for capital financing costs**

	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000
MRP	7,411	7,819	8,894	10,214
Interest	6,692	6,692	7,109	8,003
<b>Capital financing costs</b>	<b>14,103</b>	<b>14,511</b>	<b>16,003</b>	<b>18,217</b>
Investment Income	(522)	(303)	(165)	(175)
<b>Net</b>	<b>13,581</b>	<b>14,208</b>	<b>15,838</b>	<b>18,042</b>

## 7 GENERAL FUND BALANCES AND RESERVES

- 7.1 In determining an appropriate level of general fund balances previously, an analysis of the overall expenditure of the authority had been prepared. An updated version of this analysis has been prepared and is attached as Appendix 11. The overall level of balances is summarised below and compares with current GF balances of £18.838m as shown in the final accounts for 2012/13.

	Min	Medium	Max
	£m	£m	£m
Level of balances	12.59	19.31	26.17

- 7.2 An alternative approach would be to look at a percentage based on the net spending of the authority. From the Audit Commission's report "Striking a Balance", most Chief Officers regarded an amount of between 3 and 5 per cent as a prudent level and the minimum the auditors would consider prudent. There are also some other areas of risk and unknowns in relation to the localisation of business rates and how this impact will flow through, in particular in relation to appeals. There is now an amount calculated for Merton called the safety net, below which income must fall before Merton becomes entitled to funding from central government. This approach is set out below, using an amount of 5 per cent.

	£m
Net spending	8.1
Safety Net	2.4
Appeals	4.0
Level of balances	14.5

- 7.3 The average level of General Fund balances for outer London boroughs for 2012/13 was £15.4m, with a low of £7.8m and a high of £32.8m.
- 7.4 There has been a regular quarterly update on the use of earmarked reserves for 2013/14 reported through to Cabinet as part of the financial monitoring report. An initial review of their use over the MTFs period has

been undertaken as is shown in Appendix 8. This shows the level of earmarked reserves falling from £34.5m to £6.6m.

7.5 The average level of earmarked reserves for outer London boroughs for 2012/13 was £52.8m, with a low of £9.1m and a high of £86.6m.

**8. Revenue Support Grant and Baseline Funding (Non-Domestic Rates)**

8.1 In 2013/14 there was a fundamental change in the funding methodology for local government services. This has an ongoing impact in 2014/15 and beyond and it still the case that the new procedures are not completely finalised and are taking time to bed in. Although this resulted in some delays in receiving key information from the Government it has now been possible to produce estimates of business rates receivable for 2014/15. A summary is provided in Appendix 3.

8.2 The overall changes in formula grant compared to 2013/14, the base estimate for 2014/15 and the funding announced in the Final Local Government Finance Settlement are summarised in the following table:-

**Table 19: Changes in Local Government Finance Settlement**

	2013/14 £000	Original 2014/15 £000	Final 2014/15 £000
RSG	47,221	39,301	39,738
NNDR	32,020	32,379	33,253
NNDR - Section 31 Grant	0	0	1,118
<b>Total</b>	<b>79,241</b>	<b>71,680</b>	<b>74,109</b>

**9. Council Tax Strategy**

9.1 In the Annual Residents Survey 2013, the residents' personal concerns over the level of council tax have continued to reduce and currently stand at 24%. The Residents' Survey for 2013 took place from 9 September 2013 until 13 October 2013.

**9.2 Council Tax and Council Tax Freeze Grant**

9.2.1 On 26 June 2013 the Chancellor of the Exchequer announced as part of the Spending Round 2013 that the government will provide additional grant funding to support councils that freeze Council Tax in both 2014/15 and 2015/16.

- 9.2.2 This funding will be built into the spending review baseline for future years. Funding for previous year's freeze grants is incorporated into the local government settlement total for future years.

The indicative allocations for 2014/15 and 2015/16 are:

2014/15	£858,073
2015/16	£868,436

9.2.3 Capping of Council Tax increases

The Localism Act 2011 introduced a power for the Secretary of State for Communities and Local Government to issue principles that define what should be considered as excessive Council Tax, including proposed limits. The principles are subject to approval by the House of Commons.

- 9.2.4 From 2013 onwards, any council that wishes to raise its Council Tax above the limits that apply to them will have to hold a referendum. The result of the referendum will be binding.

- 9.2.5 On 5 February 2014 the Minister for Local Government introduced the report on Council Tax Referendums. Under section 52ZB of the Local Government Finance Act 1992 each billing authority and precepting authority must determine whether its relevant basic amount of council tax for a financial year is excessive. If an authority's relevant basic amount of council tax is excessive a referendum must be held in relation to that amount.

Under section 52ZC of the 1992 Act the question of whether an authority's relevant basic amount of council tax is excessive must be decided in accordance with a set of principles determined by the Secretary of State. The principles for a financial year must be set out in a report which must be laid before and approved by the House of Commons. If the report for a financial year is not approved on or before the date on which the local government finance report for the same year is approved by the House of Commons, no principles have effect for that year and accordingly no authority's relevant basic amount of council tax is capable of being excessive for that year.

For 2014-15, the relevant basic amount of council tax of an authority such as Merton which is excessive if the authority's relevant basic amount of council tax for 2014-15 is 2%, or more than 2%, greater than its relevant basic amount of council tax for 2013-14.

The final referendum principles will then be subject to the approval of the House of Commons. In addition, subject to approval by Parliament of the Local Audit and Accountability Bill, which is currently before Parliament, the principles will include levies and will therefore be based on the level of Band D Council Tax. This will mean the principle will relate to the actual increase which appears on people's bills.



### 9.2.5 Special expenses

All special items (other than parish precepts) are included in an authority's basic amount of council tax. Therefore, the average of all an authority's special items (including its special expenses) over the whole of its area is the amount that will be used to judge eligibility for the grant.

Any proposed council tax increase by Wimbledon and Putney Conservators would therefore be taken into account in assessing whether Merton is eligible for Council Tax Freeze Grant.

## 10. **Council Tax Base**

10.1 Cabinet on 9 December 2013 agreed the Council Tax Base calculation for 2014/15. Details of the calculation are included as Appendix 3.

10.2 For 2014/15 the Council Tax Base has been calculated as:-

<b>Council Tax Base 2014/15</b>	<b>68,087.4</b>
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10.3 A separate council tax base calculation has been produced for the properties covered by the Wimbledon and Putney Common Conservators (WPCC) area. For 2014/15 the Council Tax Base for Wimbledon and Putney Commons Conservators has been calculated as:-

<b>WPCC Council Tax Base 2014/15</b>	<b>10,708.8</b>
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## 11. **Greater London Authority Precept and Other Levies**

11.1 The Greater London Authority (GLA) sets a budget for itself and each of the four functional bodies: Transport for London, the London Development Agency, the Metropolitan Police Authority, and the London Fire and Emergency Planning Authority. These budgets together form the consolidated budget.

11.2 On 20 December 2013, the Mayor published his 2014-15 draft revenue budget and capital spending plan for consultation. This includes the budget proposals for the GLA (Mayor and Assembly), the Mayor's Office for Policing and Crime (MOPAC), the London Fire and Emergency Planning Authority (LFEPAC), Transport for London (TfL) and the London Legacy Development Corporation (LLDC).

The budget proposes a reduction in the Mayor's Band D council tax precept of £4.00 (1.3 percent) from £303.00 to £299.00 in 2014-15 for council taxpayers in the 32 London boroughs.



- 11.4 The budget comprises of £218.88 to support the Mayor's Office for Policing and Crime, £49.76 for the London Fire and Emergency Planning Authority, £28.03 for the GLA (Mayor and Assembly) and £2.33 for Transport for London (TfL).
- 11.5 The timetable was demanding for both the GLA and the London boroughs that it precepts upon. All London boroughs were required to provide details of their NNDR1 returns and council tax base to the GLA by 31 January 2014.
- 11.6 The GLA budget and precept of £299 were agreed by the London Assembly on 14 February 2014

#### 11.7 Other Levies

- 11.7.1 The Council is required by statute to pay certain levies to the organisations listed below. The levies for 2014/15 have been confirmed and are set out in the following table:-

**Table 20: Other Levies**

	2013/14 £000	2014/15 £000	2014/15 Change %
London Pension Fund Authority	268	266	(0.7)
Lee Valley Regional Park	220	214	(2.5)
Environment Agency	157	157	0.0

#### 11.8 Wimbledon and Putney Commons Conservators (WPCC)

- 11.8.1 A separate precept is levied in respect of those residents of properties bordering the Wimbledon and Putney Commons. The amount is calculated on the basis of the amount levied by the Commons Conservators and the Band D Council Tax in respect of the WPCC precept in 2014/15 will be £293,184.23, an increase of £24,669.52 from the 2013/14 levy of £268,514.71.

**Table 21: Wimbledon and Putney Commons Conservators Precept**

	2013/14 £000	2014/15 £000	Change %
Wimbledon & Putney Commons Conservators	269	293	9.2%

- 11.8.2 Although the total cost of the precept to Merton has increased by 9.2%, the average Band D cost to a council taxpayer in the WPCC area has reduced from £27.84 in 2013/14 to £27.38 in 2014/15. The reason for the

cost increase to Merton is due to the rise in Council Tax Base, relative to Kingston and Wandsworth, who are also subject to this levy.

- 11.9 The net overall change in levies has been managed within the overall inflation provision. This information is used to work out the change in the Council's council tax excluding the change in levies/precepts.

## 12. CONCLUSIONS

- 12.1 It is a statutory requirement that the council sets a balanced budget in 2014/15. Also, as indicated in paragraph 9.2, the Government has announced that £0.858m council tax freeze grant (equivalent to 1% council tax increase) will be available if the council decides to freeze or reduce its council tax in 2014/15.
- 12.2 The Government measure this by requiring local authorities to complete a Council Tax Requirement Form (CTR1) which has to be returned by a deadline set by the Government. The CTR1 form has now been received and has to be returned to the DCLG within 7 days of the Council's budget being approved.
- 12.3 The measure used to assess whether a local authority is eligible to receive council tax freeze grant is the year on year change in the average level of council tax. The average level of council tax for Merton includes the additional council tax payment made in respect of those properties in the Wimbledon and Putney Commons Conservators area. In 2013/14 the average council tax for Merton was £1,106.56.
- 12.4 The Medium Term Financial Strategy assumes that all of the corporate provisions, proposals for growth and proposals for savings, in 2014/15 discussed in this report are agreed and if this is the case, the following financial position is achieved:-

**Table 22: Average Band D Council Tax**

<b>Average Council Tax Calculation at Band D</b>	<b>2013/14 £m</b>	<b>2014/15 £m</b>
Budget Requirement	164.261	162.541
RSG + Business Rates	(79.241)	(72.991)
Section 31 Grant (NNDR)	0	(1.118)
New Homes Bonus	(2.724)	(3.199)
PFI Grant	(4.797)	(4.797)
Council Tax Freeze Grant	(0.835)	(0.858)
Collection Fund Surplus	(2.545)	(4.236)
Council Tax Requirement	74.119	75.342
Council Tax Base	66,981.2	68,087.4
<b>Average Council Tax</b>	<b>1,106.56</b>	<b>1,106.56</b>

- 12.5 The calculation of Band D council tax for properties outside the Wimbledon and Putney Commons Conservators area is as follows:

**Table 23: Council Tax calculation**

<b>Council Tax Calculation Band D</b>	<b>2013/14 £m</b>	<b>2014/15 £m</b>
Budget requirement	164.261	162.541
WPCC	(0.269)	(0.293)
RSG + Business Rates (inc. S.31 grant)	(79.241)	(74.109)
New Homes Bonus	(2.724)	(3.199)
PFI Grant	(4,797)	(4.797)
Council Tax Freeze Grant	(0.835)	(0.858)
Collection Fund Surplus	(2.545)	(4.236)
Balance to be met from Council Tax	73.850	75.049
Implied Council Tax (Band D)	1,102.55	1,102.25

- 12.2 The implications for the level of Council Tax on a Band D property, including the GLA precept are set out as follows:-

**Table 24: Band D Council Tax**

<b>Council Tax at Band D</b>	<b>2013/14 £</b>	<b>2014/15 £</b>	<b>% change from 2013/14</b>
Merton (exc. WPCC)	1,102.55	1,102.25	(0.03)%
GLA Precept (Provisional)	303.00	299.00	(1.32)%
<b>Implied Council Tax at Band D</b>	<b>1,405.55</b>	<b>1,401.25</b>	<b>(0.31)%</b>

- 12.3 A summary Statement of Council Tax requirements and balances based on the proposals set out in this report is attached as Appendix 6, and a revised MTFs summary incorporating the proposed changes set out in this report is provided at Appendix 7.

## 13. Risk Management

- 13.1 The management of risk is strategically driven by the Corporate Risk Management Group. This is the central hub of a number of council mechanisms for risk management including a Corporate Key Strategic Risk Register, departmental risk registers and project risk registers. The group collates on a quarterly basis the headline departmental risks and planned mitigation activity from each department, project and partnership, to be put forward for discussion at CMT. Reports on risk are made through the General Purposes to Cabinet and Council. Developing a corporate business plan and setting a balanced budget 2014-18 and

beyond has been highlighted as a key strategic risk on the corporate risk register.

- 13.2 Currently £9.315 million of savings are being progressed for 2013-14, coupled with a further £19.239m of savings identified for 2014-18. Current practice is to monitor delivery of savings as part of the monthly Business Plan Monitoring, it is envisaged that given the size of the savings target over the next three years, additional mechanisms may need to be established to monitor more transformational and longer term projects.

#### 14. Summary

- 14.1 Taking into account the changes that have taken place since the Cabinet meeting in January, including the changes that Cabinet resolved to agree following the feedback from Scrutiny, the budget gap in the MTFs has changed to the following:-

**Table 25: Cumulative MTFs Gap 2014-2018**

	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m
MTFS gap (cumulative)	0	0	7.351	15.246

- 14.2 There is still much to be done to be able to set a balanced budget over the period of the MTFs. There is also a high level of uncertainty about RSG and Business Rates funding in the future.

#### 15. Future Years

- 15.1 As indicated in the updated MTFs there is a gap between the forecast level of resources and budget requirements for 2016/17 and 2017/18 which will need to be addressed if balanced budgets are to be set for those years. The updated MTFs is set out in Appendix 7.
- 15.2 The budget process for 2015/16 will commence in the new financial year.
- 15.3 Some of the options available to the Council to eliminate the budget gaps include:-
- Savings – reduction/deletion of services
  - Savings – efficiencies including procurement
  - Income – increase in fees and charges/new sources of income
  - Council Tax increase
  - Use of balances

#### 16. Positive Assurance Statement

- 16.1 Section 25(2) of the Local Government Act 2003 requires the Chief

Financial Officer of an authority to report on:

- (a) the robustness of the estimates made for the purposes of the calculations, and
- (b) the adequacy of the proposed financial reserves.

16.2 In doing so, the Director of Corporate Services has had particular regard to the guidance offered by the Chartered Institute of Public Finance and Accountancy and the views of the Council's external auditor.

16.3 One of the Council's stated priorities is to keep council tax low. To achieve this, the Council must have regard to the major risks to its financial position and in particular:

- The current economic position
- Whether budget setting and monitoring processes are robust and effective
- Demand pressures on the budget
- Identifying and achieving cost and income improvements
- Risks to Government funding levels
- Risks to other income streams

16.4 Local government finance issues have been dominated in recent times by cuts in government funding and pressure to keep council tax increases down. Alongside this the longer term position is also made more uncertain by the changes in the way Government Funding is calculated and the "localisation" of Council Tax Benefit with a lower level of Government funding. Although the MTFs shows significant progress to date towards a balanced budget over the medium term, the longer term position remains extremely challenging. Members should also note that freezing Council Tax levels produces a permanent real terms reduction in Council Tax yield.

16.5 With relatively low allowance for demand growth, uncertainty over Government funding, increased concerns over income funding streams, and the need to achieve challenging savings targets, the risks inherent in the revenue budget are inevitably increased. The Council has sufficient reserves to deal with such a position in the short term and will be reviewing transformation of the authority to identify further saving opportunities over the next four year budgeting period.

16.6 The Council's reserves and their usage is linked to both the capital and revenue budget. A list of the current reserves held by the Council is attached at Appendix 8. Although reserves are likely to reduce overall, this is a result of their use for the purposes they were established. The overall level therefore remains adequate.

16.7 It should be noted that the Pension Fund Reserve is, in common with many other Pension Funds, showing a large deficit. The Council has a

long term recovery plan for the fund and expects employer funding requirements to be improved by the outcome of the Governments proposed changes to public sector pension schemes; however, the impact of this has been delayed by no changes until April 2014. Balancing this, the expected reducing numbers contributing to the fund will increase pressure on employer contribution rates. Officers will be continuing discussions with the fund's actuary and the Council's Pension Fund Committee on how best to address this position in the longer term. The proposal contained in this budget report is to make a significantly front loaded deficit contribution in 2014/15 and to continue with the agreed strategy of eliminating the deficit over 15 years, a process which the Council is 3 years into. This will make a marked improvement in the deficit position over the next 3 years, all other things being equal. This strategy reduces the long run cost of financing the pension fund deficit. The future of the local government pension scheme is under debate with options around collective investment vehicles , pooled funds, and even potentially a national scheme being considered by central government. The Director of Corporate Services does not consider that were such changes to the scheme to be made in most likely scenarios the council would be financially disadvantaged by the deficit recovery strategy proposed here. It should be noted that there are potential methods of introducing a national/regional scheme(were this to be the actual decision) where well funded schemes were penalised at the expense of poorly funded schemes and if these were to occur the Council could lose the benefits of the accelerated contributions proposed here.

- 16.9 Chief Officers have reviewed their budgets in line with departmental finance officers and are confident that the budgets set for their services are robust and with the corporate contingency will meet the strategic objectives and performance targets set out in the Business Plan.
- 16.10 In summary, it is the view of the Chief Financial Officer (being the Director of Corporate Services) that the estimates are robust for the purposes of the required budget/council tax calculations and that the Council's reserves are adequate.

## 17. **Business Rates Retail Reliefs**

- 17.1 The Government announced in the Autumn Statement on 5 December 2013 that it will provide from the 1 April 2014 two new retail reliefs to businesses.

Retail Property Discount - a relief of up to £1,000 to all occupied retail properties with a rateable value of £50,000 or less in each of the years 2014-15 and 2015-16. It is estimated that approximately 1,200 businesses will qualify for this relief.

- 17.2 In guidance issued central government consider shops, restaurants, cafes and drinking establishments to include properties that are being

used for the sale of goods to visiting members of the public. The full qualifying criteria is detailed within the policy (Appendix 10(a)).

- 17.3 Retail Premises Re-Occupation Discount - provide a 50% discount for 18 months for those businesses that move into retail premises that have been empty for a year or more. This is available for businesses which move into empty premises between 1st April 2014 and 31st March 2016. It is not possible to forecast how many businesses will qualify for this discount. The full qualifying criteria is detailed within the policy (Appendix 10(b))
- 17.4 In order to make this process as simple as we can for businesses where we are satisfied that the qualifying criteria is met the discounts will be granted without a formal application. In some instances we will have to ask businesses to provide more details regarding the services they provide.
- 17.5 Once the discount has been granted businesses will be required to confirm in writing that they meet the criteria and State Aid De Minimis limits have not been exceeded.
- 17.6 Central government will fully reimburse local authorities for the local share of the discretionary relief (using a grant under section 31 of the Local Government Act 2003) as it expects authorities to grant relief to qualifying ratepayers.



**DRAFT RESOLUTIONS****Revenue Report:**

1. Members consider the views of the Overview and Scrutiny Commission set out in a separate report on the agenda (Item 5), and approve the proposed budget for 2014/15 set out in Appendix 7 of the revenue report, together with the proposed Council Tax levy in 2014/15.
2. That it be noted that at its meeting on 9 December 2013 the Council calculated its **Council Tax Base for the year as 68,087.4** in accordance with regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 2012(SI 2012: 2914).
3. That it be noted that the Council calculated the **Wimbledon and Putney Commons Conservators (WPCC) Tax Base for the year as 10,708.8** in accordance with regulation 6 of the Regulations, as the amounts of its Council Tax base for the year for dwellings in those parts of its area to which one or more special items relate.
4. That the Council agrees 4(a) - 4(i) below, which are calculated in accordance with Section 31A to 49B of the Localism Act 2011, amending Section 32 of the Local Government Finance Act 1992.
  - a) being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (2) (a) to (f) of the Act

	£m
Gross Revenue Expenditure of Service Committees	505.240
Corporate Provisions	32.941
Amounts Payable to the Levying Bodies	0.931
Contribution to Financial Reserves	0
<b>Gross Expenditure</b>	<b>539.112</b>

- b) being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) (a) to (d) of the Act

	£m
<b>Gross Income</b>	<b>463.769</b>

- c) being the amount by which the aggregate at 4(a) above exceeds the aggregate at 4(b) above, calculated by the Council, in accordance with Section 31(4) of the Act, as its Council Tax Requirement for the year



	<b>£m</b>
Council Tax Requirement for the Council's own purposes for 2014/15 (including special expenses re WPCC)	<b>75.343</b>

d) being the aggregate of the sums which the Council estimates will be payable for the year into its General Fund in respect of revenue support grant, and baseline funding (NNDR) to constitute the Council's formula grant

	<b>£m</b>
Revenue Support Grant	<b>39.738</b>
Baseline funding NNDR & Section 31 Grant	<b>34.371</b>
Formula Grant	<b>74.109</b>

e) being the amount at 4(c) above, divided by the amount for Council Tax Base at 2 above, calculated by the Council above, in accordance with Section 31B of the Act as the basic amount of its Council Tax for the year (including special items (WPCC)).

	<b>£</b>
<b>Merton's General Band D Council Tax Levy (including properties within Wimbledon and Putney Commons Conservators area)</b>	<b>1,106.56</b>

f) being the aggregate amount of all special items referred to in Section 34(1) of the Act

	<b>£</b>
<b>Wimbledon and Putney Commons Conservators Special Levy</b>	<b>293,184</b>

g) being the amount at 4(e) above, less the result given by dividing the amount at 4(f) above by the amount of the WPCC Council Tax Base at 2 above in accordance with Section 34 (2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special items (WPCC special levy) relates.

	<b>£</b>
<b>Merton's General Band D Council Tax Levy (excluding WPCC)</b>	<b>1,102.25</b>

h) being the amounts given by adding to the amount at 4(g) above, the amounts of the special item or items relating to dwellings in the area of Wimbledon and Putney Commons Conservators (WPCC) mentioned above at 4(f) divided by the amount at 3 above, calculated in

accordance with Section 34(1) of the Act, as the basic amounts of its Council Tax for the year for dwellings in the area of WPCC.

	<b>£</b>
<b>Wimbledon and Putney Commons Conservators Band D</b>	<b>1,129.63</b>

- i) being the amounts given by multiplying the amounts at 4(g) and 4(h) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 30 and 36 of the Local Government Finance Act 1992, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

Part of the Councils Area	Valuation Bands							
	A £	B £	C £	D £	E £	F £	G £	H £
Part of the Councils Area	734.83	857.31	979.78	1,102.25	1,347.19	1,592.14	1,837.08	2,204.50
Parts inc. WPCC	753.09	878.60	1,004.12	1,129.63	1,380.66	1,631.69	1,882.72	2,259.26

5. To note that the Greater London Authority have issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area as indicated in the table below, and that the Council agrees the Council Tax levy for 2014/15 by taking the aggregate of 4(i) above and the Greater London Authority precept.

Precepting Authority	Valuation Bands							
	A £	B £	C £	D £	E £	F £	G £	H £
G L A	199.33	232.56	265.78	299.00	365.44	431.89	498.33	598.00

For information purposes this would result in the following Council Tax Levy for Merton residents:-

Part of the Council's Area	Valuation Bands							
	A £	B £	C £	D £	E £	F £	G £	H £
Part of the Council's Area	934.16	1,089.87	1,245.56	1,401.25	1,712.63	2,024.03	2,335.41	2,802.50
Parts inc. WPCC	952.42	1,111.16	1,269.90	1,428.63	1,746.10	2,063.58	2,381.05	2,857.26

## Local Government Finance Settlement 2014-15

The provisional 2014-15 and 'illustrative' 2015-16 Local Government Finance Settlement was announced on 18 December 2014. The final Settlement was announced on 5 February 2014 with little change to the provisional figures. The settlement outlines core funding allocations (Settlement Funding Assessments) for local authorities and sets out the impact on local authority "revenue spending power", as defined by Government, for 2014-15 and 2015-16.

### Local Government Control total and Settlement Funding Assessment (SFA)

Settlement funding assessment (SFA) is the term that replaces "Start-up funding assessment" which was used in the 2013-14 LGF Settlement. It comprises revenue support grant and the local share of business rates.

Government has confirmed the local government control total (Settlement Funding Assessment) to be £23.8bn in 2014-15). This comprises £12.7bn of Revenue Support Grant (RSG) and £11.1bn of Baseline Funding (i.e. the amount assumed to be retained locally under the business rates retention scheme).

These figures are different from those used during the summer consultation on the scheme.

Primarily, this is due to the following policy decisions:

- **Capitalisation:** Due to lower than expected demand from local authorities, the Government has decided to remove the holdback of £100 million in 2014-15. £50 million of this will be used to fund an increase in the safety net, £10 million will be used to fund the Efficiency Support Grant, £10 million will fund a new grant for rural areas and £28 million will be returned to local authorities as part of the control total.
- **New Homes Bonus Topslice:** Previously, it was proposed that there would be a holdback of £800 million in 2014-15, but based on the latest grant projections, the holdback has been reduced by £100 million with a corresponding increase in the control total.
- **Capping the small business multiplier:** The recent Autumn Statement announced that the small business rates multiplier would be capped at 2% rather than increase by September RPI (3.2%) as in previous years. The result of this policy is that top up, tariffs and baseline funding will only increase by the 2% cap with a subsequent lowering of the Settlement Funding Assessment (SFA). A separate S31 grant will be established to ensure this does not impact on the overall level of funding for local government.

### Settlement Funding Assessment

Each authority will receive a Settlement Funding Assessment (SFA), which combines formula funding and a number of rolled-in grants. In England, overall Settlement Funding Assessment (core funding) for England is £23.8 billion in 2014-15 and £20.7 billion in 2015-16. This represents an overall reduction of £5.6 billion (21%) from 2013-14 based on the adjusted 2013-14 baseline. In London, boroughs will receive £4.4 billion in 2014-15 and £3.7 billion in 2015-16 in core funding. For London, this is an overall reduction of £1.1 billion from 2013-14.

In 2014-15, London boroughs will receive this funding through Revenue Support Grant (£2.4 billion or 55%) and locally retained business rates (£2.0 billion or 45%).

London boroughs have seen an overall reduction in SFA of £504m or 10.4% in 2014-15. This is split between an increase of £38m or 1.9% in funding baselines and a reduction in RSG of £517m or 17.8%. For 2015-16, there is a further overall reduction in SFA of £628m or 14.4%. This is split between an increase of £38m or 2.0% in funding baselines and a reduction in RSG of £542m (18.5%).

As proposed in the summer consultation, the Government has chosen to focus the majority of the funding reductions through changes to both the upper and lower tier funding elements. Funding for the rolled-in grants will remain on their previous trajectories, as set out in Spending Review 2010. The policy of treating funding streams individually will affect each authority differently and will depend on an authority's income profile. In broad terms, London boroughs are more reliant on upper and lower tier funding (the old 'formula grant') and so will face greater funding reductions in 2014-15 and 2015-16 than elsewhere in the country. This is likely to continue if the current approach to individual grant streams is maintained.

### Spending Power

Spending Power is defined by the government as the aggregate of: council tax; SFA; other special and specific grants; and NHS funding to support social care and benefit health. The reduction in spending power across England (excluding the GLA) is £1.4 billion (2.9%) in 2014-15 and £1.1 billion (2.0%) in 2015-16. The reduction for London Boroughs is £327 million (3.9%) and £268 million (3.3%) in 2014-15 and 2015-16 respectively. There is an overall cap in the reduction of spending power of 6.9% in 2014-15. These figures include: -

- £70m of anticipated NHB that will need to transfer from the boroughs to the GLA in 2015-16.
- The pooled NHS and local authority Better Care Fund of £3.46bn which is part of the total Better Care Fund (overall worth £3.8bn). The Better Care Fund is a pooled budget, for which spending plans must be agreed locally through Health and Wellbeing Boards, but is not new money.
- Individual forecasts of the amount of income an authority will raise through council tax. This is based on an historic average and is liable to change.
- 100% take up of the council tax freeze grant.

The headline figures for Spending Power changes are:-

	2014/15	2015/16
England (exc.GLA)	-2.9%	-1.8%
Outer London Boroughs	-3.1%	-2.1%
Merton	-2.5%	-0.9%

### Specific and general grants

Beyond core SFA funding, the settlement also provides details for a range of other special and specific grants. Based on the latest available information, London boroughs will receive close to £2.6 billion from a range of non-education, revenue funding across the two years. Further funding announcements are likely to emerge over the coming months.

### Business Rates Retention

The principal scheme architecture remains broadly the same. There are no changes to whether an authority is a top up or tariff authority. Tariffs and top-ups will rise by 2% to reflect the recent policy announcement at the Autumn Statement 2013. This also increases business rates baselines and funding baselines by 2%.

### Levy rates & safety net thresholds

Tariff authorities will continue to be subject to a levy on any growth in business rates. There remain no changes to individual levy rates. There is a 50p cap on the size of levy rate. Top-up authorities will continue to retain 100% of their growth. Merton is a top-up authority.

Government has also confirmed that the safety net threshold will remain at 7.5% of an authority's baseline funding level. This means an authority is guaranteed 92.5% of its funding baseline each year. The trigger point for a safety net payment is different for each authority as it depends on the relative size of funding and business rates baselines.

The size and extent of safety net payments for 2014-15 are not yet known – these will be determined by local forecasts reported in the NNDR1 returns in January 2014. The retrospective levy payments due from tariff authorities for 2013-14 will be calculated after the current financial year using the final NNDR3 returns.

The Government will continue to pay the "Efficiency Support Grant" to authorities experiencing a reduction of more than 6.9%. There will be certain criteria attached to the receipt of this grant and no London boroughs are eligible.

### **Council Tax Referendum Principles**

The Local Government Minister also announced the Council Tax Referendum Principles on 5 February 2014.

### **Principles for the financial year beginning on 1st April 2014**

The set of principles determined by the Secretary of State under section 52ZC(1) of the Local Government Finance Act 1992 for the financial year beginning on 1st April 2014 is as follows:

For 2014-15, the relevant basic amount of council tax of an authority such as Merton is excessive if the authority's relevant basic amount of council tax for 2014-15 is 2%, or more than 2%, greater than its relevant basic amount of council tax for 2013-14.

The relevant basic amount of council tax for a financial year is basically a reference to the amount found by applying the formula—

$R \div T$  where—

- R is the amount calculated by the authority under section 49A(4) as its council tax requirement for the year;
- T is the amount which is calculated by the billing authority as its council tax base for the year

Care has to be taken to ensure that levies are properly accounted for to ensure that criteria set for Council Tax Freeze Grant eligibility are met.

## LOCAL GOVERNMENT FINANCE SETTLEMENT 2014-16: MERTON ANALYSIS

## Key information

	Values (£m)		Change (£m)		Change (%)	
	2013-14	2014-15	2014-15	2015-16	2014-15	2015-16
Revenue Support Grant	48.069	39.738	-8.331	-10.454	-17.3%	-26.3%
Funding Baseline	31.415	32.027	0.612	0.884	1.9%	2.8%
<b>Settlement Funding Assessment</b>	<b>79.484</b>	<b>71.765</b>	<b>-7.719</b>	<b>-9.570</b>	<b>-9.7%</b>	<b>-13.3%</b>

## Spending power

	Values (£m)		Change (£m)		Change (%)	
	2013-14	2014-15	2014-15	2015-16	2014-15	2015-16
Settlement Funding Assessment	79.484	71.765	-7.719	-9.570	-9.7%	-13.3%
Council tax requirement	74.119	75.014	0.895	0.906	1.2%	1.2%
Grant funding	16.534	19.131	2.597	8.495	15.7%	44.4%
<b>Spending Power</b>	<b>170.136</b>	<b>165.901</b>	<b>-4.235</b>	<b>-0.160</b>	<b>-2.5%</b>	<b>-0.1%</b>

APPENDIX 2

Special & specific grants	Values (£m)		Change (£m)		Change (%)	
	2013-14	2014-15	2014-15	2015-16	2014-15	2015-16
Adult Social Care New Burdens	0.000	0.888				
City of London Offset						
Commons Pioneer / Registration Authorities	0.000	0.000		0.000		
Community Right to Bid	0.008	0.008	0.000		0.0%	
Community Right to Challenge	0.009	0.009	0.000		0.0%	
Council Tax Freeze Grant 2013-14	0.835					
Council Tax Freeze 2014-15	0.100					
Council Tax Freeze Grant 2014-15 paid in 2015-16	0.000					
Council Tax Freeze Grant 2015-16	0.000	0.000	0.000	0.000		
Council Tax Support New Burdens Funding	0.000	0.000	0.000	0.000		
Efficiency Support Grant		0.000	0.000	0.000		
Efficiency Support Grant (sparse areas)	1.396	1.311	-0.085	-1.311	-6.1%	-100.0%
Fire Revenue Grant (FireLink and New Dimension elements)		0.858		0.858		0.0%
LA Transport Grant		0.868				
Shore Fisheries Conservation Authorities		0.106				
LA Social Housing Fraud	0.000	0.000	0.000	0.000		
Lead Local Flood Authorities		0.000				
LEPs Grant	0.061	0.061	0.000	-0.020	0.0%	-33.3%
Local Council Tax Support and Housing Benefit Admin Subsidy	0.000					
Local Reform and Community Voices DH revenue grant	0.131	0.135	0.004	0.000	3.1%	0.0%
Local Welfare Provision Grant		0.438				

Special & specific grants (continued)	Values (£m)			Change (£m)			Change (%)		
	2013-14	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16
New Homes Bonus	2.458	3.091	3.724	0.633	0.633	25.8%	20.5%		
New Homes Bonus: Returned Funding	0.266	0.111	0.281	-0.156	0.171	-58.4%	154.2%		
NHS funding to support social care and benefit health	5.622	3.428		-2.194		-39.0%			
PFI (including education)	4.797	4.797	4.797						
Pooled NHS and LA Better Care Fund			11.254						
Public Health Grant (Ring-fenced)	8.985	9.236	9.236	0.252	0.000	2.8%	0.0%		
Regional Growth Fund	0.367								
Social Fund - Admin	0.000	0.340							
Social Fund - programme	0.078								
Transport for London	0.288								
Weekly Collection Support									

Page 6

## Education grants

Education grants	Values (£m)			Change (£m)			Change (%)		
	2013-14	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16
DSG	135.539	137.852		2.313		1.7%			
Pupil Premium	5.802	7.186		1.384		23.9%			
ESG	3.344	3.270		-0.074		-2.2%			
Universal infant free school meals capital		0.603							
Basic need Capital 2014-17		15.833							



Business Rates Retention - Key Figures	Values (£m)		Change (£m)		Change (%)	
	2013-14	2014-15	2014-15	2015-16	2014-15	2015-16
Funding baseline (£m)	31.415	32.027	0.612	0.884	1.9%	2.8%
Business rates baseline (£m)	23.868	24.333	0.465	0.672	1.9%	2.8%
Top-up / tariff (£m)	7.547	7.694	0.147	0.212	1.9%	2.8%
Target total business rates yield (£m)	79.559	81.109	1.550	2.239	1.9%	2.8%
Levy rate p/£	0	0	0.000	0.000	0%	0%
Safety net threshold (£m)	29.059	29.625	0.566	0.818	1.9%	2.8%

## MERTON SPENDING POWER

	£m	
2013/14 Council Tax Requirement exc. Parish precepts	74.119	
Start-up Funding assessment 2013/14 (adjusted)	79.483	
Lead Local Flood 2013/14	0.061	
Local Welfare Provision Grant 2013/14	0.444	
Community Right to Challenge 2013/14	0.009	
Community Right to Bid 2013/14	0.008	
New Homes Bonus 2013/14	2.458	
New Homes Bonus Returned Funding 2013/14	0.266	
HB Admin Subsidy 2013/14	1.396	
Council Tax Support - New Burdens Finding 2013/14	0.100	
Local Reform and Community Voices DH revenue grant 2013/14	0.131	
Public Health Grant 2013/14	8.985	
NHS Funding to support social care and benefit health 2013/14	2.677	
<b>Estimated Revenue Spending Power 2013/14</b>	<b>170.137</b>	
		£m
2014-15 Estimated Council Tax Requirement excluding parish precepts	75.014	
Settlement Funding Assessment 2014/15	71.765	
Settlement Funding Assessment Adjustment 2014/15	0.340	
Lead Local Flood 2014/15	0.061	
Local Welfare Provision Grant 2014/15	0.438	
Community Right to Challenge 2014/15	0.009	
Community Right to Bid 2014/15	0.008	
Indicative Council Tax Freeze Grant 2014/15	0.858	
New Homes Bonus 2014/15	3.091	
New Homes Bonus Returned Funding 2014/15	0.108	
Local Council Tax Support and Housing Benefit Admin Subsidy 2014/15	1.311	
Indicative Council Tax Support - New Burdens Finding 2014/15	0.106	
Local Reform and Community Voices DH revenue grant 2014/15	0.135	
Public Health Grant 2014/15	9.236	
NHS funding to support social care and and benefit health 2014/15	3.428	
<b>Estimated 2014/15 Revenue Spending Power</b>	<b>165.908</b>	<b>-2.49%</b>

**Adjusted 2014/15 Revenue Spending Power** £m

2014-15 Estimated Council Tax Requirement excluding parish precepts	75.014
Settlement Funding Assessment 2014/15	71.765
Settlement Funding Assessment Adjustment 2014/15	0.340
Lead Local Flood 2014/15	0.061
Local Welfare Provision Grant 2014/15	0.438
Community Right to Challenge 2014/15	0.009
Community Right to Bid 2014/15	0.008
Indicative Council Tax Freeze Grant 2014/15	0.858
New Homes Bonus 2014/15	3.091
New Homes Bonus Returned Funding 2014/15	0.108
Local Council Tax Support and Housing Benefit Admin Subsidy 2014/15	0.000
Indicative Council Tax Support - New Burdens Finding 2014/15	0.106
Local Reform and Community Voices DH revenue grant 2014/15	0.135
Public Health Grant 2014/15	9.236
Adjusted Adult Social Care New Burdens 2014/15	0.888
NHS funding to support social care and benefit health plus adjustments for Carers, Reablement and New Care Bill Costs 2014/15	5.234

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**Adjusted 2014/15 Revenue Spending Power** **167.291**

	£m
2015-16 Estimated Council Tax Requirement excluding parish precepts	75.920
Settlement Funding Assessment 2015/16	62.194
Settlement Funding Assessment Adjustment 2015/16	0.340
Lead Local Flood 2015/16	0.041
Indicative Council Tax Freeze Grant 2014/15 paid in 2015/16	0.858
Indicative Council Tax Freeze Grant 2015/16	0.868
Illustrative New Homes Bonus 2015/16	3.724
Illustrative New Homes Bonus Returned Funding 2015/16	0.276
Indicative Local Reform and Community Voices DH revenue grant 2015/16	0.135
Public Health Grant 2015/16	9.236
Adult Social Care New Burdens	0.888
Pooled NHS and LA Better Care Fund 2015/16	11.254

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**Estimated 2015-16 Revenue Spending Power** **165.734** -0.93%

## THE COLLECTION FUND, COUNCIL TAX BASE AND BUSINESS RATES

### 1. Introduction

- 1.1 This appendix summarises three key areas which are fundamental to the Council's revenue resource generation. It sets out the procedures and calculations that underpin each of them.

### 2. Collection Fund

- 2.1 The Collection Fund is a statutory fund separate from the General Fund. It accounts for income from Council Tax, including those properties within the Wimbledon and Putney Commons Conservators area. The bodies on whose behalf the income has been raised are the Council and the Greater London Authority (which includes the services of the Metropolitan Police and the London Fire and Emergency Planning Authority (LFEPA)). The Council's demand on the Collection Fund is by its General Fund. The Greater London Authority's demand is expressed as a precept.
- 2.2 Under the localised arrangements for council tax support, the Collection Fund entries for council tax remain unchanged, and council tax discounts reduce the council tax base and the amount of collectable council tax income. The additional resources to cover the loss of council tax income are provided by council tax support grant which is credited to the General Fund.
- 2.3 The Collection Fund also accounts for National Non-Domestic Rates and there have been significant changes to the treatment of NNDR due to the changes to local government funding arising from business rates retention and the Local Government Finance Act 2012 (Section 3, part 2)
- 2.4 The Collection Fund will account for receipts from business ratepayers, together with payments:
- to central government in respect of the central share
  - to/from central government in respect of transitional protection payments where applicable
  - to relevant precepting authorities in respect of their share of rating income
- 2.5 While there remains a single Collection Fund, local authorities now have to be able to separate the elements relating to council tax and non-domestic rates and calculate separate surpluses and deficits on each.
- 2.6 A billing authority needs to ensure that its collection fund has sufficient resources to meet the demands on it at all times. To the extent that there is insufficient in the collection fund to meet those demands at any time, the billing authority has temporarily to "borrow" from its general fund.

- 2.7 The Collection Fund accounts are kept on an accrual basis and a surplus or deficit for the year in the collection fund is estimated accordingly.
- 2.8 The surplus on the collection fund as at 31<sup>st</sup> March 2013 was £6.365m to be shared £4.987m (78.4%) to Merton and £1.378m (21.6%) to the GLA. This was entirely due to council tax as surpluses/deficits due to NNDR will only arise with effect from 2013/14.
- 2.9 Council Tax  
The estimated surplus on the Collection Fund as at 31<sup>st</sup> March 2014 due to Council Tax is £5.874m. This is to be shared £4.608m (78.4%) to Merton and £1.266m ((21.6%) to the GLA.
- 2.10 NNDR  
For the first time, it is necessary to calculate the estimated surplus/deficit on the Collection Fund arising from Business Rates. This estimation is required as part of the council's NNDR1 Return which has to be submitted to the Department for Communities and Local Government (DCLG) by 31 January 2014. Part 4 of this return relates to the calculation of the estimated Collection Fund balance as at 31/3/14.

One of the factors that needs to be taken into account in this calculation is an adjustment arising from the audit of the 2012/13 accounts. This concluded that based on previous collection rates, there was an over-provision for bad debt provisions by £2 million on on non-domestic rates (NDR). Given the uncertainty of the new non-domestic rating regime and the lack of clarity in accounting guidance, it was decided that no NDR adjustment would be undertaken until 2013/14 when the position on collection rates and bad debts should have become clearer.

Based on the calculation in the Council's NNDR1 (Part 4) there is an estimated deficit on the Collection Fund as at 31<sup>st</sup> March 2014 due to NNDR of £1.240m which takes account of the revision to bad debt provision. This is to be shared £0.620m (50%) to Central Government, £0.372m (30% to Merton) and £0.248m (20%) to the GLA.

### **3. Council Tax Base 2014/15**

- 3.1 The council tax base is the measure of the number of dwellings to which council tax is chargeable in an area or part of an area. The Council Tax base is calculated using the properties from the Valuation List together with information held within Council Tax records. The properties are adjusted to reflect the number of properties within different bands in order to produce the Council Tax Base (Band D equivalent). This will be used to set the Council Tax at Band D for 2014/15. The Council is required to determine its Council Tax Base by 31 January 2014.

- 3.2 In 2013/14 the Council Tax Base calculation was affected by the introduction of the new local council tax support scheme and technical reforms to council tax. On 30 November 2012, new regulations set out in the Local Authorities (Calculation of council Tax Base) Regulations 2012 (SI 2012:2914) came into force. These regulations ensured that new local council tax support schemes, implemented under the Local Government Finance Act 2012, were fully reflected in the council tax base for all authorities.
- 3.3 Under the regulations, the council tax base is the aggregate of the relevant amounts calculated for each valuation band multiplied by the authority's estimated collection rate for the year.
- 3.4 The relevant amounts are calculated as
- number of chargeable dwellings in each band shown on the valuation list on a specified day of the previous year,
  - adjusted for the number of discounts, and reductions for disability, that apply to those Dwellings
- 3.5 All authorities notify the DCLG of their unadjusted Council Tax Base using a CTB Form and the deadline for return was 18 October 2013 and Merton met this deadline.
- 3.6 The CTB form for 2014/15 includes the latest details about the Council Tax Support Scheme and the technical reforms which impacted on discounts and exemptions. Last year this information was not available at the time the CTB form was submitted.
- 3.7 Council Tax Base 2013/14
- 3.7.1 The Council Tax Base calculation for last year is set out below:-

	Council Tax Base 2013/14
Council Tax Base (CTB Form – Original methodology)	78,270.9
Less: Reduction in CT Base for CT Reduction Scheme	(9,981.8)
Add: Increase for Technical Reform Adjustments	1,121.5
<b>Total of relevant amounts (A)</b>	<b>69,410.6</b>
Total of relevant amounts (A)	69,410.6
Authority's estimate of collection rate (B)	96.5%
<b>Council Tax Base 2013/14</b>	<b>66,981.2</b>

3.7.2 There is a separate council tax base for those properties within the area covered by Wimbledon and Putney Commons Conservators. For 2013/14 the Council Tax Base for WPCC is 9,645.2. The Conservators use this, together with the Council Tax bases from RB Kingston, and Wandsworth to calculate the levy which is charged each year.

### 3.8 Assumptions in the MTFs for calculating the 2014/15 Council Tax Base

3.8.1 In producing a forecast of council tax yield in future years, there are two key variables to be considered:-

- the year on year change in Council Tax Base
- the council tax collection rate

Council Tax Base	Council Tax Base 2013/14	Estimated collection rate (%)	Council Tax Base 2014/15	Estimated collection rate (%)
				%
Whole Area	66,981.2	96.5	68,087.4	97.0
WPCC	9,645.2	96.5	10,708.8	97.0

3.8.2 The draft MTFs reported to Cabinet assumes that the Council Tax Base increases 0.5% per year and that the collection rate is 97% in each of the years.

### 3.9 Information from the October 2013 Council Tax Base Return

3.9.1 The Council makes two CTB returns, one for the whole area of the borough and the other for the area covered by the Wimbledon and Putney Common Conservators (WPCC) for which an additional levy is applied.

3.9.2 The information in the CTB returns has been used to calculate the council tax bases and these are summarised in the following table compared to 2013/14:-

Council Tax Base	2013/14	2014/15	Change
			%
Whole Area	66,981.2	68,087.4	1.65
WPCC	9,645.2	10,708.8	11.03

### 3.10 **Council Tax Yield 2014/15**

3.10.1 Based on the latest information about Council Tax proposals for 2014/15 the estimated Council Tax yield for 2014/15 is:-

Council Tax: Whole area	Tax Base	Band D 2014/15	Council Tax Yield 2014/15	Council Tax Yield 2013/14
Merton	68,087.4	£1,102.55	£75.070m	£73.850m
WPCC	10,708.8	£27.38	£0.293m	£0.269m
GLA	68,087.4	£299.00	£20.358m	£20.295m

The amounts collected for the GLA and WPCG are paid over to each of them as precepts.

#### **4. Business Rates**

##### **4.1 Introduction**

The Local Government Finance Act 2012 entailed major changes to the funding of local government. From April 2013, the Government reformed the way in which local government is funded through the introduction of the business rates retention scheme. 2014-15 will be the second year of the 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. From 2013/14 this system has changed, with 50% of the income still being paid to central government, the Greater London Authority (GLA) receives 20%, leaving London boroughs with the remaining 30%.

4.2 For 2013/14, the Department for Communities and Local Government (DCLG) calculated a baseline funding level of £31.415m. From Merton's NNDR1 for 2013/14 it was estimated that the total income from business rates would be £81.575m and Merton would keep £24.472m (30%) of this. In addition, Merton receives a "top-up" payment (£7.547m in 2013/14).

4.3 Merton keeps 30% of any growth in the total business rates collected in the borough but if there is a decline in yield Merton will need to meet 30% of the shortfall.

##### **4.4 NNDR1**

The statutory framework effectively requires a billing authority, before the beginning of a financial year, to forecast the amount of business rates that it will collect during the course of the year and, from this, to make a number of allowable deductions in order to arrive at a figure for its non-domestic rating income. It is the non-domestic rating income that is shared between the parties to the scheme. The framework also sets out how the billing authority is to treat allowable deductions – requiring that either they are paid to major precepting authorities, or transferred to the authority's General Fund.

4.5 The calculations that authorities make before the start of the financial year determine how much they must pay to central government and their major precepting authorities during the course of the year. Since these payments are fixed at the outset of the year, it follows that any difference between forecast amounts and final outturns will result in a surplus, or deficit on the billing authority's Collection Fund. Any such surplus or deficit is shared between government, billing authorities and their major preceptors (excluding policing bodies) in line with their share of the business rates baseline.



4.6 The estimate for the actual income figure (or net rate yield) for 2014/15 is based on a return to the DCLG called the NNDR1. This has to be finalised by 31 January, and calculates the amounts to be paid to central government, to the GLA and the amount to be retained by Merton to be used as part of the budget setting process.

4.7 Latest developments

On 5 December 2013, the Chancellor announced, as part of his Autumn Statement, changes to business rates in 2014-15. The cost of these measures, including the funding of some elements of discretionary relief, will be fully met by Government. Accordingly, authorities will be compensated for any loss to their “local share” of business rates. Compensation will be provided by means of Section 31 grant. However, because of these various changes introduced in the Autumn Statement there was a delay in the DCLG issuing the NNDR1 form for 2014/15.

The business rate multipliers for 2014/15 capped at 1.95% as announced in the Autumn Statement are:-

- Small Business Multiplier 47.1p per £ (46.2p in 2012/13)
- Standard Multiplier 48.0p per £ (47.1p in 2012/13)

Large individual properties in London with a rateable value of more than £55,000 will also be subject to a 2p in the £ business rate supplement to help pay for Crossrail.

4.8 **Estimating the net rate yield for 2014/15**

The starting point is the aggregate rateable value for Merton as at 31 December 2013. (£204m) This is a fixed figure based on the VO’s valuations for all business properties in Merton at that date. A multiplier is then applied to this rateable value as set by central government (the rate in the pound charged for that year, which for 2014/15 will be 47.1p in the £). This gives a gross rates figure of £96m.

4.9 Estimating the income figure is extremely difficult, as there are many factors which can significantly affect the overall figure. These include:

- Changes in rateable value from new properties entering rating or properties being taken out of rating
- Revaluations due to the backlog of appeals which, if successful, will be backdated in most cases to April 2010
- Empty and charitable reliefs
- Losses in collection

4.10 Estimated Surplus or Deficit

Due to the variability of some of the factors, it is inevitable that the final figure at the end of each year will be different to the estimate. Therefore, a further calculation is required at the end of each year to estimate the surplus or deficit on the Collection Fund (as is also done for Council Tax). 2013/14 is the first year that a surplus/deficit can arise on the Collection Fund because of NNDR.

- 4.11 2014-15 will be the first year for which authorities have to estimate the likely non-domestic rating surplus, or deficit on the Collection Fund. The Non-Domestic Rating (Rates Retention) Regulations 2013 (SI 2013/452) require billing authorities to notify the Secretary of State and their major precepting authorities of their calculation of non-domestic rating income for 2014-15 and estimate the surplus/deficit on the Collection Fund by Friday 31 January 2014.

Regulation 13 effectively requires an estimate of the surplus/deficit that the authority believes will exist at 31 March 2014, on the basis of a statutory calculation set out in Schedule 4 to the Regulations. The estimated amount will be shared between the authority, its major preceptors and central Government and will be added (or subtracted) from each party's share of 2014-15 non-domestic rating income.

- 4.12 A copy of Merton's NNDR1 for 2014/15 is attached.
- 4.13 The following table summarises the difference between the estimates from the NNDR1 for 2014/15 and the figures included in the MTFS at the January 2014 Cabinet:-

#### IMPLICATIONS OF NNDR1 2014/15 FOR MTFS IN 2014/15

	MTFS £	NNDR1 £	Difference £
NNDR 2014/15	24,332,709	25,559,481	1,226,772
- Top-Up 2014/15	7,694,000	7,694,000	-
	32,026,709	33,253,481	1,226,772
Collection Fund Surplus/Deficit(-) 2013/14	600,000	- 371,940	- 971,940
	32,626,709	32,881,541	254,832
Section 31 Grant	-	1,117,530	1,117,530
Total	32,626,709	33,999,071	1,372,362

**NATIONAL NON-DOMESTIC RATES RETURN - NDR1****2014-15**

Please e-mail to: [ndr.statistics@communities.gsi.gov.uk](mailto:ndr.statistics@communities.gsi.gov.uk) by no later than 31 January 2014.  
In addition, a certified copy of the form should be returned by no later than 31 January 2014 to  
Dennis Herbert, Department for Communities and Local Government, Zone 5/J6 Eland House, Bressenden Place, London SW1E 5DU

All figures should be shown in whole £

Please check the Validation tab to see if there are any validation queries that need to be answered

Select your local authority's name from this list:

Mendip	-
Merton	-
Mid Devon	-
Mid Suffolk	-

Authority Name  
E-code  
Local authority contact name  
Local authority contact number  
Local authority fax number  
Local authority e-mail address

Merton
E5044
Richard Mason
020 8545 3670
020 8 545 3960
<a href="mailto:richard.mason@merton.gov.uk">richard.mason@merton.gov.uk</a>

Ver 1.2

**PART 1A: NON-DOMESTIC RATING INCOME****COLLECTIBLE RATES**

£

1. Net amount receivable from rate payers after taking account of transitional adjustments, empty property rate, mandatory and discretionary reliefs and accounting adjustments **84,507,035**

**TRANSITIONAL PROTECTION PAYMENTS**

2. Sums due to the authority **35,684**

3. Sums due from the authority **0**

**COST OF COLLECTION (See Note A)**

4. Cost of collection formula **280,951**

5. Legal costs **0**

6. Allowance for cost of collection **280,951**

**SPECIAL AUTHORITY DEDUCTIONS**

7. City of London Offset **0**

**DISREGARDED AMOUNTS**

8. Amounts retained in respect of Enterprise Zones **0**

9. Amounts retained in respect of NDD areas **0**

10. Amounts retained in respect of Renewable Energy Schemes (See Note B) **0**

of which:

11. sums retained by billing authority **0**

12. sums retained by major precepting authority **0**

**NON-DOMESTIC RATING INCOME**

13. Line 1 plus line 2, minus lines 3 and 6 - 10 **84,261,768**

**NATIONAL NON-DOMESTIC RATES RETURN - NNDR1**  
**2014-15**

Please e-mail to: [ndr.statistics@communities.gsi.gov.uk](mailto:ndr.statistics@communities.gsi.gov.uk) by no later than 31 January 2014.  
In addition, a certified copy of the form should be returned by no later than 31 January 2014 to  
Dennis Herbert, Department for Communities and Local Government, Zone 5/J6 Eland House, Bressenden Place, London SW1E 5DU

All figures should be shown in whole £

Please check the Validation tab to see if there are any validation queries that need to be answered

Local Authority : Merton

**PART 1B: PAYMENTS**

The payments to be made, during the course of 2014-15 to:

- i) the Secretary of State in accordance with Regulation 4 of the Non-Domestic Rating (Rates Retention) Regulations 2013;
  - ii) major precepting authorities in accordance with Regulations 5, 6 and 7; and to be
  - iii) transferred by the billing authority from its Collection Fund to its General Fund,
- are set out below

	Column 1 Central Government £	Column 2 Merton £	Column 3 Greater London Authority £	Column 4 £	Column 5 Total £
<b>Non-Domestic Rating Income for 2014-15</b>					
14. Non-domestic rating income from rates retention scheme	42,130,884	25,278,530	16,852,354	0	84,261,768
15. (less) qualifying relief in Enterprise Zones	0				0
16 <b>TOTAL:</b>	<b>42,130,884</b>				<b>84,261,768</b>
<b>Other Income for 2014-15</b>					
17. add: cost of collection allowance		280,951			280,951
18. add: amounts retained in respect of Enterprise Zones		0			0
19. add: amounts retained in respect of NDD Area		0			0
20. add: amounts retained in respect of renewable energy schemes		0	0		0
21. add: qualifying relief in Enterprise Zones		0	0	0	0
22. add: City of London Offset		0			0
<b>Estimated Surplus/Deficit on Collection Fund</b>	£	£	£	£	£
23. Estimated Surplus/Deficit at end of 2013-14	-619,901	-371,940	-247,960	0	-1,239,801
<b>TOTAL FOR THE YEAR</b>	£	£	£	£	£
24. Total amount due to authorities	41,510,984	25,187,541	16,604,394	0	83,302,918

Please investigate the error messages shown below and make the appropriate changes to the form. Any comments should be added at the bottom of Part 4

Line 24 column 5 doesn't equal the sum of columns 1 to 4. Please check why.

**NATIONAL NON-DOMESTIC RATES RETURN - NDR1****2014-15**

Please e-mail to: [ndr.statistics@communities.gsi.gov.uk](mailto:ndr.statistics@communities.gsi.gov.uk) by no later than 31 January 2014.  
In addition, a certified copy of the form should be returned by no later than 31 January 2014 to  
Dennis Herbert, Department for Communities and Local Government, Zone 5/J6 Eland House, Bressenden Place, London SW1E 5DU

All figures should be shown in whole £

Please check the Validation tab to see if there are any validation queries that need to be answered

Local Authority : Merton

**PART 1C: SECTION 31 GRANT (See Note C)**

Estimated sums due from Government via Section 31 grant, to compensate authorities for the cost of changes to the business rates system announced in the 2013 Autumn Statement.

	Column 2 Merton £	Column 3 Greater London Authority £	Column 4 £	Column 5 Total £
<b>2014-15 Multiplier Cap</b>				
25. Cost of 2% cap on 2014-15 small business rates multiplier	271,332	178,900	0	450,232
<b>Small Business Rate Relief</b>				
26. Cost to authorities of temporary doubling in 2014-15	400,119	266,746	0	666,865
27. Cost to authorities of maintaining relief on "first" property	16,331	10,888	0	27,219
<b>"New Empty" Property Relief</b>				
28. Cost to authorities of giving relief to newly-built empty property	0	0	0	0
<b>"Long Term Empty" Property Relief</b>				
29. Relief on occupation of "long-term empty" property	31,363	20,909	0	52,272
<b>Retail Relief</b>				
30. Relief provided to retail properties	398,385	265,590	0	663,975
<b>TOTAL FOR THE YEAR</b>	£	£	£	£
31. Total amount of Section 31 grant due to authorities	1,117,530	743,033	0	1,860,563

**Certificate of Chief Financial Officer / Section 151 Officer**

I confirm that the entries in this form are the best I can make on the information available to me and amounts are calculated in accordance with regulations made under Schedule 7B to the Local Government Act 1988. I also confirm that the authority has acted diligently in relation to the collection of non-domestic rates.

Name of Chief Financial Officer  
or Section 151 Officer : .....

Signature : .....

Date : .....

**PROVISIONAL NATIONAL NON-DOMESTIC RATES RETURN - NNDR1**  
**2014-15**

All figures should be shown in whole £

Please check the Validation tab to see if there are any validation queries that need to be answered

Ver 1.2

**Local Authority : Merton**

**PART 2: NET RATES PAYABLE**

	Column 1 BA Area (exc. NDD & EZ) £	Column 2 NDD Area £	Column 3 Enterprise Zone £	Column 4 TOTAL (All BA Area) £
<b>GROSS RATES PAYABLE (See Note D)</b>				
1. Rateable Value at <input type="text" value="31.12.13"/>	203,535,434	0	0	203,535,434
2. Small business rating multiplier for <input type="text" value="47.1"/> 2014-15 (pence)				
3. Gross rates 2014-15 - (RV x multiplier)	95,865,189	0	0	
4. Estimated growth/decline in gross rates	335,528	0	0	
5. Forecast gross rates payable in 2014-15	96,200,717	0	0	96,200,717
<b>TRANSITIONAL ARRANGEMENTS (See Note E)</b>				
6. Revenue foregone because increases in rates have been deferred	43,059	0	0	43,059
7. Additional income received because reductions in rates have been deferred	7,375	0	0	7,375
8. Net cost of transitional arrangements	35,684	0	0	
9. Changes to net cost of transitional arrangements as a result of estimated growth/decline	0	0	0	
10. Forecast net cost of transitional arrangements	35,684	0	0	35,684

**TRANSITIONAL PROTECTION PAYMENTS (See Note F)**

11. Sum due to/(from) authority	35,684	0	0	35,684
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**MANDATORY RELIEFS (See Note G)**

**Small Business Rate Relief**

12. Forecast of relief to be provided in 2014-15	2,693,306	0	0	2,693,306
13. of which: relief on existing properties where a 2nd property is occupied	53,866	0	0	53,866
14. Additional yield from the small business supplement	1,929,252	0	0	1,929,252
15. Net cost of small business rate relief (line 12-line 14)	764,054	0	0	764,054

**Charitable occupation**

16. Forecast of relief to be provided in 2014-15	4,957,100	0	0	4,957,100
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**Community Amateur Sports Clubs (CASCs)**

17. Forecast of relief to be provided in 2014-15	98,077	0	0	98,077
--	--------	---	---	--------

**Rural rate relief**

18. Forecast of relief to be provided in 2014-15	0	0	0	0
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19. Forecast of mandatory reliefs to be provided in 2014-15 (Sum of lines 15 to 18)	5,819,231	0	0	
20. Changes as a result of estimated growth/decline in mandatory relief	39,619	0	0	
21. Total forecast mandatory reliefs to be provided in 2014-15	5,858,850	0	0	5,858,850

**PROVISIONAL NATIONAL NON-DOMESTIC RATES RETURN - NNDR1**  
**2014-15**

All figures should be shown in whole £

Please check the Validation tab to see if there are any validation queries that need to be answered

Ver 1.2

**Local Authority : Merton**

**PART 2: NET RATES PAYABLE**

	Column 1 BA Area (exc. NDD & EZ)	Column 2 NDD Area	Column 3 Enterprise Zone	Column 4 TOTAL (All BA Area)
<b>UNOCCUPIED PROPERTY (See Note H)</b>				
<b>Partially occupied hereditaments</b>				
22. Forecast of 'relief' to be provided in 2014-15	4,439	0	0	4,439
<b>Empty premises</b>				
23. Forecast of 'relief' to be provided in 2014-15	1,176,686	0	0	1,176,686
24. Forecast of unoccupied property 'relief' to be provided in 2014-15 (Line 22 + line 23)	1,181,125	0	0	
25. Changes as a result of estimated growth/decline in unoccupied property 'relief'	0	0	0	
<b>26. Total forecast unoccupied property 'relief' to be provided in 2014-15</b>	<b>1,181,125</b>	<b>0</b>	<b>0</b>	<b>1,181,125</b>
<b>DISCRETIONARY RELIEFS (See Note J)</b>				
<b>Charitable occupation</b>				
27. Forecast of relief to be provided in 2014-15	457,377	0	0	457,377
<b>Non-profit making bodies</b>				
28. Forecast of relief to be provided in 2014-15	96,485	0	0	96,485
<b>Community Amateur Sports Clubs (CASCs)</b>				
29. Forecast of relief to be provided in 2014-15	188	0	0	188
<b>Rural shops etc</b>				
30. Forecast of relief to be provided in 2014-15	0	0	0	0
<b>Small rural businesses</b>				
31. Forecast of relief to be provided in 2014-15	0	0	0	0
<b>Other ratepayers</b>				
32. Forecast of relief to be provided in 2014-15	200,000	0	0	200,000
33. Forecast of discretionary relief to be provided in 2014-15 (Sum of lines 27 to 32)	754,050	0	0	
34. Changes as a result of estimated growth/decline in discretionary relief	0	0	0	
<b>35. Total forecast discretionary relief to be provided in 2014-15</b>	<b>754,050</b>	<b>0</b>	<b>0</b>	<b>754,050</b>
36. Relief given to Case A hereditaments	of which:		of which:	0
37. Relief given to Case B hereditaments	0			

**PROVISIONAL NATIONAL NON-DOMESTIC RATES RETURN - NDR1**  
**2014-15**

All figures should be shown in whole £

Please check the Validation tab to see if there are any validation queries that need to be answered

Ver 1.2

**Local Authority : Merton**

**PART 2: NET RATES PAYABLE**

	Column 1 BA Area (exc. NDD & EZ)	Column 2 NDD Area	Column 3 Enterprise Zone	Column 4 TOTAL (All BA Area)
<b>DISCRETIONARY RELIEFS FUNDED THROUGH SECTION 31 GRANT (See Note K)</b>				
<b>"New Empty" properties</b>				
38. Forecast of relief to be provided in 2014-15	0	0	0	0
<b>"Long term empty" properties</b>				
39. Forecast of relief to be provided in 2014-15	103,446	0	0	103,446
<b>Retail relief</b>				
40. Forecast of relief to be provided in 2014-15	1,314,000	0	0	1,314,000
41. Forecast of discretionary reliefs funded through S31 grant to be provided in 2014-15 (Sum of lines 38 to 40)	1,417,446	0	0	
42. Changes as a result of estimated growth/decline in Section 31 discretionary relief	70,872	0	0	
43. Total forecast of discretionary reliefs funded through S31 grant to be provided in 2014-15	1,488,318	0	0	1,488,318
<b>NET RATES PAYABLE</b>				
44. Forecast of net rates payable by rate payers after taking account of transitional adjustments, unoccupied property relief, mandatory and discretionary reliefs	£ 86,882,690	£ 0	£ 0	£ 86,882,690

Checked by Chief Financial Officer :



**PROVISIONAL NATIONAL NON-DOMESTIC RATES RETURN - NNDR1**  
**2014-15**

All figures should be shown in whole £

Please check the Validation tab to see if there are any validation queries that need to be answered

Ver 1.2

**Local Authority : Merton**

**PART 3: COLLECTABLE RATES AND DISREGARDED AMOUNTS**

	Column 1 BA Area (exc. NDD & EZ) £	Column 2 NDD Area £	Column 3 Enterprise Zone £	Column 4 TOTAL (All BA Area) £
<b>NET RATES PAYABLE</b>				
1. Sum payable by rate payers after taking account of transitional adjustments, empty property rate, mandatory and discretionary reliefs	86,882,690	0	0	86,882,690
<b>(LESS) LOSSES</b>				
2. Estimated bad debts in respect of 2014-15 rates payable	1,283,611	0	0	1,283,611
3. Estimated repayments in respect of 2014-15 rates payable	1,092,044	0	0	1,092,044
<b>COLLECTABLE RATES</b>				
4. Net Rates payable less losses	84,507,035	0	0	84,507,035
<b>DISREGARDED AMOUNTS</b>				Total Renewable Energy
5. Renewable Energy	0	0	0	0
6. Transitional Protection Payment		0	0	
7. Baseline		0	0	
<b>DISREGARDED AMOUNTS</b>		£	£	£
8. Total Disregarded Amounts		0	0	0

Checked by Chief Financial Officer :

**PROVISIONAL NATIONAL NON-DOMESTIC RATES RETURN - NNDR1**  
**2014-15**

All figures should be shown in whole £

Please check the Validation tab to see if there are any validation queries that need to be answered

Ver 1.2

**Local Authority : Merton**

**PART 4: ESTIMATED COLLECTION FUND BALANCE**

**OPENING BALANCE**

	£	£
1. Opening Balance (From Collection Fund Statement)		0

**CREDITS**

2. Total amount credited, or to be credited, to the Collection Fund in 2013-14	85,626,097	
3. Transitional protection payments received, or to be received in 2013-14	152,559	
4. Transfers/payments to the Collection Fund for end-year reconciliations	0	
5. Transfers/payments into the Collection Fund in 2013-14 in respect of a previous year's deficit	0	
<b>6. Total Credits</b>		<b>85,778,656</b>

**CHARGES**

7. Total amount charged, or to be charged, to the Collection fund in 2013-14	4,845,057	
8. Transitional protection payments made, or to be made, in 2013-14	317,823	
9. Payments made, or to be made, to the Secretary of State in respect of the central share in 2013-14	40,787,499	
10. Payments made, or to be made to, major precepting authorities in respect of business rates income in 2013-14	16,314,999	
11. Transfers made, or to be made, to the billing authority's General Fund in respect of business rates income in 2013-14	24,472,499	
12. Transfers made, or to be made, to the billing authority's General Fund; and payments made, or to be made, to a precepting authority in respect of disregarded amounts in 2013-14	280,580	
13. Transfers/payments from the Collection Fund for end-year reconciliations	0	
14. Transfers/payments made from the Collection Fund in 2013-14 in respect of a previous year's surplus	0	
<b>15. Total Charges</b>		<b>87,018,457</b>
<b>16. Adjustment for 5-Year Spread</b>		

**ESTIMATED SURPLUS/(DEFICIT) ON COLLECTION FUND IN RESPECT OF FINANCIAL YEAR 2013-14**

		£
17. Opening balance plus total credits, less total charges, plus adjustment for 5-year spread		-1,239,801

Checked by Chief Financial Officer :

## DRAFT MEDIUM TERM FINANCIAL STRATEGY 2014-18

OTHER CORPORATE ITEMS				
	<b>2014/15</b>		<b>2015/16</b>	
	<b>£000</b>		<b>£000</b>	
			<b>2016/17</b>	<b>2017/18</b>
			<b>£000</b>	<b>£000</b>
Asset Rentals: Depreciation	- 15,227	-	15,227	-
Recharge to Education of Past Service Deficiency/Redundancy	- 463	-	463	-
Change in corporate Specific and Special Grants	- 47	-	61	-
CHAS Dividend	-	-	174	-
WPCC	293	-	293	-
Auto-enrolment	300	-	300	-
Corporate expenditure (utilities inflation)	300	-	100	-
Adjustment re Income re P3/P4	400	-	400	-
Bad Debt provision	500	-	500	-
Balances - Provision for inflation > 1.5%	585	-	879	-
Further provision for revaluisation/RCCO	917	-	437	-
Contingency	1,500	-	1,500	-
Pensions deficit and Lump Sum (Net of use of £1.5m from Balancing the Budget Reserve)	13,597	-	4,206	-
<b>Total Corporate items</b>	<b>2,655</b>	<b>-</b>	<b>7,187</b>	<b>-</b>
			<b>7,704</b>	<b>-</b>
				<b>7,506</b>

## APPENDIX 5

## TRANSITION OF BUDGET FROM COUNCIL IN MARCH 2012 TO CABINET 18

	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000
<b>Council March 2013</b>	<b>2884</b>	<b>7872</b>	<b>14065</b>	<b>19167</b>
Inflation	46	-746	-1096	-1451
Pensions	6947	-2844	-2656	-1457
National Insurance changes	0	0	1000	1000
Treasury management	478	-1005	-879	-184
Change in asset depreciation	-91	-91	-91	-91
CHAS adjustment	0	920	0	0
PFI affordability	519	583	649	719
Other miscellaneous changes	-108	-816	-303	-299
Council Tax income	-1200	-1575	-1952	-2331
Council Tax Freeze Grant	-23	-891	835	835
Collection Fund	-2986	1250	1250	1250
New Homes Bonus	-475	237	724	724
Revenue Support Grant	-437	7694	5634	7610
Business Rates	-1992	-1650	-1637	-2317
Specific /Special Grants	-5359	-4576	-4178	-4176
Reserves	0	-4064	-1688	0
Full Year effect of previous years savings	1805	1007	337	337
Savings 2014-18	0	-1297	-2655	-4082
Levies	-8	-8	-8	-8
<b>Cabinet 17 February 2014</b>	<b>0</b>	<b>0</b>	<b>7351</b>	<b>15246</b>

## STATEMENT OF COUNCIL TAX REQUIREMENTS AND BALANCES

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
	£m	£m	£m	£m	£m	£m	Band D Council Tax Equivalent	Band D Council Tax Equivalent	Band D Council Tax Equivalent	Band D Council Tax Equivalent	Band D Council Tax Equivalent	Band D Council Tax Equivalent
<b>Merton</b>												
Net Cost of General Fund Services	147.185	148.599	148.193	145.820	153.491	150.139	2,015.49	2,001.34	1,989.55	1,949.04	2,291.55	2,205.09
Contingency	2.000	2.900	1.820	2.000	1.500	1.500	27.39	39.06	24.43	26.73	22.39	22.03
	149.185	151.499	150.013	147.820	154.991	151.639	2,042.88	2,040.39	2,013.98	1,975.77	2,313.95	2,227.12
<b>Levies</b>												
Lee Valley	0.225	0.227	0.220	0.215	0.220	0.214	3.08	3.06	2.95	2.87	3.28	3.14
London Pensions Fund	0.296	0.283	0.254	0.253	0.268	0.266	4.05	3.81	3.41	3.38	4.00	3.91
Environment Agency	0.146	0.148	0.146	0.146	0.157	0.157	2.00	1.99	1.96	1.95	2.34	2.31
Total Levies	0.667	0.658	0.620	0.614	0.645	0.637	9.13	8.86	8.32	8.21	9.63	9.36
<b>TOTAL BUDGET (before balances, etc adjustment)</b>	<b>149.852</b>	<b>152.157</b>	<b>150.633</b>	<b>148.434</b>	<b>155.636</b>	<b>152.276</b>	<b>2,052.01</b>	<b>2,049.25</b>	<b>2,022.31</b>	<b>1,983.98</b>	<b>2,323.58</b>	<b>2,236.48</b>
Provisions, Contributions and Balances												
Contribution to/(from) General Fund Balances	0.000	0.000	0.000	0.000	0.000	0.000	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL BUDGET REQUIREMENT</b>	<b>149.852</b>	<b>152.157</b>	<b>150.633</b>	<b>148.434</b>	<b>155.636</b>	<b>152.276</b>	<b>2,052.01</b>	<b>2,049.25</b>	<b>2,022.31</b>	<b>1,983.98</b>	<b>2,323.58</b>	<b>2,236.48</b>
<b>Less: Central Government Support</b>												
Government (Formula) Grant:												
Revenue Support Grant	(12.518)	(8.588)	(15.730)	(1.180)	0.000	0.000	-171.42	-115.66	-211.17	-15.77	0.00	0.00
National Non-Domestic Rates	(54.233)	(59.145)	(50.888)	(60.841)	0.000	0.000	-742.64	-796.56	-683.19	-813.21	0.00	0.00
RSG + Baseline funding (NDR)	0.000	0.000	0.000	0.000	(79.241)	(72.991)	0.00	0.00	0.00	0.00	-1,183.03	-1,072.02
Total Revenue Support Grant + Baseline NDR Funding:	(66.751)	(67.733)	(66.617)	(62.021)	(79.241)	(72.991)	-914.06	-912.23	-894.36	-828.98	-1,183.03	-1,072.02
Contribution to/(from) Collection Fund	(1.400)	(2.519)	(1.859)	(3.891)	(2.545)	(4.236)	-19.17	-33.93	-24.96	-52.01	-38.00	-62.21
<b>Council Tax Requirement</b>												
Merton - General	81.701	81.905	82.157	82.522	73.850	75.049	1,118.78	1,103.10	1,102.99	1,102.99	1,102.55	1,102.25
<b>Merton - COUNCIL TAX FUNDING REQUIREMENT</b>	<b>81.701</b>	<b>81.905</b>	<b>82.157</b>	<b>82.522</b>	<b>73.850</b>	<b>75.049</b>	<b>1,118.78</b>	<b>1,103.10</b>	<b>1,102.99</b>	<b>1,102.99</b>	<b>1,102.55</b>	<b>1,102.25</b>
Greater London Authority Precept												
Metropolitan Police Authority	16.383	16.657	16.979	17.467	14.753	14.903	227.02	224.34	227.95	233.46	220.25	218.88
Other Non-Police Services	6.047	6.347	6.098	5.481	5.543	5.367	82.80	85.48	81.87	73.26	82.75	80.12
<b>Greater London Authority Precept</b>	<b>22.430</b>	<b>23.004</b>	<b>23.077</b>	<b>22.948</b>	<b>20.295</b>	<b>20.270</b>	<b>309.82</b>	<b>309.82</b>	<b>309.82</b>	<b>306.72</b>	<b>303.00</b>	<b>299.00</b>
<b>TOTAL COUNCIL TAX REQUIREMENT</b>	<b>104.131</b>	<b>104.909</b>	<b>105.234</b>	<b>105.469</b>	<b>94.145</b>	<b>95.319</b>	<b>1,428.60</b>	<b>1,412.92</b>	<b>1,412.81</b>	<b>1,409.71</b>	<b>1,405.55</b>	<b>1,401.25</b>

DRAFT MEDIUM TERM FINANCIAL STRATEGY 2014-18				
	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000
<b>Departmental Base Budget 2013/14</b>	<b>151,915</b>	<b>151,915</b>	<b>151,915</b>	<b>151,915</b>
Departmental Budget Changes	- 7,496	- 7,469	- 7,904	- 5,016
<b>Departmental Re-priced Budget</b>	<b>144,419</b>	<b>144,446</b>	<b>144,011</b>	<b>146,899</b>
Treasury items	14,830	14,208	15,838	18,042
Other Corporate items	2,655	- 7,187	- 7,704	- 7,506
Levies	638	638	638	638
Appropriation to/from Reserves	0	-4064	-1688	0
<b>CORPORATE PROVISIONS</b>	<b>18,123</b>	<b>3,595</b>	<b>7,084</b>	<b>11,174</b>
<b>BUDGET REQUIREMENT</b>	<b>162,542</b>	<b>148,041</b>	<b>151,095</b>	<b>158,073</b>
<b>FUNDING:</b>				
RSG - Main element	- 39,738	- 29,284	- 26,836	- 24,860
RSG - Rolled in Grants element	-	-	-	-
Estimated reduction in Grant Based on IFS	-	-	-	-
<b>RSG - Total</b>	<b>- 39,738</b>	<b>- 29,284</b>	<b>- 26,836</b>	<b>- 24,860</b>
Business Rates Baseline - Main element	- 25,559	- 25,004	- 26,006	- 26,455
Business Rates Baseline - Rolled in Grants element	-	-	-	-
Additional Business Rates from NNDR1	-	-	-	-
<b>Business Rates Yield as per NNDR1</b>	<b>- 25,559</b>	<b>- 25,004</b>	<b>- 26,006</b>	<b>- 26,455</b>
Top-Up Payment	- 7,694	- 7,906	- 8,010	- 8,241
Section 31 Grant	- 1,118	- 1,118	-	-
<b>Business Rates Funding</b>	<b>- 34,371</b>	<b>- 34,029</b>	<b>- 34,016</b>	<b>- 34,696</b>
<b>Sub-Total: RSG + NNDR</b>	<b>- 74,109</b>	<b>- 63,313</b>	<b>- 60,852</b>	<b>- 59,556</b>
PFI Grant	- 4,797	- 4,797	- 4,797	- 4,797
New Homes Bonus	- 3,199	- 2,487	- 2,000	- 2,000
Collection Fund t/f of surplus(-)/deficit - Council Tax	- 4,608	-	-	-
Collection Fund t/f of surplus(-)/deficit - Business Rates	372	-	-	-
Council Tax Income	- 75,049	- 75,425	- 75,802	- 76,181
Council Tax - WPCC	- 293	- 293	- 293	- 293
Council Tax Freeze Grant 2014/15	- 858	- 858	-	-
Council Tax Freeze Grant 2015/16	-	- 868	-	-
<b>TOTAL FUNDING</b>	<b>- 162,542</b>	<b>- 148,041</b>	<b>- 143,744</b>	<b>- 142,827</b>
<b>BUDGET GAP</b>	<b>- 0</b>	<b>- 0</b>	<b>7,351</b>	<b>15,246</b>

Reserves

Forecast Movement in Reserves 2013/14	Actual Bal at 31/3/13	Net Movt. in year	Bal. at 31/3/14	Net Movt. in year	Bal. at 31/3/15	Net Movt. in year	Bal. at 31/3/16	Net Movt. in year	Bal. at 31/3/17	Net Movt. in year	Bal. at 31/3/18
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
General Fund Reserve (including HRA)	18,838	0	18,838	0	18,838	0	18,838	0	18,838	0	18,838
Earmarked Reserves	34,544	-7,769	26,775	-9,766	17,009	-6,417	10,592	-3,418	7,174	-548	6,626
Grants & Contributions	4,597	-56	4,541	-2,635	1,906	-736	1,170	-273	897	-19	878
<b>Total Available Gen. Fund Rev. Reser</b>	<b>57,979</b>	<b>-7,825</b>	<b>50,154</b>	<b>-12,401</b>	<b>37,753</b>	<b>-7,153</b>	<b>30,600</b>	<b>-3,691</b>	<b>26,909</b>	<b>-567</b>	<b>26,342</b>
Fixed to Contracts	1,954	0	1,954	0	1,954	0	1,954	0	1,954	0	1,954
<b>Total General Fund revenue reserves</b>	<b>59,933</b>	<b>-7,825</b>	<b>52,108</b>	<b>-12,401</b>	<b>39,707</b>	<b>-7,153</b>	<b>32,554</b>	<b>-3,691</b>	<b>28,863</b>	<b>-567</b>	<b>28,296</b>
<b>Schools Balances &amp; Reserves</b>	<b>18,879</b>	<b>-286</b>	<b>18,594</b>	<b>-270</b>	<b>18,324</b>	<b>253</b>	<b>18,577</b>	<b>244</b>	<b>18,821</b>	<b>-34</b>	<b>18,787</b>

Analysis	Actual Bal at 31/3/13	Net Movt. in year	Bal. at 31/3/14	Net Movt. in year	Bal. at 31/3/15	Net Movt. in year	Bal. at 31/3/16	Net Movt. in year	Bal. at 31/3/17	Net Movt. in year	Bal. at 31/3/18
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Earmarked Reserves</b>	<b>34,544</b>	<b>-7,769</b>	<b>26,775</b>	<b>-9,766</b>	<b>17,009</b>	<b>-6,417</b>	<b>10,592</b>	<b>-3,418</b>	<b>7,174</b>	<b>-548</b>	<b>6,626</b>
Outstanding Council Programme Board	9,789	-1,639	8,151	-3,451	4,700	-1,557	3,143	-93	3,050	0	3,050
For use in future years for budget	9,752	-1,500	8,252	-2,500	5,752	-4,064	1,688	-1,688	0	0	0
Revenue Reserves for Capital / Revn.	4,269	-1,585	2,684	-2,684	0	0	0	0	0	0	0
Energy renewable reserve	1,441	0	1,441	0	1,441	-300	1,141	-1,141	0	0	0
Repairs & Renewal Fund	1,424	0	1,424	0	1,424	-500	924	-500	424	-424	0
Transforming families reserve	1,318	-508	810	-810	0	0	0	0	0	0	0
Pension Fund additional contribution	1,078	-1,078	0	0	0	0	0	0	0	0	0
Local Land Charges Reserve	1,075	150	1,225	0	1,225	0	1,225	0	1,225	0	1,225
Apprenticeships	1,000	-450	550	-48	502	0	502	0	502	0	502
Community Care Reserve	1,790	-39	1,751	0	1,751	0	1,751	0	1,751	0	1,751
Performance Reward Grant	651	-385	266	-266	0	0	0	0	0	0	0
Economic Development Strategy	623	-623	0	0	0	0	0	0	0	0	0
London Tennis Courts Renewal	28	0	28	25	53	25	78	25	103	-103	0
WiltonActionSingleHomelessness	50	-39	11	-11	0	0	0	0	0	0	0
Campus closure	7	-7	0	0	0	0	0	0	0	0	0
Other	249	-67	182	-21	161	-21	140	-21	119	-21	98
<b>Earmarked Reserves</b>	<b>34,544</b>	<b>-7,769</b>	<b>26,775</b>	<b>-9,766</b>	<b>17,009</b>	<b>-6,417</b>	<b>10,592</b>	<b>-3,418</b>	<b>7,174</b>	<b>-548</b>	<b>6,626</b>
Adult Social care contributions	1,482	-100	1,382	-625	757	-550	207	-207	0	0	0
Culture and Environment contributions	931	-354	577	-170	407	-52	355	0	355	0	355
Culture and Environment grant	852	-359	493	-19	474	-19	455	-19	436	-19	417
Childrens & Education grant	780	-235	545	-423	122	-75	47	-47	0	0	0
Adult Social care grants	101	-101	0	0	0	0	0	0	0	0	0
Housing Planning Development grant	345	-162	183	-143	40	-40	0	0	0	0	0
Housing GF grants	106	0	106	0	106	0	106	0	106	0	106
Public Health	0	1,255	1,255	-1,255	0	0	0	0	0	0	0
<b>Grants &amp; Contributions</b>	<b>4,597</b>	<b>-56</b>	<b>4,541</b>	<b>-2,635</b>	<b>1,906</b>	<b>-736</b>	<b>1,170</b>	<b>-273</b>	<b>897</b>	<b>-19</b>	<b>878</b>
<b>Total</b>	<b>39,141</b>	<b>-7,825</b>	<b>31,316</b>	<b>-12,401</b>	<b>18,915</b>	<b>-550</b>	<b>18,365</b>	<b>-207</b>	<b>18,158</b>	<b>0</b>	<b>18,158</b>
Insurance Reserve	1,954	0	1,954	0	1,954	0	1,954	0	1,954	0	1,954
<b>Fixed to Contracts</b>	<b>1,954</b>	<b>0</b>	<b>1,954</b>	<b>0</b>	<b>1,954</b>	<b>0</b>	<b>1,954</b>	<b>0</b>	<b>1,954</b>	<b>0</b>	<b>1,954</b>
DSG Reserve	2,378	-523	1,855	-400	1,455	0	1,455	0	1,455	0	1,455
Schools Reserve	1,060	-67	994	-168	826	0	826	0	826	0	826
Schools PFI Fund	3,767	304	4,071	298	4,369	253	4,622	244	4,866	-34	4,832
Add Schools own reserves	11,674	0	11,674	0	11,674	0	11,674	0	11,674	0	11,674
<b>Schools Reserves</b>	<b>18,879</b>	<b>-286</b>	<b>18,594</b>	<b>-270</b>	<b>18,324</b>	<b>253</b>	<b>18,577</b>	<b>244</b>	<b>18,821</b>	<b>-34</b>	<b>18,787</b>

## Risk Analysis for General Fund

- 1 The Council's draft budget for 2014/15, has been analysed to identify key areas of risk. Costs that are regarded fixed have been disregarded along with Schools' budgets.

	£m
<b>Employees</b>	90.3
Premises Related Expenditure	8.6
Transport Related Expenditure	12.8
Supplies and Services - DSG	28.2
Third Party Payments	69.2
Transfer Payments	108.4
Support Services	30.7
Depreciation and Impairment Costs	15.2
Cost of Borrowing	17.0
Pension Fund	11.9
Contingency	1.5
Corporate Provisions	3.0
<b>Incomes</b>	
Government Grants	270.5
Other Grants, Reimbursements and Contributions	21.7
Customer and Client Receipts	56.0
Interest	0.0
Recharges	31.4
Balances	0.9
Asset Rentals: Depreciation & Impairment	15.2
<b>Overall Total</b>	<b>792.5</b>

2. In addition the savings proposals for 2015/18 have been assessed in terms of deliverable risk. The level of deliverable risk is:

Risk Rating	New 2015/16 £000	New 2016/17 £000	New 2017/18 £000	New 2015/18 £000	Previous 2015/18 £000	Total 2015/18 £000
Low	517	230	452	1,199	1,964	3,163
Medium	1,086	505	653	2,244	2,347	4,591
High	94	728	561	1,383	2,532	3,915
<b>Total</b>	<b>1,697</b>	<b>1,463</b>	<b>1,666</b>	<b>4,826</b>	<b>6,843</b>	<b>11,669</b>



3. Using the data available the levels of risk for the key areas have been assessed as shown in the following table:

	£m	Min %	Mid %	Max %
<b>Employees</b>	90.3	0.25	0.50	0.75
Premises Related Expenditure	8.6	1.50	2.50	3.50
Transport Related Expenditure	12.8	2.00	3.00	4.00
Supplies and Services - DSG	28.2	1.50	2.50	3.50
Third Party Payments	69.2	3.00	5.00	7.00
Transfer Payments	108.4	3.00	4.00	5.00
<b>Incomes</b>				
Government Grants	270.5	1.00	2.00	3.00
Other Grants, Reimbursements and Contributions	21.7	1.00	2.00	3.00
Customer and Client Receipts	56.0	1.50	2.50	3.50
<b>Savings</b>				
Low Deliverability Risk	3.2	1.50		
Medium Deliverability Risk	4.6		3.00	
High Deliverability Risk	3.9			7.50
Safety Net Threshold	2.4	100.00	100.00	100.00

4. Applying the risk levels in the table above produces the following level of addressed risk:

	£m	Min £m	Mid £m	Max £m
<b>Employees</b>	90.3	0.23	0.45	0.68
Premises Related Expenditure	8.6	0.13	0.21	0.30
Transport Related Expenditure	12.8	0.26	0.38	0.51
Supplies and Services - DSG	28.2	0.42	0.70	0.99
Third Party Payments	69.2	2.08	3.46	4.85
Transfer Payments	108.4	3.25	4.33	5.42
<b>Incomes</b>				
Government Grants	270.5	2.71	5.41	8.12
Other Grants, Reimbursements and Contributions	21.7	0.22	0.43	0.65
Customer and Client Receipts	56.0	0.84	1.40	1.96
<b>Savings</b>				
Low Deliverability Risk	3.2	0.05	0.00	0.00
Medium Deliverability Risk	4.6	0.00	0.14	0.00
High Deliverability Risk	3.9	0.00	0.00	0.29
Safety Net Threshold	2.4	2.40	2.40	2.40
Total		12.59	19.31	26.17

**Merton Council Draft Retail Property Discount**

The Government announced in the Autumn Statement (5 December 2013) that it wishes local authorities to grant Business Rates (NNDR) relief of up to £1,000 to all occupied retail properties with a rateable value of £50,000 or less that are wholly or mainly being used as shops, restaurants, cafes or drinking establishments. The relief will apply for the 2014/15 and 2015/16 financial years.

**Which properties will benefit from relief?**

Properties that will benefit from the relief will be occupied hereditaments with a rateable value of £50,000 or less, that are wholly or mainly being used as shops, restaurants, cafes and drinking establishments.

In guidance issued central government consider shops, restaurants, cafes and drinking establishments to include properties that are being used for the sale of goods to visiting members of the public and properties that are being used for the provision of the following services to visiting members of the public.

**Eligibility Criteria**

Properties that are being used for the provision of the following services to visiting members of the public:

- Shops (such as: florist, bakers, butchers, grocers, greengrocers, jewellers, stationers, off licence, chemists, newsagents, hardware stores, supermarkets etc).
- Charity shops
- Opticians
- Post offices
- Furnishing shops/ display rooms (such as: carpet shops, double glazing)
- Car/ caravan show rooms
- Second hand car lots
- Markets
- Petrol stations
- Garden centres
- Art galleries (where art is for sale/hire)
- Hair beauty services (such as hairdressers, nail bars, beauty salons, tanning shops etc)
- Shoe repairs/ key cutting
- Travel agents
- Ticket offices e.g. for theatre
- Dry cleaners
- Launderettes
- PC/ TV/ domestic appliance repair
- Funeral directors
- Photo processing
- DVD/ video rentals
- Tool hire
- Car hire
- Restaurants
- Takeaways
- Sandwich shops

- Coffee shops
- Pubs
- Bars

### **Ineligible businesses/organisations**

The following types of uses are **not** eligible for Retail relief;

Properties that are being used for the provision of the following services to visiting members of the public:

Financial services (e.g. banks, building societies, cash points, bureau de change, payday lenders, betting shops, pawn brokers)

Other services (e.g. estate agents, letting agents, employment agencies)

Medical services (e.g. vets, dentists, doctors, osteopaths, chiropractors)

Professional Services (e.g. solicitors, accountants, insurance agents/financial advisers, tutors)

Post office sorting office

Businesses trading in activities that could bring the scheme into disrepute (e.g. pornography etc.)

Any other properties which are not reasonably accessible to visiting members of the public.

Properties which are occupied but not wholly or mainly used for the qualifying purpose will not qualify for the relief.

### **How much relief will be available?**

The total amount of government-funded relief available for each property for each of the years under this scheme is £1,000. The amount does not vary with rateable value and there is no taper. The relief will be applied against the net bill after all other reliefs.

The discount will be apportioned if there is a change of ratepayer during the year.

### **Application Process**

No formal application form is necessary where we are satisfied the qualifying criteria above is met. From 1 April 2014, we will identify all retail properties we consider to meet the criteria and apply the discount. A form will be sent to all these ratepayers, enclosing the qualifying criteria and information concerning State Aid. They will be required to return the form to state they meet the criteria, and that the amount of relief is not in excess of State Aid limits. (See the De Minimis Regulations (1407/2013))

If there is a change of ratepayer during 2014/15 or 2015/16, the eligibility for a discount will be reviewed with regards to the new occupier's use of the property.

### **Decision Making and Appeals**

The Head of Revenues and Benefits will be responsible for approving all applications, with a monthly review by the Director of Corporate Services. There will be no right of appeal.

### **Budget**

Central government will fully reimburse local authorities for the local share of the discretionary relief (using a grant under section 31 of the Local Government Act 2003) as it expects authorities to grant relief to qualifying ratepayers.

## Merton Council Draft Retail Premises Re-Occupation Discount Policy

The Government announced in the Autumn Statement (5 December 2013) that it wishes local authorities to grant Business Rates (NNDR) a 50% discount for 18 months for those businesses that move into retail premises that have been empty for a year or more. This is available for businesses which move into empty premises between 1st April 2014 and 31st March 2016.

### Which properties will benefit from relief?

Properties that will benefit from the relief will be occupied hereditaments that are wholly or mainly being used as shops, restaurants, cafes and drinking establishments.

In guidance issued central government consider shops, restaurants, cafes and drinking establishments to include properties that are being used for the sale of goods to visiting members of the public and properties that are being used for the provision of the following services to visiting members of the public.

### Eligibility Criteria

Properties that are being used for the provision of the following services to visiting members of the public:

- Shops (such as: florist, bakers, butchers, grocers, greengrocers, jewellers, stationers, off licence, chemists, newsagents, hardware stores, supermarkets etc).
- Charity shops
- Opticians
- Post offices
- Furnishing shops/ display rooms (such as: carpet shops, double glazing)
- Car/ caravan show rooms
- Second hand car lots
- Markets
- Petrol stations
- Garden centres
- Art galleries (where art is for sale/hire)
- Hair beauty services (such as hairdressers, nail bars, beauty salons, tanning shops etc)
- Shoe repairs/ key cutting
- Travel agents
- Ticket offices e.g. for theatre
- Dry cleaners
- Launderettes
- PC/ TV/ domestic appliance repair
- Funeral directors
- Photo processing
- DVD/ video rentals
- Tool hire
- Car hire
- Restaurants
- Takeaways
- Sandwich shops

- Coffee shops
- Pubs
- Bars

### **Ineligible businesses/organisations**

The following types of uses are **not** eligible for Retail relief;

Properties that are being used for the provision of the following services to visiting members of the public:

Financial services (e.g. banks, building societies, cash points, bureau de change, payday lenders, betting shops, pawn brokers)

Other services (e.g. estate agents, letting agents, employment agencies)

Medical services (e.g. vets, dentists, doctors, osteopaths, chiropractors)

Professional Services (e.g. solicitors, accountants, insurance agents/financial advisers, tutors)

Post office sorting office

Businesses trading in activities that could bring the scheme into disrepute (e.g. pornography etc.)

Any other properties which are not reasonably accessible to visiting members of the public.

Properties which are occupied but not wholly or mainly used for the qualifying purpose will not qualify for the relief.

### **How much relief will be available?**

The total amount of government-funded relief available for each property for each of the years under this scheme is 50% of the rates payable after all other reliefs. The amount of relief varies with rateable value of the property.

### **Application Process**

No formal application form is necessary where we are satisfied the qualifying criteria above is met. From 1 April 2014, we will identify all retail properties we consider to meet the criteria and apply the discount. A form will be sent to all these ratepayers, enclosing the qualifying criteria and information concerning State Aid. They will be required to return the form to state they meet the criteria, and that the amount of relief is not in excess of State Aid limits. (See the De Minimis Regulations (1407/2013))

### **Decision Making and Appeals**

The Head of Revenues and Benefits will be responsible for approving all applications, with a monthly review by the Director of Corporate Services. There will be no right of appeal.

### **Budget**

Central government will fully reimburse local authorities for the local share of the discretionary relief (using a grant under section 31 of the Local Government Act 2003) as it expects authorities to grant relief to qualifying ratepayers.

**Equality Analysis**

In order to demonstrate compliance with this public sector equality duty we assess the impact of savings proposals on groups with various protected characteristics (equality groups). In many of the recent cases of judicial review concerning reductions in services the failure to adequately consider the equalities issues of a particular decision, together with the failure to carry out adequate consultation, has been one of the key issues that has led to a successful challenge to the local authority decision.

It is therefore crucial that we get them right.

The protected characteristics under the law are age, disability, gender re-assignment, marriage and civil partnerships, pregnancy/maternity, race, religion/belief, sex and sexual orientation. In addition Merton takes account of a ninth characteristic, socio-economic, in order to support our focus on bridging the gap between the east and west of the borough.

As part of the equality analysis (EA) process once the analysis of impact on protected groups is complete each proposal is then assessed against four outcomes; as described in the table below.

<p><b>Outcome 1</b> – No change required: when the EA has not identified any potential for discrimination or negative impact and all opportunities to promote equality are being addressed.</p>	<p>Your analysis demonstrates that the proposals are robust and the evidence shows no potential for discrimination and that you have taken all appropriate opportunities to advance equality and foster good relations between groups. If this conclusion is reached, remember to document the reasons for this and the information that you used to make this decision.</p>
<p><b>Outcome 2</b> – Adjustments to remove negative impact identified by the EA or to better promote equality. List the actions you propose to take to address this in the Action Plan.</p>	<p>This involves taking steps to remove barriers or to better advance equality. It can mean introducing measures to mitigate the potential negative effect. Remember that it is lawful under the Equality Act to treat people differently in some circumstances, for example taking positive action or putting in place single-sex provision where there is a need for it. It is both lawful and a requirement of the general equality duty to consider if there is a need to treat disabled people differently, including more favourable treatment where necessary.</p>



<b>Outcome 3</b> – Possible negative outcome that cannot be fully mitigated	A justification to pursue this course of action must be provided in section 10 of the analysis
<b>Outcome 4</b> – Stop and rethink: when your EA shows actual or potential unlawful discrimination.	If a policy shows unlawful discrimination it <b>must</b> be removed or changed.

A process has been put in place to ensure that we carry out an equalities analysis of all our savings proposals and that this information is available to members in making their decisions. Each proposal on the savings spreadsheet states the outcome and a summary of the issues, with further details available in the full EAs which are attached to this report.

### **Summary of Draft Equalities Analysis**

There have been Draft EAs carried out and agreed on new savings proposals, or baskets of savings proposals. In some areas Draft EAs were completed for each individual savings proposal whilst in others an overarching impact assessment has been completed on all proposals.

It is important that each and every individual EA is considered on its own merit and in the context of the other changes and cuts that are being made. Therefore, what follows should be treated as indicative and not as a replacement for considering each EA.

### **Community and Housing**

Ten separate new savings proposals have been put forward, the impact of these proposals is summarised on five equality analyses.

### **Children Schools and Families**

Three separate new savings proposals have been put forward, the impact of these proposals is summarised on five equality analyses. An equality assessment is attached for saving reference CSF01 and CSF02.

The following narrative has been submitted for saving reference CSF03 - In order to meet our MTFS budget target, we intend to undertake restructuring across the department and including services commissioned externally, to deliver savings of £239k in 2017/18. The details will need to be determined nearer the time in light of demographic changes in overall numbers and the profile of the population, societal expectations, and legislative and inspection requirements, as well as the efficiencies that can be achieved on the basis of systems and process improvements. In order to comply with statutory duties and protect services for the most vulnerable children and young people it will continue to be necessary to reduce services commissioned with the voluntary sector. Both this and internal restructuring will result in redundancies. The equalities impact will need to be assessed at the time and mitigating measures planned and implemented alongside the restructuring, but it is likely that those families with socio-economic difficulties will suffer adverse implications.

### **Corporate Services**

Sixteen separate new savings proposals have been put forward, the impact of these proposals is summarised on eleven equality analyses .

### Environment and Regeneration

Eleven separate new savings proposals have been put forward, the impact of these proposals are summarised on four equality analyses. Managers have reviewed the above savings and concluded that an Equality Analysis is not required for savings reference EV01 and EV08 as they have no impact on service delivery.

The table below summarises the information provided:

Summary of Financial and Equality Impact Information

Dept.	Total Savings Proposals				No. of Draft EAs	Outcome			
	No.	2015/16 £000s	2016/17 £000s	2017/18 £000s		1	2	3	4
C&H	10	321	814	484	5	3	2	0	0
CSF	3	150	7	564	2	0	0	2	0
CS	15	291	417	493	10	8	1	1	0
E&R	11	935	225	125	4	1	0	1	0
Overall	39	1697	1463	1666	21	12	3	4	0



# 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 replacement and additional savings within the Adult Social Care Service Plan
Which Department/ Division has the responsibility for this?	Adult Services (Access & Assessment, Direct Provision and Commissioning) with Community & Housing Department (CH1/4 New Savings)
<b>Stage 1: Overview</b>	
Name and job title of lead officer	Douglas Russell, Adult Social Care Savings Programme Manager
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 aim of the efficiencies is to ensure that the division meets its savings targets over the next 4 years. The objective is to ensure that cashable efficiencies have minimal adverse impact on the customers of Adult Social Care
2. How does this contribute to the council's corporate priorities?	The Adult Social Care Service plan contributes to the Council's Merton 2015 priorities and will ensure that the savings targets are achieved in line with the Corporate Business Plan and the Medium Term Financial Strategy.
3. Who will be affected by this proposal? For example who are the external/internal customers, communities, partners, stakeholders, the workforce etc.	Our stakeholders include: customers, carers, faith groups, customer representative groups (e.g. Your Shout, Merton People First, Speak Out Group, Merton centre for Independent Living (MCIL), customer groups within Day Services), Voluntary Sector organisations (e.g. MVSC, and other organisations making up Involve), Merton Clinical Commissioning Group, partnership groups (e.g. LD and Transition Partnership Boards, the Health and Wellbeing Board, Healthwatch, and staff.
4. Is the responsibility shared with another department, authority or organisation? If so, who are the partners and who has overall responsibility?	Adult Social Care will take overall responsibility for its savings.

## 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 will adopt a similar approach as for previous savings, consulting with groups representing various care groups and faith groups; the voluntary sector through INVOLVE on the need to have a 3 year plan on delivering services that meet the needs of the Adult Social Care service plan for 2015 - 2018.

We will adopt a similar approach as for previous savings and will use the following information to support our decision:

- Surveys with customers and carers.
- Joint Strategic Needs Analysis (JSNA) to identify future needs of adults and carers with potential social care needs.
- Contract Monitoring – and where savings can be made without impact on service users.
- Consultation with Healthwatch
- Consultation with Service Users and Carers Groups
- Consultation with Service Providers – Voluntary Sector Task Force, Provider forums and 1:1 consultation with third party providers. This information, as per the past, will be used to identify how and at what cost the provider market can meet the needs of the Council, service users and carers. We will analyse the information to establish which service will be more effective and provide value for money.
- Best practice research and reports with ADASS and other national and government groups.
- Benchmarking across London and South West London.
- In-house data analysis and performance indicators.
- Demographic data.
- Information from the Office of National Statistics (ON).

Generally the savings proposed are continued changes to the way in which we deliver our services with reduced budgets, whilst ensuring our ability to deliver our statutory responsibilities. These proposals also include reduction or cessation to services so there may be some impact on some of the equality groups. The FACS criteria are not being amended, so there will be no change in statutory entitlement to support, but there may be an increase in waiting times in some instances.

A comprehensive consultation exercise on these proposals will be complete by the end of March 2014, and the outcome will inform the way we progress the proposals.

**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	√			√	<p><b>Commissioning:</b>  <b>Level 2</b>  <b>CH03</b> - Brokerage efficiency savings (Best Value Options) - the customer base includes older people. This proposal aims to negotiate and broker Care and Support packages to deliver the best value solution based on assessed need for the customer.  <b>CH09</b> - Remodelling and re-procuring the domiciliary care service - the customer base is predominantly older people. This proposal aims to reduce dependency on domiciliary care services through different forms of contract which incentivise providers to manage demand and new needs, and through other cost effective preventative solutions such as telecare and telehealth.  <b>CH10</b> - Procurement Opportunities - the customer base includes older people. This proposal aims to deliver further efficiencies through contract negotiations.  <b>CH14</b> - All Saints Respite Extension - the customer base includes older people. This proposal aims to extend the All Saints Respite Service offer to PD customers.  <b>Access and Assessment:</b>  <b>Level 3</b>  <b>CH12</b> - Remove day care costs from residential customers - the customer base potentially includes older people. This proposal aims to cease including day care costs within residential customers care support packages.  <b>Direct Provision:</b>  <b>Level 2</b>  <b>CH15</b> - Assistive Technology - the customer base includes older people. This proposal aims to optimise the use of telecare and assistive technologies to provide a more cost effective alternative to domiciliary care and other forms of intervention - in essence reducing the number of home visits. There maybe concerns on the level of customer social contact.</p>
Disability				√	<p><b>Commissioning:</b></p>

	√			<p><b>Level 2</b>  <b>CH03</b> - Brokerage efficiency savings (Best Value Options) - the customer base includes people with disabilities. This proposal aims to negotiate and broker Care and Support packages to deliver the best value solution based on assessed need for the customer.  <b>CH09</b> - Remodelling and re-procuring the domiciliary care service - the customer base could potentially include people with disabilities. This proposal aims to reduce dependency on domiciliary care services through different forms of contract which incentivise providers to manage demand and new needs, and through other cost effective preventative solutions such as telecare and telehealth.  <b>CH10</b> - Procurement Opportunities - the customer base includes people with disabilities. This proposal aims to deliver further efficiencies through contract negotiations.  <b>CH14</b> - All Saints Respite Extension - the customer base includes people with disabilities. This proposal aims to extend the All Saints Respite Service offer to PD customers.  <b>Access and Assessment:</b>  <b>Level 3</b>  <b>CH12</b> - Remove day care costs from residential customers - the customer base potentially includes people with disabilities. This proposal aims to cease including day care costs within residential customers care support packages.  <b>Direct Provision:</b>  <b>Level 2</b>  <b>CH15</b> - Assistive Technology - the customer base includes people with disabilities. This proposal aims to optimise the use of telecare and assistive technologies to provide a more cost effective alternative to domiciliary care and other forms of intervention - in essence reducing the number of home visits. There maybe concerns on the level of customer social contact.</p>	<p>√</p> <p>√</p> <p>√</p> <p>√</p> <p>√</p> <p>√</p>	<p>√</p> <p>√</p> <p>√</p> <p>√</p> <p>√</p> <p>√</p>	<p>√</p> <p>√</p> <p>√</p> <p>√</p> <p>√</p> <p>√</p> <p>√</p>
<b>Gender Reassignment</b>							N/A
<b>Marriage and Civil Partnership</b>							N/A
<b>Pregnancy and Maternity</b>							N/A
<b>Race</b>							N/A
<b>Religion/ belief</b>							N/A
<b>Sex (Gender)</b>							N/A
<b>Sexual orientation</b>							N/A
<b>Socio-economic status</b>							N/A

## 7. If you have identified a negative impact, how do you plan to mitigate it?

- **Potential impact of change**  
Level 2 & 3: **CH03, CH09, CH10, CH12, CH14, CH15**

### **Mitigation Plan**

A comprehensive consultation exercise to ensure customers, providers and other stakeholders understand the rationale for the position the council is taking.

- **Potential impact on customer is change in current service provider**  
Level 2: **CH03, CH09**

### **Mitigation Plan**

In addition to the comprehensive consultation exercise, where a change will be required, then a thorough implementation plan for each change will be developed to include the review of customer needs to identify the suitability, feasibility and acceptability (SFA) of the potential change to the customers' service. This will ensure that where the SFA is negative to the customer, the council's works with the customer, family and stakeholders to identify a service that meets the needs of the customer in the most cost effective way. Furthermore, the customers will be supported through the change process.

- **Potential impact on level of service for customer**  
Level 3: **CH12**

In addition to the comprehensive consultation exercise, there will be a thorough implementation plan to include a comprehensive checklist to ensure that the solutions developed for customers meet their identified needs. As well as the clear identification of communication channels for customers and a comprehensive monitoring mechanism to ensure where there is a change in need a revised solution can be developed and put in place swiftly.

## Stage 4: Conclusion of the Equality Analysis

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

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

**Outcome 1** – The EA has not identified any potential for discrimination or negative impact and all opportunities to promote equality are being addressed. **No changes are required.**

**Outcome 2** – The EA has identified adjustments to remove negative impact or to better promote equality. **Actions you propose to take to do this should be included in the Action Plan.**

**Outcome 3** – The EA has identified some potential for negative impact or some missed opportunities to promote equality and it may not be possible to mitigate this fully. **If you propose to continue with proposals you must include the justification for this in Section 10 below, and include actions you propose to take to remove negative impact or to better promote equality in the Action Plan. You must ensure that your proposed action is in line with the PSED to have 'due regard' and you are advised to seek Legal Advice.**

**Outcome 4** – The EA shows actual or potential unlawful discrimination. **Stop and rethink your proposals.**



### Stage 5: Improvement Action Plan

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

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

Negative impact/ gap in information identified in the Equality Analysis	Action required to mitigate	How will you know this is achieved? E.g. performance measure/ target)	By when	Existing or additional resources?	Lead Officer	Action added to divisional/ team plan?
Potential impact of change.	Consultation planned up to end of March 2014.	Meetings held and outcome recorded.	March 2014	Established	RAM/JB/JR/AOS	Yes
Potential impact on customer is change in current Service Provider	As well as consultation, a through implementation plan for each change will be developed to include the review of customer needs to identify the suitability, feasibility and acceptability (SFA) of the potential change to the customers' service.	Savings target in Service Plan	On-going up to March 2018	Yes	RAM	Yes
Potential impact on level of service for customer	As well as consultation, a through implementation plan to include a comprehensive checklist to ensure that the solutions developed for customers meet their identified needs. As well as the clear identification of communication channels for customers and comprehensive monitoring mechanism to ensure where there is a change in need a revised solution can be developed and put in place swiftly.	Savings target in Service Plan	March 2015	Yes	JB/JR	Yes

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

## Stage 6: Reporting outcomes

### 10. Summary of the equality analysis

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

This Equality Analysis has resulted in an Outcome **2** Assessment

The key findings of this initial assessment are:

- A comprehensive consultation exercise is required to inform customers, providers and other stakeholders of the proposed changes and to ensure all the risks and negative impact are clearly identified.
- In terms of positive key impacts Adult Social Care solutions will continue to be person centred and delivered both more efficiently and cost effectively. In terms of negative key impacts, they are outlined in Section 7 above.
- Merton's vulnerable residents are affected, in particular older people and people with disabilities.
- The course of action being proposed as a result of this assessment is detailed in section 9 above.



<b>Stage 7: Sign off by Director/ Head of Service</b>			
<b>Assessment completed by</b>	Douglas Russell ASC Savings Programme Manager	<b>Signature:</b>	<b>Date:</b>
<b>Improvement action plan signed off by Director/ Head of Service</b>	Simon Williams Director of Community & Housing	<b>Signature:</b>	<b>Date:</b>

## EQUALITIES TEST OF RELEVANCE AND INITIAL SCREENING

CH5 – Reduction in Media Fund



This form should be completed in line with the Equality Analysis guidance available on the <a href="#">Intranet</a>	
<b>EA completed by:</b> (Give name and job title)	Anthony Hopkins, Head of Library & Heritage Service
<b>EA to be signed off by:</b> (Give name and job title)	Simon Williams, Director of Community and Housing
<b>Department/ Division:</b>	Community & Housing Library & Heritage Service
<b>EA completed on:</b>	18 December 2013

### Assessing Functions, Policies, Proposed Policies and Procedures for their Relevance (due regard) to the General Duties of the Equality Act 2010.

**Relevance Statements** – the following statements may help you to determine whether the function/service is relevant to the aims of the Public Sector Equality Duty:

- The outcome(s) of the activity directly and significantly impact on people
- The activity affects some groups of people or communities and not others
- Particular groups of people or communities could be disadvantaged by the function / service
- They activity affects how the services are delivered
- The activity presents a high risk to the Council's public reputation
- The activity relates to an area where there are known inequalities

### Protected Characteristics - Key:

Age	A	Race	R
Disability	D	Religion or Belief	RB
Gender Reassignment	GR	Sex	S
Marriage and Civil Partnership	MCP	Sexual Orientation	SO
Pregnancy and Maternity	PM		

Name of Function / Service	Which Protected Characteristic(s) is your function / service relevant to? Tick (✓) all that apply.										Which aims of the Public Sector Equality Duty (PSED) are relevant to your function/service? Can your function/service: Tick (✓) all that apply.	
	A	D	GR	MCP	PM	R	RB	S	SO	Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010?	Advance equality of opportunity between people who share a protected characteristic and those who do not?	Foster good relations between people who share a protected characteristic and those who do not?
Media Fund Reduction in spend from 2015/16)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

If relevance to the Public Sector Equality Duty is established you are required to undertake an Equality Analysis.

# Initial Screening

<p>1. What are the aims, objectives, and desired outcomes of your proposals? (Also explain proposals e.g. reduction/removal of service, deletion of posts, changing criteria for eligibility of service etc).</p>	<p>To ensure corporate resilience and to support the medium term financial strategy it is proposed to reduce the Media Fund by £10,000 per annum from 2015/16. Several of the stock contracts, which are used to procure stock, are in the process or have been re-negotiated and have provided improved value for money. Utilising new technology to manage stock has also meant that efficiencies have been delivered within how we procure stock that has provided improved choice for customers and more personalised collections per library.</p>		
<p>2. Who are the main people/groups affected by your proposals? (Consider who are the internal and external customers)</p>	<p>As the Library Service is a universal service this proposal could potentially impact on all equality groups but through the measures mentioned above it is felt that there will be little, if any, impact on customers.</p>		
<p>3. What data, information, evidence, research, statistics, surveys, and consultation(s) have you considered to undertake this screening?</p>	<p>Library usage statistics along with customer satisfaction surveys have been used to inform this screening. Benchmarking against other authorities on stock spend and usage has also been undertaken.</p>		
<p>4. Is there evidence to suggest that your proposal(s) could affect some groups of people in different ways?</p>	Yes	Explain the reason for your decision	
	No	✓	

**Assessing Impact**

Please indicate how the proposals affect the Protected Characteristics listed below:

**If you have identified potential negative impact(s) above, then it is necessary to complete an Equality Analysis. If there is no negative impact you do not need to complete an Equality Analysis.**

	Positive Impact	Negative Impact	Neither	Reason / Comment / Evidence
Age			✓	
Disability			✓	
Gender Reassignment			✓	
Marriage and Civil Partnership			✓	
Pregnancy and Maternity			✓	
Race			✓	
Religion or Belief			✓	
Sex			✓	
Sexual Orientation			✓	
Outcome of screening	<b>Equality Analysis is not required</b>			
Lead Officer	Anthony Hopkins / Head of Library & Heritage Service			
Director/Head of Service	Simon Williams / Director of Community & Housing			
Signed				
Dated				

## EQUALITIES TEST OF RELEVANCE AND INITIAL SCREENING

CH6 – Increased Income



This form should be completed in line with the Equality Analysis guidance available on the <a href="#">Intranet</a>	
<b>EA completed by:</b> (Give name and job title)	Anthony Hopkins, Head of Library & Heritage Service
<b>EA to be signed off by:</b> (Give name and job title)	Simon Williams, Director of Community & Housing
<b>Department/ Division:</b>	Community & Housing
<b>Team:</b>	Library & Heritage Service
<b>EA completed on:</b>	18 December 2013

### Assessing Functions, Policies, Proposed Policies and Procedures for their Relevance (due regard) to the General Duties of the Equality Act 2010.

**Relevance Statements** – the following statements may help you to determine whether the function/service is relevant to the aims of the Public Sector Equality Duty:

- The outcome(s) of the activity directly and significantly impact on people
- The activity affects some groups of people or communities and not others
- Particular groups of people or communities could be disadvantaged by the function / service
- They activity affects how the services are delivered
- The activity presents a high risk to the Council's public reputation
- The activity relates to an area where there are known inequalities

**Protected Characteristics - Key:**

Age	A	Race	R
Disability	D	Religion or Belief	RB
Gender Reassignment	GR	Sex	S
Marriage and Civil Partnership	MCP	Sexual Orientation	SO
Pregnancy and Maternity	PM		

Name of Function / Service	Which Protected Characteristic(s) is your function / service relevant to? Tick (✓) all that apply.								Which aims of the Public Sector Equality Duty (PSED) are relevant to your function/service? Can your function/service: Tick (✓) all that apply.			
	A	D	GR	MCP	PM	R	RB	S	SO	Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010?	Advance equality of opportunity between people who share a protected characteristic and those who do not?	Foster good relations between people who share a protected characteristic and those who do not?
Increase in income collected by Library Service in 2015/16 by £13,000	✓	✓	✓	✓	✓	✓	✓	✓	✓			✓

If relevance to the Public Sector Equality Duty is established you are required to undertake an Equality Analysis.

# Initial Screening

<p>1. What are the aims, objectives, and desired outcomes of your proposals? (Also explain proposals e.g. reduction/removal of service, deletion of posts, changing criteria for eligibility of service etc).</p>	<p>To ensure corporate resilience and to support the medium term financial strategy the proposal is to increase income collected by the library service by £13,000 per annum from 2015/16. To deliver these additional savings the service will build on the commercial services it provides through various accommodation improvements and in providing commercial space for companies in libraries. This builds upon the proposals stated in the Library &amp; Heritage Service Fees and Charges review of 2013/14.</p>						
<p>2. Who are the main people/groups affected by your proposals? (Consider who are the internal and external customers)</p>	<p>As a universal service this proposal could potentially impact on all equality groups. However, in reality there is likely to be little impact on any groups as the majority of the income will be generated through private lettings although some space may also be let out in public areas in libraries. The Library Service already has checks in place to ensure that lettings are made to responsible users and terms and conditions are in place.</p>						
<p>3. What data, information, evidence, research, statistics, surveys, and consultation(s) have you considered to undertake this screening?</p>	<p>CIPFA statistics have shown that the Library &amp; Heritage Service already operates at a successful commercial level in comparison to other authorities. Capital works have been undertaken in this financial year for invest to save that will support with delivering the increased income.</p>						
<p>4. Is there evidence to suggest that your proposal(s) could affect some groups of people in different ways?</p>	<table border="1"> <tr> <td data-bbox="861 1545 965 1657">Yes</td> <td data-bbox="861 1115 965 1545">Explain the reason for your decision</td> <td data-bbox="861 62 965 1115"></td> </tr> <tr> <td data-bbox="965 1545 1072 1657">No</td> <td data-bbox="965 1115 1072 1545">✓</td> <td data-bbox="965 62 1072 1115"></td> </tr> </table>	Yes	Explain the reason for your decision		No	✓	
Yes	Explain the reason for your decision						
No	✓						



**Assessing Impact**

Please indicate how the proposals affect the Protected Characteristics listed below:

**If you have identified potential negative impact(s) above, then it is necessary to complete an Equality Analysis. If there is no negative impact you do not need to complete an Equality Analysis.**

	Positive Impact	Negative Impact	Neither	Reason / Comment / Evidence
Age			✓	
Disability			✓	
Gender Reassignment			✓	
Marriage and Civil Partnership			✓	
Pregnancy and Maternity			✓	
Race			✓	
Religion or Belief			✓	
Sex			✓	
Sexual Orientation			✓	
Outcome of screening	<b>Equality Analysis is not required</b>			
Lead Officer	Anthony Hopkins / Head of Library & Heritage Service			
Director/Head of Service	Simon Williams / Director of Community & Housing			
Signed				
Dated				

# Equality Analysis



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

What are the proposals being assessed?	Introduce self-service libraries at off peak times in branch libraries
Which Department/ Division has the responsibility for this?	Community & Housing / Library & Heritage Service

<b>Stage 1: Overview</b>	
Name and job title of lead officer	Anthony Hopkins, Head of Library & Heritage Service
1. What are the aims, objectives and desired outcomes of your proposal? (Also explain proposals e.g. reduction/removal of service, deletion of posts, changing criteria etc)	<p>The proposal is to provide self-service libraries at off peak times in branch libraries. The proposal affects Raynes Park, Pollards Hill, Donald Hope and West Barnes libraries.</p> <p>Utilising new self-service technology the proposal is to provide a different model of off peak service for these libraries. Library opening hours will not be affected and there will still be a security guard presence on site to support customers. Utilising the services strong base of volunteer's additional numbers will be recruited during these off peak times to provide customer support. The standard service will continue to operate but potentially with a reduced activity and information offer during self-service times.</p> <p>This proposal will enable the Library &amp; Heritage Service to reduce staffing by 3.5 FTE and deliver savings of £90,000 per annum.</p>
2. How does this contribute to the council's corporate priorities?	This proposal contributes towards the Medium Term Financial Strategy for the Council and supports corporate resilience.
3. Who will be affected by this proposal? For example who are the external/internal customers, communities, partners, stakeholders, the workforce etc.	All users of the aforementioned libraries will be affected by these proposals. The proposal will also present additional operational constraints on staff and managers at other libraries to ensure reliability of the service.
4. Is the responsibility shared with another department, authority or organisation? If so, who are the partners and who has overall responsibility?	The responsible owner for this proposal is the Library & Heritage Service. The proposal has an impact on the contracted security guard service and will require additional volunteer capacity that is sourced in partnership with the Volunteer Centre Merton.

**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).

Previous opening hour's research and the results of the annual Public Library User Survey have been used to inform the current opening hour's provision. A review of library opening hours was presented to Cabinet on 21 October 2013 recommending the extension of opening hours from existing resources. This proposal was agreed and rolled out in January 2014 using elements of self-service libraries.

User satisfaction with Merton's libraries is very high and in particular with library opening hours. 98% of surveyed users are satisfied with library opening hours, the highest satisfaction level since the survey has been undertaken. Usage is currently at its highest rate since records have been collected with 30% of the population regularly using the library service. Over 1,100,000 physical visits to libraries took place in 2012/13. Self-service usage in libraries currently accounts for 92% of customer transactions.

As a universal service this proposal could potentially impact on all equality groups. In order to try and mitigate the impact research will be undertaken in the year prior to the rollout of this proposal to provide the self-service library offer at times when each library is least used. Current research would suggest that this would likely be mid morning and at some sites in the evening but this will be reviewed again. This proposal will ensure that the current opening hours offer is safeguarded whilst delivering efficiencies.

**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		Reason Briefly explain what positive or negative impact has been identified
	Positive impact		
	Yes	No	
Age	✓	✓	Usage statistics show that different groups use the library through the day. Off peak times mean that some usage groups will be more affected by this proposal than others. Usage is currently at its highest amongst children and young people's groups but generally in peak times.
Disability	✓	✓	During off peak times support will still be provided for disabled groups but

						the level of support may not be as significant as in fully staffed hours. Standard support by security guards and volunteers will be in place to ensure DDA compliance at all times.
<b>Gender Reassignment</b>		✓				We have limited information on how this proposal will impact on this customer group.
<b>Marriage and Civil Partnership</b>		✓				We have limited information on how this proposal will impact on this customer group.
<b>Pregnancy and Maternity</b>		✓				We have limited information on how this proposal will impact on this customer group. Support in using the self-service terminals will remain in place during off peak times.
<b>Race</b>		✓	✓			Usage statistics show that different groups use the library through the day. Off peak times currently mean that some usage groups will be more affected by this proposal than others. Proportionately higher numbers of users from BME groups use libraries than other ethnic groups.
<b>Religion/ belief</b>		✓			✓	Different groups use the library throughout the day although there is limited information to suggest that there will be a direct impact on this equality group.
<b>Sex (Gender)</b>		✓	✓			Usage statistics show that more women use library services than men in comparison to resident population.
<b>Sexual orientation</b>		✓			✓	We currently do not retain user information relating to this equality group although this will be introduced in the new year. There is limited information to suggest whether this proposal will have an impact on this customer group.
<b>Socio-economic status</b>		✓	✓			Opening hours have been configured based on usage information and resident feedback. The service provides a consistent opening hour's offer but the current opening hours offer provides challenges for working age people. Opening hours will continue to be reviewed to ensure a broad offer of opening hours is provided.
						Information services will be limited during off peak times but this will be widely marketed so that customers are aware of when the full provision is available. This could potentially have some impact on people requiring urgent information who do not have adequate computers skills.

**7. If you have identified a negative impact, how do you plan to mitigate it?**

In order to mitigate any negative impact on equality groups research will be undertaken to ensure that the self-service library offer is available at the least used times of each library. Additional training will be provided to our contracted security guards in equalities awareness and additional volunteers will be recruited during self-service hours to ensure that there is a sufficient level of support for customers.

The self-service library offer will be widely promoted amongst residents to ensure that they are aware of the hours when the reduced service will be available. Residents will be made aware of core staffed hours and self-service hours and what level of service they can expect. This service offer will be built into future Customer Charters and Service Standards.

**Stage 4: Conclusion of the Equality Analysis**

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

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

**Outcome 1** – The EA has not identified any potential for discrimination or negative impact and all opportunities to promote equality are being addressed. **No changes are required.**

**Outcome 2** – The EA has identified adjustments to remove negative impact or to better promote equality. **Actions you propose to take to do this should be included in the Action Plan.**

**Outcome 3** – The EA has identified some potential for negative impact or some missed opportunities to promote equality and it may not be possible to mitigate this fully. **If you propose to continue with proposals you must include the justification for this in Section 10 below, and include actions you propose to take to remove negative impact or to better promote equality in the Action Plan. You must ensure that your proposed action is in line with the PSED to have 'due regard' and you are advised to seek Legal Advice.**

**Outcome 4** – The EA shows actual or potential unlawful discrimination. **Stop and rethink your proposals.**

### Stage 5: Improvement Action Plan

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

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

Negative impact/ gap in information identified in the Equality Analysis	Action required to mitigate	How will you know this is achieved? e.g. performance measure/ target)	By when	Existing or additional resources?	Lead Officer	Action added to divisional/ team plan?
Potential lack of support for customers during self-service times	Provide additional training for security guards in library procedures and equalities	Active usage = 56,000 Opening hours offer to remain consistent Customer satisfaction = 78% (ARS)	March 2017	Existing	Library Managers	Yes
Potential lack of support for customers during self-service times	Recruit additional volunteers to support the library during self-service hours through a borough wide recruitment campaign	Active volunteers = 200+ Active usage = 56,000 Opening hours offer to remain consistent Customer satisfaction = 78% (ARS)	March 2017	Existing	Library Managers / VCM	Yes
Public awareness of self-service offer	Widely publicise offer through local media and libraries. Identify specific target groups from equalities data	Active usage = 56,000 Customer satisfaction = 78% (ARS)	March 2017	Existing	Libraries SMT	Yes
Deciding which hours to provide self-service offer in	Use usage data and survey information to inform final self-service opening hours offer	Active usage = 56,000 Customer satisfaction = 78% (ARS)	December 2016	Existing	Libraries SMT	Yes

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

### Stage 6: Reporting outcomes



### 10. Summary of the equality analysis

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

This Equality Analysis has resulted in an Outcome [add](#) Assessment

The proposal to offer self-service libraries at off peak times will ensure that a consistent library opening hours offer is available that satisfies customer expectations and addresses the need to deliver efficiencies in the way that the library service is delivered. This Equalities Analysis has identified specific actions around using usage and satisfaction data to inform the self-service offer. It has also highlighted the need to ensure that a wide ranging marketing campaign is undertaken to raise resident awareness of the proposal and the impact it will have on the service.

Being a universal service this proposal may have an indirect impact on some usage groups more than others but this will be mitigated wherever possible and will be reviewed upon rollout of this service offer. It is the recommendation of this analysis that this proposal is taken forward.

<b>Stage 7: Sign off by Director/ Head of Service</b>			
<b>Assessment completed by</b>	Anthony Hopkins / Head of Library & Heritage Service	<b>Signature:</b>	<b>Date:</b>
<b>Improvement action plan signed off by Director/ Head of Service</b>	Add name/ job title	<b>Signature:</b>	<b>Date:</b>



# Equality Impact Initial Assessment Form

<b>Division</b>	<b>Community and Housing / Housing Needs &amp; Enabling Division</b>
<b>Name of assessor</b>	<b>Elliot Brunton Housing Options Manager</b>
<b>Date of assessment</b>	<b>19<sup>th</sup> December 2013</b>
<b>Title function/policy/service to be assessed</b>	<b>Housing Needs &amp; Enabling Division</b>

<b>1. Describe the aims / objectives and purpose of the function or policy</b>	Reduction in homelessness grant, rationalisation of housing needs administrative budgets and deletion of one post. The homelessness prevention grant is not ring fenced and can be utilised for homeless prevention or other purposes.
<b>2. Are there any other functions. policies or services, which might be linked with this one</b>	Housing strategy, Homelessness strategy,
<b>3. Who will benefit from this policy / service /function</b>	No clear benefit to service delivery
<b>4. Who was consulted</b>	N/a

	<b>Positive Impact</b>	<b>Negative Impact</b>	<b>Neither</b>	<b>Reason / Comment / Evidence</b>
<b>Age</b>			✓	Services are accessed by various age groups. In the period 01.04.2013 to 30.11.2013 the youngest household approaching as homeless was recorded as 17 and the eldest 69. The majority 60% were from age group 25-44
<b>Disability</b>			✓	The council continues to promote needs on the grounds of disability. The allocations strategy offers overriding priority to households who need to move urgently due to medical

				concerns and has quotas under Band D to provide housing for households with mental health needs and learning disabilities.
<b>Gender</b>			✓	Services are accessed by households led by an almost even split of genders. In the period 01/04/13 to 30/11/13 45% of homelessness approaches were made by male lead applicants and 55% by female lead applicants.
<b>Race</b>			✓	Services are accessed by a variety of ethnic groups. In the period 01/04/13 to 30/11/13 the largest ethnic group accessing homelessness service was White British representing 26% of approaches. The second largest ethnic group was African British representing 15% followed by white other 9.7%.
<b>Religion / belief</b>			✓	Homelessness services are accessed by persons from various religious groups. In the period 01/04/13 to 30/11/13 only 40% of homelessness applicants had a response to their religion with the others recorded as either unknown or not stated. The largest recorded religion amongst homeless approaches was Christian followed by Muslim.
<b>Sexuality</b>			✓	Homelessness services are accessed by persons from various sexuality groups. However in the period In the period 01/04/13 to 30/11/13 only 24% of homelessness applicants had a response to their sexuality recorded with the others recorded as not stated or unknown. The largest sexuality category to record a response was the Heterosexual group. Less than 2% of recorded responses were for Gay, Lesbian or Other sexuality options combined.

Please give a brief description of how this policy benefits the equality target groups identified in the above table ie promotes equality?	<p>Historically there has been an under spend in the homelessness prevention grant and the council has continued to maintain the lowest level of numbers of households in temporary accommodation.</p> <p>Utilisation of the homelessness prevention grant by the council may have a positive impact on other service areas and equality groups.</p> <p>There is no benefit to equality target groups as result of changes in administrative budgets or the deletion of one post.</p>
If there is a negative impact on any equality target group, is the impact intended or legal? <i>If no, then full Equality Impact Assessment should be completed.</i>	Changes arising from the Welfare Reform Act have been enacted and there is the potential for an impact on the service. Should demand for services increase in line with existing demographics of households accessing the homelessness service then there could be an indirect impact on the equality groups who are already shown to most commonly access this service.
What actions could be taken to amend the policy/service to minimise the low negative impact?	The Housing Needs TOM documents sets out plans to provide a number of online self-help tools which may result in fewer customers requiring specialist interventions from front line officer, potentially offsetting the reduced staffing capacity. This will be assessed as part of the TOM process
If there is no evidence that the policy/service promotes equality, equal opportunities or improves relations within equality target groups, what amendments could be made to achieve this?	N/a

**Recommendation**

Full Equality Impact Assessment required:      No

Signed by Manager of assessor

Equality Group scrutiny date

Equality group recommendation

## Equality Analysis



What are the proposals being assessed?	Savings in CSF Early Years services	
Which Department/ Division has the responsibility for this?	Children Schools and Families, Education Division, Early Years	
<b>Stage 1: Overview</b>		
Name and job title of lead officer  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)	Allison Jones, Service Manager Early Years (CSF01)	Savings of £150k in 2015/16, £7k in 2016/17 and £250k in 2017/18 in CSF Early Years. These savings are to be made via reductions in services to support Children's Centres (CCs), although the numbers of nursery places provided will be unaffected, and support and delivery to key target groups/geographical locations will be maintained. We will reshape services in partnership with key stakeholders so that we continue to impact on narrowing the gap in outcomes for more vulnerable children and their families. From 2016 onwards there will be a reduced quality assurance capability including advice, support and challenge to the sector, with the central capacity covering safeguarding and inclusion issues. There will be a limited training programme other than where providers are prepared to pay the full cost. However, cover will be maintained for specific statutory requirements as specified in Childcare Act 2006. Reductions to Children's Centre services will be in accordance with assessed need. There will be reduction in posts, which will impact on women as the majority of the early years workforce are female.
How does this contribute to the council's corporate priorities?		The savings are to be delivered with no reduction in priority areas, including the sufficient supply of good quality early education and childcare places in areas of deprivation, and targeted early intervention services through CCs for vulnerable families with very young children. The savings are proposed to meet budgetary targets with the minimum adverse impact on service delivery.
Who will be affected by this proposal? For example who are the external/internal customers, communities, partners, stakeholders, the workforce etc.		80% of all Merton families with children under 5 are registered at their local Children's Centre. As well as direct work with families, the service supports up to 500 childcare and early education providers who look after thousands of children on behalf of their families, and are a key employer of the children's workforce across the borough.
Is the responsibility shared with another department, authority or organisation? If so, who are the partners and who has overall responsibility?		Several of our CCs are within schools who are our partners in delivering early years services. We also work with a range of statutory, voluntary and community sector partners who co-deliver or are co-located in CCs in accordance with the DfE / Ofsted requirements, including: health visitors, JCP, midwifery services, JCP, CAB, Relate, and LBM CSC. Extensive partnership working also takes place with the private, voluntary, independent school and maintained school sectors in the delivery of early education and childcare places, in order to achieve sufficiency across a mixed market model and maintain/improve standards of provision. The LA has overall responsibility.

<b>Stage 2: Collecting evidence/ data</b>				
<p>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).</p>	<p>Take up of EY services is increasing by families in areas of deprivation, as is access by more vulnerable groups including families with children with additional needs, lone parents, out of work families, families from black and minority ethnic backgrounds and those presenting with lower level mental health issues. There is also a general improvement in the quality of EY provision in areas of deprivation. However, data also shows an increasing gap in attainment at the end of the EY Foundation Stage, particularly for many of the equality groups. This gap continues through school. Our work will continue to close those gaps by focusing the reshaped services on those most in need.</p>			
<b>Stage 3: Assessing impact and analysis</b>				
<p>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)?</p>				
Protected characteristic (equality group)	Positive impact		Negative impact	
	Yes	No	Yes	No
Age		✓		✓
Disability		✓		✓
Gender Reassignment		✓		✓
Marriage & Civil Partnership		✓		✓
Pregnancy & Maternity		✓	✓	
Race		✓		✓
Religion/ belief		✓		✓
Sex (Gender)		✓	✓	
Sexual orientation		✓		✓
Socio-economic status		✓	✓	
<p>If you have identified a negative impact, how do you plan to mitigate it?</p>				
<p>Develop criteria to prioritise support to settings that take funded 2 year olds, in areas of deprivation and with limited capacity to improve, in communities where low attainment and poor outcomes are of high concern, and in school nurseries where children have low attainment at age 5. Continue to deliver the national pilot for childcare hubs, developing peer to peer support and use evaluation findings to inform future direction. Business modelling to establish scope for buy back service. Strengthening multi-agency working and co-location.</p>				

<b>Stage 4: Conclusion of the Equality Analysis</b>	
	Which of the following statements best describe the outcome of the EA (Tick one box only)
	<b>Outcome 1</b> – The EA has not identified any potential for discrimination or negative impact and all opportunities to promote equality are being addressed. <b>No changes are required.</b>
	<b>Outcome 2</b> – The EA has identified adjustments to remove negative impact or to better promote equality. <b>Actions you propose to take to do this should be included in the Action Plan.</b>
✓	<b>Outcome 3</b> – 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. <b>If you propose to continue with proposals you must include the justification for this in Section 10 below, and include actions you propose to take to remove negative impact or to better promote equality in the Action Plan. You must ensure that your proposed action is in line with the PSED to have ‘due regard’ and you are advised to seek Legal Advice.</b>
	<b>Outcome 4</b> – The EA shows actual or potential unlawful discrimination. <b>Stop and rethink your proposals.</b>

Stage 5: Improvement Action Plan						
Negative impact/ gap in information identified in the Equality Analysis	Action required to mitigate	How will you know this is achieved? (performance measure / target)	By when	Existing or additional resources?	Lead Officer	Action added to divisional/ team plan?
Age (0 - 5s) Pregnancy and Maternity Sex (gender) Socio –economic status	Further targeting of services and support to more vulnerable children, families and settings Consultation with sector re setting support and families and key partners re CCs Early Help/Early Intervention Framework for 0-2s Further embedding of multi agency/Partnership working Delivery on key recommendations from Early Years and Health review Capacity building and sustainability of high quality funded 2 year old places Rationalise services delivered via CCs – evidence based and targeted/prioritised Embed Locality working and funding formula	Ofsted – good and above EYFSP scores Data analysis Children's Centre - Performance Framework Monitoring and evaluation Consultation CSA Quality Assurance Frameworks Continuous Improvement Framework Family Poverty Assessment	reporting quarterly academic year and yearly	existing	AJ	Yes



<b>Stage 6: Reporting outcomes</b>		
<b>Summary of the equality analysis</b>		
This Equality Analysis has resulted in an Outcome	3	Assessment
The proposal is to make savings to meet MTFS targets by reducing services to support Children's Centres, whilst maintaining the numbers of places provided within them and targeting services on those most at risk/need. Given the nature of the services, those with socio-economic difficulties may be affected, however, action is being taken to mitigate the impact through ever sharper service targeting and partnership working.		
<b>Stage 7: Sign off by Director/ Assistant Director</b>		
<b>Assessment completed by</b>	Allison Jones, Service Manager Early Years Penny Badcoe, Business Partner	<b>Signature:</b>
<b>Improvement action plan signed off by Director/ Assistant</b>	Jan Martin, AD Education	<b>Date:</b>



## Equality Analysis



What are the proposals being assessed?	Savings in CSF Merton School Improvement services
Which Department/ Division has the responsibility for this?	Children Schools and Families, Education Division, SSQ
<b>Stage 1: Overview</b>	
Name and job title of lead officer	Kate Saksena, Service Manager SSQ
What are the aims, objectives and desired outcomes of your proposal? (Also explain proposals e.g. reduction/removal of service, deletion of posts, changing criteria etc)	<p>Savings in Merton School Improvement of £75k in 2017/18.</p> <p>Support for schools requiring improvement and high level monitoring of schools that are good or better will remain. Training programmes will move towards a self-funding model with more limited capacity to provide intensive support to underperforming schools.</p> <p>The savings are proposed to meet departmental MTFs budget targets.</p>
How does this contribute to the council's corporate priorities?	The Council is committed to ensuring that all of our services are good or better. The Ofsted profile of our schools is better than the national and London averages. The remaining MSI capacity will be targeted at schools requiring improvement and on the prevention of Ofsted failure.
Who will be affected by this proposal? For example who are the external/internal customers, communities, partners, stakeholders, the workforce etc.	Schools will only receive support if they require improvement, or otherwise if they are prepared to pay the full cost. These savings may have an adverse impact on the education of CYP in general including those within disadvantaged groups, however, four of the schools within the most socio-economic disadvantaged areas are now academies and only receive local authority support for school improvement on a traded basis. All council-run schools are committed to improving standards and narrowing outcome gaps and support will be targeted to those schools serving the most needy populations.
Is the responsibility shared with another department, authority or organisation? If so, who are the partners and who has overall responsibility?	Merton School Improvement works with schools in the borough.

<b>Stage 2: Collecting evidence/ data</b>			
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).	Current data used to assess the service and the impact of any reduction includes national data sets relating to school performance (eg. Raiseonline, Performance tables), LA data sets and analysis, Ofsted inspection data, reports by MSI inspectors and individual school data. The team uses these national and local data sets to target their support, focusing on schools with the greatest level of challenge and with the biggest gaps in pupils outcomes. The evidence shows that these schools are those in areas of greatest socio-economic need, with higher levels of pupil premium funding. Merton has, however, a good track record in narrowing the gaps and some schools within the most socio-economic disadvantaged areas are now out of council control.		
<b>Stage 3: Assessing impact and analysis</b>			
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		Reason / Impact
	Positive impact	Negative impact	
	Yes	No	
Age		✓	✓
Disability		✓	✓
Gender Reassignment		✓	✓
Marriage & Civil Partnership		✓	✓
Pregnancy & Maternity		✓	✓
Race		✓	✓
Religion/ belief		✓	✓
Sex (Gender)		✓	✓
Sexual orientation		✓	✓
Socio-economic status		✓	✓
If you have identified a negative impact, how do you plan to mitigate it?			
An even greater focus on schools with the greatest level of need and the lowest outcomes.			

#### Stage 4: Conclusion of the Equality Analysis

Which of the following statements best describe the outcome of the EA (Tick one box only)						
	<b>Outcome 1</b> – The EA has not identified any potential for discrimination or negative impact and all opportunities to promote equality are being addressed. <b>No changes are required.</b>					
	<b>Outcome 2</b> – The EA has identified adjustments to remove negative impact or to better promote equality. <b>Actions you propose to take to do this should be included in the Action Plan.</b>					
✓	<b>Outcome 3</b> – 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. <b>If you propose to continue with proposals you must include the justification for this in Section 10 below, and include actions you propose to take to remove negative impact or to better promote equality in the Action Plan. You must ensure that your proposed action is in line with the PSED to have ‘due regard’ and you are advised to seek Legal Advice.</b>					
	<b>Outcome 4</b> – The EA shows actual or potential unlawful discrimination. <b>Stop and rethink your proposals.</b>					
<b>Stage 5: Improvement Action Pan</b>						
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?
Possible detrimental effect on pupils with low socio-economic status	Increased targeting of those schools where pupil premium pupils are not achieving at national levels	In ROL outcomes showing progress measures for PP pupils,	October each year	Existing	Kate Saksena	Reinforcing current plan
	Close monitoring of school use of pupil premium funding					
<b>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.</b>						
<b>Stage 6: Reporting outcomes</b>						
<b>10. Summary of the equality analysis</b>						
This Equality Analysis has resulted in an Outcome 3 Assessment						
The proposal is to make savings to meet MTFs targets by reducing MSI services. There is likely to be an adverse impact on CYP and their families, which may be more significant for those with socio-economic problems, but should not impact disproportionately on other protected characteristics / equalities groups. The proposal is being made because savings have to be made and cuts to other service areas would have more serious impact, and / or would threaten delivery in accordance with statutory requirements.						

<b>Stage 7: Sign off by Director/ Assistant Director</b>			
<b>Assessment completed by</b>	Kate Saksena, Service Manager SSQ Penny Badcoe, Business Partner	<b>Signature:</b> Kate Saksena	<b>Date:</b> December 2013
<b>Improvement action plan signed off by Director/ Assistant</b>	Jan Martin, AD Education	<b>Signature:</b>	<b>Date:</b>

# Equality Analysis



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

What are the proposals being assessed?	Deletion of Assistant Director post
Which Department/ Division has the responsibility for this?	Customer Services/Corporate Services

<b>Stage 1: Overview</b>	
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)	Deletion of Assistant Director post within Corporate Services (CS60)
2. How does this contribute to the council's corporate priorities?	Reduction of budget
3. Who will be affected by this proposal? For example who are the external/internal customers, communities, partners, stakeholders, the workforce etc.	A position has been vacant since August 2011 with the duties shared by Head of Revenues & Benefits and Head of Customer Contact. No affect on customers or staff. The implementation of the Customer Contact programme will require a revision of the top level structure within Corporate Services.
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).

No affect by the deletion of this post.

**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		✓		✓	
Disability		✓		✓	
Gender Reassignment		✓		✓	
Marriage and Civil Partnership		✓		✓	
Pregnancy and Maternity		✓		✓	
Race		✓		✓	
Religion/ belief		✓		✓	
Sex (Gender)		✓		✓	
Sexual orientation		✓		✓	
Socio-economic status		✓		✓	

7. If you have identified a negative impact, how do you plan to mitigate it?

None identified

Stage 4: Conclusion of the Equality Analysis

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

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

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



**Stage 5: Improvement Action Plan**

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

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

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

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

**Stage 6: Reporting outcomes**

**10. Summary of the equality analysis**

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

This Equality Analysis has resulted in an Outcome [add](#) Assessment

Please include here a summary of the key findings of your assessment.

- What are the key impacts – both negative and positive – you have identified?
- Are there any particular groups affected more than others?
- What course of action are you advising as a result of this assessment?
- If your EA is assessed as Outcome 3 and you suggest to proceeding with your proposals although a negative impact has been identified that may not be possible to fully mitigate, explain your justification with full reasoning.



<b>Stage 7: Sign off by Director/ Head of Service</b>			
<b>Assessment completed by</b>	Sean Cunniffe, Head of Customer Contact	<b>Signature: S Cunniffe</b>	<b>Date: 12.12.13</b>
<b>Improvement action plan signed off by Director/ Head of Service</b>	Caroline Holland, Director of Corporate Services	<b>Signature:</b>	<b>Date:</b>

# Equality Analysis



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

What are the proposals being assessed?	Corporate Services savings proposals for: i) CHAS dividend (CS61), ii) appropriate recharging for support of Public Health (CS62)
Which Department/ Division has the responsibility for this?	Corporate Services, Resources Division

<b>Stage 1: Overview</b>	
Name and job title of lead officer	Paul Dale, Interim Assistant Director Resources
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 savings proposals above will result in no reduction to service provision as they result in additional income and appropriate charging for services.
2. How does this contribute to the council's corporate priorities?	These proposals contribute to "Corporate Capacity" and the delivery of sound financial management by 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.	There should be no impact on service delivery or our customers. Public Health funding allocations will allow for appropriate charging by support services.
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).

CHAS dividend is income above that already contained within revenue estimates  
Recharges to Public Health are based on the actual support given to the service since it transferred in April 2013.

### 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		✓		✓	
Disability		✓		✓	
Gender Reassignment		✓		✓	
Marriage and Civil Partnership		✓		✓	
Pregnancy and Maternity		✓		✓	
Race		✓		✓	
Religion/ belief		✓		✓	
Sex (Gender)		✓		✓	
Sexual orientation		✓		✓	
Socio-economic status		✓		✓	

7. If you have identified a negative impact, how do you plan to mitigate it?

Not applicable

Stage 4: Conclusion of the Equality Analysis

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

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

**Outcome 1** – The EA has not identified any potential for discrimination or negative impact and all opportunities to promote equality are being addressed. **No changes are required.**

**Outcome 2** – The EA has identified adjustments to remove negative impact or to better promote equality. **Actions you propose to take to do this should be included in the Action Plan.**

**Outcome 3** – The EA has identified some potential for negative impact or some missed opportunities to promote equality and it may not be possible to mitigate this fully. **If you propose to continue with proposals you must include the justification for this in Section 10 below, and include actions you propose to take to remove negative impact or to better promote equality in the Action Plan. You must ensure that your proposed action is in line with the PSED to have 'due regard' and you are advised to seek Legal Advice.**

**Outcome 4** – The EA shows actual or potential unlawful discrimination. **Stop and rethink your proposals.**

**Stage 5: Improvement Action Plan**

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

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

Negative impact/ gap in information identified in the Equality Analysis	Action required to mitigate	How will you know this is achieved? e.g. performance measure/ target)	By when	Existing or additional resources?	Lead Officer	Action added to divisional/ team plan?
<b>Not Applicable</b>						

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

**Stage 6: Reporting outcomes**

**10. Summary of the equality analysis**

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

This Equality Analysis has resulted in an Outcome [add](#) Assessment

[From the analysis undertaken it is envisaged that the savings proposals will have no equalities impact.](#)

<b>Stage 7: Sign off by Director/ Head of Service</b>			
<b>Assessment completed by</b>	Paul Dale, Interim AD Resources	<b>Signature:</b>	<b>Date:</b>
<b>Improvement action plan signed off by Director/ Head of Service</b>	Caroline Holland, Director of Corporate Services	<b>Signature:</b>	<b>Date:</b>

# Equality Analysis



Please refer to the guidance for carrying out Equality Impact Assessments is available on the intranet [LINK TO BE ADDED] Text in blue is intended to provide guidance – you can delete this from your final version.	
What are the proposals being assessed?	Reorganisation of systems development and support arrangements. (Savings Proposal CS63 Budget Process 2014/5)
Which Department/ Division has the responsibility for this?	Business Improvement, Corporate Services
<b>Stage 1: Overview</b>	
Name and job title of lead officer	Sophie Ellis, Assistant Director of Business Improvement
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)	To deliver financial savings of £162k over 20016/8 through the reorganisation of support arrangements for the Council's IT systems. This will be either through a reduction in post numbers and/or a reconfiguration of support across a different type/level of post. It is not possible at this stage to determine the approach in more detail as it will need to be informed by a more detailed analysis of the organisation's support requirements at the time. The proposals made here are based on the informed assumption that system support requirements will reduce over the interim period as the council's IT systems are rationalised and aligned.
2. How does this contribute to the council's corporate priorities?	The proposal sits within the Corporate Capacity theme and seeks to ensure a highly efficient IT system support service.
3. Who will be affected by this proposal? For example who are the external/internal customers, communities, partners, stakeholders, the workforce etc.	Internal customers – all staff/services reliant on IT systems supported by the division will be affected since the support arrangements will be reduced – either in terms of actual volume of officers available and/or the level of skills/expertise within the team.  There is potential for a direct and tangible impact in particular on the IT Services Team in the Infrastructure & Transactions Division who require IT Systems' support when amending the Council's IT infrastructure.  Staff – a reduction in posts and/or changes to the posts within the service.  External customers – there is potential for a secondary impact on the council's service users should the proposed arrangements have a detrimental impact on the reliability/functionality of systems.
4. Is the responsibility shared with another department, authority or organisation? If so, who are the	The division works closely with the IT Services team in the Infrastructure & Transactions division to ensure a high quality IT infrastructure and systems architecture – responsibility for the former sits with I&T and for the latter with Business Improvement though collaborative working is essential to the effectiveness of both

partners and who has overall responsibility?	services.
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## 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).

Analysis has been undertaken on organisational demand for the IT Systems service against the current systems architecture, as well as on the basis of the emerging target systems architecture arising out of the organisations transformation delivery planning.

The proposal is also developed on the basis of consultation with DMTs and service leads throughout 2013 to determine their anticipated needs. Further research and analysis will be required throughout the period to 2015/6 to achieve a more detailed understanding of the true demands of the service as major transformation projects in the intervening period come to a conclusion and benefits are realised.

Detailed analysis on the impact on staff and individual systems will need to be undertaken at this time. This will help determine the likely impact on particular groups or individuals within the external and internal customer group and staff affected by the 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		Reason
	Positive impact	Potential negative impact	
	Yes	No	
Age			Briefly explain what positive or negative impact has been identified  Given that the proposal involves posts and staff there is potential for it to impact on some of these groups, although the likelihood of this is low given the scale of the changes proposed. It is not possible to state with certainty at this stage whether this is the case; detailed analysis will be needed nearer the time when it is known which posts are affected and in what ways.  This will also clarify the impact on customer segments.
Disability		✓	
Gender Reassignment		✓	
Marriage and Civil Partnership			
Pregnancy and Maternity		✓	
Race		✓	
Religion/ belief		✓	
Sex (Gender)		✓	
Sexual orientation		✓	
Socio-economic status		✓	

**7. If you have identified a negative impact, how do you plan to mitigate it?**

A full EA will be conducted on the detailed proposal once it is clearer which posts will be affected and how. This analysis will explore the impact on affected staff and specific IT systems; the latter will help develop a clearer understanding of the potential impact on internal and external customer groups.

In the period between now and 2015/6 the service will work to deliver a series of transformational projects that rationalise and stabilise the Council's systems architecture to reduce reliance on highly professional expertise for problem resolution and customisation.

**Stage 4: Conclusion of the Equality Analysis**

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

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

**Outcome 1** – The EA has not identified any potential for discrimination or negative impact and all opportunities to promote equality are being addressed. **No changes are required.**

**Outcome 2** – The EA has identified adjustments to remove negative impact or to better promote equality. **Actions you propose to take to do this should be included in the Action Plan.**

**Outcome 3** – The EA has identified some potential for negative impact or some missed opportunities to promote equality and it may not be possible to mitigate this fully. **If you propose to continue with proposals you must include the justification for this in Section 10 below, and include actions you propose to take to remove negative impact or to better promote equality in the Action Plan. You must ensure that your proposed action is in line with the PSED to have 'due regard' and you are advised to seek Legal Advice.**

**Outcome 4** – The EA shows actual or potential unlawful discrimination. **Stop and rethink your proposals.**

### Stage 5: Improvement Action Plan

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

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

Negative impact/ gap in information identified in the Equality Analysis	Action required to mitigate	How will you know this is achieved? e.g. performance measure/ target)	By when	Existing or additional resources?	Lead Officer	Action added to divisional/ team plan?
Staff	A full EA to be conducted in 2015/6 once affected posts are identified.	EA to be included in the consultation materials as per the Council's Managing Organisational Change procedure.	Q3 2015/6	Ex.	AD BI	Y
Internal customers	A full EA to be conducted in 2015/16 once affected systems are identified.	EA and consultation material will be shared with DMTs for approval	Q3 2015/6	Ex	AD BI	Y
External customers	As above	As above	Q3 2015/6	Ex	AD BI	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 6: Reporting outcomes

#### 10. Summary of the equality analysis

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

This Equality Analysis has resulted in an Outcome [add](#) Assessment

The proposed change will be managed in line with the Council's Managing Organisational Change procedure and therefore a full EA and detailed consultation will be undertaken and all mitigating actions identified through that process put in place.

<b>Stage 7: Sign off by Director/ Head of Service</b>			
<b>Assessment completed by</b>	Sophie Ellis, AD Business Improvement	<b>Signature:</b>	<b>Date:</b>
<b>Improvement action plan signed off by Director/ Head of Service</b>	Caroline Holland, Director of Corporate Services	<b>Signature:</b>	<b>Date:</b>

# Equality Analysis



Please refer to the guidance for carrying out Equality Impact Assessments is available on the intranet [LINK TO BE ADDED] Text in blue is intended to provide guidance – you can delete this from your final version.	
What are the proposals being assessed?	Resources savings proposals for: i) reductions in treasury running costs (CS64), interest charged through cash management (CS68) and bank giro charges (CS67) ii) consolidation of various budgets (CS65), and iii) appropriate recharging for support of the Pension Fund (CS66)
Which Department/ Division has the responsibility for this?	Corporate Services, Resources Division
<b>Stage 1: Overview</b>	
Name and job title of lead officer	Paul Dale, Interim Assistant Director Resources
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 savings proposals above will result in no reduction to service provision as they result from service efficiencies and appropriate charging for services.
2. How does this contribute to the council's corporate priorities?	These proposals contribute to "Corporate Capacity" and the delivery of sound financial management by 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.	There should be no impact on service delivery or our customers. The proposals will enable the same level of service to be delivered from a lower level of funding.
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).

Historical spend on budgets has been reviewed and different processes and ways of working have been considered to deliver the savings required. It is not envisaged that these savings proposals will have any impact on service delivery.

**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		✓		✓	
Disability		✓		✓	
Gender Reassignment		✓		✓	
Marriage and Civil Partnership		✓		✓	
Pregnancy and Maternity		✓		✓	
Race		✓		✓	
Religion/ belief		✓		✓	
Sex (Gender)		✓		✓	
Sexual orientation		✓		✓	
Socio-economic status		✓		✓	

**7. If you have identified a negative impact, how do you plan to mitigate it?**

Not applicable

**Stage 4: Conclusion of the Equality Analysis**

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

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

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



**Stage 5: Improvement Action Plan**

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

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

Negative impact/ gap in information identified in the Equality Analysis	Action required to mitigate	How will you know this is achieved? e.g. performance measure/ target)	By when	Existing or additional resources?	Lead Officer	Action added to divisional/ team plan?
<b>Not Applicable</b>						

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

**Stage 6: Reporting outcomes**

**10. Summary of the equality analysis**

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

This Equality Analysis has resulted in an Outcome [add](#) Assessment

[From the analysis undertaken it is envisaged that the savings proposals will have no equalities impact.](#)



<b>Stage 7: Sign off by Director/ Head of Service</b>			
<b>Assessment completed by</b>	Paul Dale, Interim AD Resources	<b>Signature:</b>	<b>Date:</b>
<b>Improvement action plan signed off by Director/ Head of Service</b>	Caroline Holland, Director of Corporate Services	<b>Signature:</b>	<b>Date:</b>

# Equality Analysis



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

What are the proposals being assessed?	Cease Councillors courier service and send out items electronically or via the standard postal system. (Savings Proposal CS69)
Which Department/ Division has the responsibility for this?	Corporate Services/Infrastructure & Transactions Division

## Stage 1: Overview

Name and job title of lead officer	Mark Humphries – Assistant Director Infrastructure & Transactions
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)	Reduce expenditure and achieve a financial saving by not using a courier to deliver documents directly to Councillors at home either by sending them out electronically and providing local printing facilities or alternatively sending them through the standard Royal Mail postal system.
2. How does this contribute to the council's corporate priorities?	More efficient and cost effective method of handling documents and papers which will reduce expenditure and provide a financial saving.
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 only affect Councillors.
4. Is the responsibility shared with another department, authority or organisation? If so, who are the partners and who has overall responsibility?	No the delivery of the documents is the responsibility of Infrastructure and Transactions but the proposal is likely to have some impact on the Democratic Services team who collate all of the reports and information in preparation for Council and Committee meetings. The change of delivery arrangements is likely to mean that the time that is available for the production and collation of these documents is likely to reduce as it will take longer for the documents to be delivered.

**Stage 2: Collecting evidence/ data**

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

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

The frequency of the Councillors courier service has been reduce previously over a number of years which has had some impact on the timescales available for the production of reports and other supporting documents for Council and committee meetings.

**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		✓		✓	
Disability		✓		✓	
Gender Reassignment		✓		✓	
Marriage and Civil Partnership		✓		✓	
Pregnancy and Maternity		✓		✓	
Race		✓		✓	
Religion/ belief		✓		✓	
Sex (Gender)		✓		✓	
Sexual orientation		✓		✓	
Socio-economic status		✓		✓	

7. If you have identified a negative impact, how do you plan to mitigate it?

No negative impact identified.

Stage 4: Conclusion of the Equality Analysis

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

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

**Outcome 1** – The EA has not identified any potential for discrimination or negative impact and all opportunities to promote equality are being addressed. **No changes are required.**

**Outcome 2** – The EA has identified adjustments to remove negative impact or to better promote equality. **Actions you propose to take to do this should be included in the Action Plan.**

**Outcome 3** – The EA has identified some potential for negative impact or some missed opportunities to promote equality and it may not be possible to mitigate this fully. **If you propose to continue with proposals you must include the justification for this in Section 10 below, and include actions you propose to take to remove negative impact or to better promote equality in the Action Plan. You must ensure that your proposed action is in line with the PSED to have 'due regard' and you are advised to seek Legal Advice.**

**Outcome 4** – The EA shows actual or potential unlawful discrimination. **Stop and rethink your proposals.**

**Stage 5: Improvement Action Pan**

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

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

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

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

**Stage 6: Reporting outcomes**

**10. Summary of the equality analysis**

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

This Equality Analysis has resulted in an Outcome of no negative impact of implementing the proposed change of service delivery

<b>Stage 7: Sign off by Director/ Head of Service</b>			
<b>Assessment completed by</b>	Mark Humphries, Assistant Director Infrastructure & Transactions	<b>Signature:</b>	<b>Date: 16/12/13</b>
<b>Improvement action plan signed off by Director/ Head of Service</b>	Caroline Holland, Director of Corporate Services	<b>Signature:</b>	<b>Date: 16/12/13</b>

# Equality Analysis



Please refer to the guidance for carrying out Equality Impact Assessments is available on the intranet [LINK TO BE ADDED] Text in blue is intended to provide guidance – you can delete this from your final version.	
What are the proposals being assessed?	Proposal to apply a £3.00 charge to customers requesting a hard copy paper invoice for any services which are administered through the Transactional Services team. (Savings proposal CS70)
Which Department/ Division has the responsibility for this?	Corporate Services/ Infrastructure & Transactions Division
<b>Stage 1: Overview</b>	
Name and job title of lead officer	Mark Humphries, AD Infrastructure and Transactions
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)	To encourage a shift towards E-billing and electronic invoicing, which will improve efficiency by reducing manual processing and also generate cost savings in respect to postage and stationery. If customers require a hard copy paper invoice it will be sent via the standard postal system but a £3.00 administration charge will be added to their account. This will also ensure that customers receive their invoices in a timely manner and as the invoice is payable upon receipt it should also improve the Council's cash flow arrangements.
2. How does this contribute to the council's corporate priorities?	Promoting the move towards using more cost effective channels is one of the underlying principles of the Customer Contact strategy, which looks to reduce operating costs and improve efficiency through the use of new technology and other E-commerce opportunities.
3. Who will be affected by this proposal? For example who are the external/internal customers, communities, partners, stakeholders, the workforce etc.	The proposal will affect a wide range of customers who pay for services provided by the Council; these include commercial organisations such as members of the Contractors Health and Safety scheme (CHAS) and potentially some local residents that pay for adult social care services and who have elected to receive invoices electronically. All customers will benefit from a reduction in the time taken to generate and issue invoices and ensure that they are received in a timely manner. This will also speed up the payment process improve cash flow and a reduced risk of penalty charges being made for late payment of invoices.
4. Is the responsibility shared with another department, authority or organisation? If so, who are the partners and who has overall responsibility?	There are a number of departments involved in the delivery of services which utilise Transactional Services team to produce and administer invoices, but this proposal does not have any direct impact on direct service provision.

## 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).

Customer Insight information that was collected as part of the Customer Contact programme shows that there are relatively high levels of digital inclusion across the country and also within the borough, and on that basis a gradual shift towards delivering invoices electronically to commercial organisations and other customers would not create any significant issues.

Evidence collected as part of a pilot scheme already being operated within Corporate Services for the year covering 2013/14 shows that over a third of the Councils Business Rates have been collected through electronic invoicing and E-payments in the first year of operation which demonstrates the scope to move customers on to more cost effective channels.

## 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		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Disability		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Gender Reassignment		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Marriage and Civil Partnership		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Pregnancy and Maternity		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Race		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Religion/ belief		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Sex (Gender)		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Sexual orientation		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Socio-economic status		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	



**7. If you have identified a negative impact, how do you plan to mitigate it?**

No negative impact identified

**Stage 4: Conclusion of the Equality Analysis**

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

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

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

**Stage 5: Improvement Action Plan**

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

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

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

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

**Stage 6: Reporting outcomes**

**10. Summary of the equality analysis**

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

This Equality Analysis has resulted in an Outcome [add](#) Assessment

[From the analysis undertaken it is envisaged that the savings proposals will have no equalities impact.](#)

<b>Stage 7: Sign off by Director/ Head of Service</b>			
<b>Assessment completed by</b>	Mark Humphries, Assistant Director Infrastructure & Transactions	<b>Signature:</b>	<b>Date:</b>
<b>Improvement action plan signed off by Director/ Head of Service</b>	Caroline Holland, Director of Corporate Services	<b>Signature:</b>	<b>Date:</b>

# Equality Analysis



Please refer to the guidance for carrying out Equality Impact Assessments is available on the intranet [LINK TO BE ADDED] Text in blue is intended to provide guidance – you can delete this from your final version.	
What are the proposals being assessed?	Proposal to delete two “In-house” trainers posts within IT Service Delivery (Savings proposal CS71)
Which Department/ Division has the responsibility for this?	Corporate Services/ Infrastructure & Transactions Division
<b>Stage 1: Overview</b>	
Name and job title of lead officer	Mark Humphries – Assistant Director Infrastructure & Transactions
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)	To deliver financial savings of £85k over the period 2016/18 by deleting the two full time trainers posts within the IT Service Delivery section. The proposal is to delete 2 FTE posts which currently deliver “In house” bespoke training on a number of corporate IT systems which include Carefirst, and re-provide this training through new on line E-learning packages which will be made available as part of new systems such as (SCIS) Social Care Information System which are currently being procured.
2. How does this contribute to the council's corporate priorities?	The savings are required as part of the Medium Term Financial Strategy and it is felt that the training currently provided on IT systems can be delivered in a more cost effective and efficient manner.
3. Who will be affected by this proposal? For example who are the external/internal customers, communities, partners, stakeholders, the workforce etc.	Two full time members of staff who currently deliver the “In-house” training provision. Children Schools & Families and Community & Housing are likely to be most affected by this proposal as the vast majority of the training being delivered relates to systems used by these two departments
4. Is the responsibility shared with another department, authority or organisation? If so, who are the partners and who has overall responsibility?	Responsibility for the delivery of training on corporate IT systems currently sits with Infrastructure & Transactions but with the recent centralisation of Learning and Development budgets there may be opportunities to provide additional training and support for departments centrally if required.

**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).

As part of the development of new IT systems, suppliers generally now include training packages and embedded online self-help modules which form part of the overall software package. This approach generally helps to speed up the initial roll out of new systems and information is updated on a regular basis to reflect any changes or upgrades which are applied to the system. This then allows users to adjust to these changes without the need for costly and time consuming face to face training which reduces cost and also minimizes disruption to service delivery.

**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		✓		✓	
Disability		✓		✓	
Gender Reassignment		✓		✓	
Marriage and Civil Partnership		✓		✓	
Pregnancy and Maternity		✓		✓	
Race		✓		✓	
Religion/ belief		✓		✓	
Sex (Gender)		✓		✓	
Sexual orientation		✓		✓	
Socio-economic status		✓		✓	

**7. If you have identified a negative impact, how do you plan to mitigate it?**

No negative impact identified

**Stage 4: Conclusion of the Equality Analysis**

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

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

**Outcome 1** – The EA has not identified any potential for discrimination or negative impact and all opportunities to promote equality are being addressed. **No changes are required.**

**Outcome 2** – The EA has identified adjustments to remove negative impact or to better promote equality. **Actions you propose to take to do this should be included in the Action Plan.**

**Outcome 3** – The EA has identified some potential for negative impact or some missed opportunities to promote equality and it may not be possible to mitigate this fully. **If you propose to continue with proposals you must include the justification for this in Section 10 below, and include actions you propose to take to remove negative impact or to better promote equality in the Action Plan. You must ensure that your proposed action is in line with the PSED to have ‘due regard’ and you are advised to seek Legal Advice.**

**Outcome 4** – The EA shows actual or potential unlawful discrimination. **Stop and rethink your proposals.**

**Stage 5: Improvement Action Pan**

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

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

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

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

**Stage 6: Reporting outcomes**

**10. Summary of the equality analysis**

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

This Equality Analysis has resulted in an Outcome [add](#) Assessment

[From the analysis undertaken, it is envisaged that the savings proposal will have no adverse equalities impact.](#)

<b>Stage 7: Sign off by Director/ Head of Service</b>			
<b>Assessment completed by</b>	Mark Humphries Assistant Director – Infrastructure & Transactions	<b>Signature:</b>	<b>Date: 20/12/13</b>
<b>Improvement action plan signed off by Director/ Head of Service</b>	Caroline Holland Director of Corporate Services	<b>Signature:</b>	<b>Date:</b>



# Equality Analysis



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

What are the proposals being assessed?	Savings achieved through the consolidation of revenue budgets within Infrastructure & Transactions. (Savings proposal CS72)
Which Department/ Division has the responsibility for this?	Corporate Services/ Infrastructure & Transactions Division

<b>Stage 1: Overview</b>	
Name and job title of lead officer	Mark Humphries, Assistant Director Infrastructure & Transactions
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 savings proposals above will result in no reduction to service provision as they have been achieved through operational efficiencies.
2. How does this contribute to the council's corporate priorities?	Delivery of savings as required by the Medium Term Financial Strategy.
3. Who will be affected by this proposal? For example who are the external/internal customers, communities, partners, stakeholders, the workforce etc.	There should be no adverse impact on service delivery or to our customers. The proposals will enable the same level of service to be delivered from a lower level of funding.
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).

Historical spend on budgets has been reviewed and different processes and ways of working have been considered to deliver the savings required. It is not envisaged that these savings proposals will have any impact on service delivery.

**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		✓		✓	
Disability		✓		✓	
Gender Reassignment		✓		✓	
Marriage and Civil Partnership		✓		✓	
Pregnancy and Maternity		✓		✓	
Race		✓		✓	
Religion/ belief		✓		✓	
Sex (Gender)		✓		✓	
Sexual orientation		✓		✓	
Socio-economic status		✓		✓	

**7. If you have identified a negative impact, how do you plan to mitigate it?**

Not applicable

**Stage 4: Conclusion of the Equality Analysis**

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

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

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

**Stage 5: Improvement Action Plan**

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

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

Negative impact/ gap in information identified in the Equality Analysis	Action required to mitigate	How will you know this is achieved? e.g. performance measure/ target)	By when	Existing or additional resources?	Lead Officer	Action added to divisional/ team plan?
<b>Not Applicable</b>						

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

**Stage 6: Reporting outcomes**

**10. Summary of the equality analysis**

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

This Equality Analysis has resulted in an Outcome [add](#) Assessment

[From the analysis undertaken it is envisaged that the savings proposals will have no equalities impact.](#)

<b>Stage 7: Sign off by Director/ Head of Service</b>			
<b>Assessment completed by</b>	Mark Humphries, Assistant Director Infrastructure & Transactions	<b>Signature:</b>	<b>Date: 20/12/13</b>
<b>Improvement action plan signed off by Director/ Head of Service</b>	Caroline Holland, Director of Corporate Services	<b>Signature:</b>	<b>Date:</b>

# Equality Analysis



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

What are the proposals being assessed?	Legal Services savings of £80,000 (£60k by 2017 and £20k by 2018) by deletion of 2 x FTE (CS73)
Which Department/ Division has the responsibility for this?	Corporate Governance Division, Corporate Services Department

<b>Stage 1: Overview</b>	
Name and job title of lead officer	Paul Evans, Assistant Director of Corporate Governance and Joint Head of Legal Services
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 deletion of two posts will be achieved by driving efficiencies in service delivery and changes in demand for legal support which are expected in the future.
2. How does this contribute to the council's corporate priorities?	These proposals contribute to "Corporate Capacity"
3. Who will be affected by this proposal? For example who are the external/internal customers, communities, partners, stakeholders, the workforce etc.	The affected persons will be the Departments, Officer and Members of Merton, Richmond, Sutton and Kingston who use the legal service.
4. Is the responsibility shared with another department, authority or organisation? If so, who are the partners and who has overall responsibility?	The responsibility is shared with the London Boroughs of Richmond, Sutton and the Royal Borough of Kingston upon Thames who all contribute to the funding of the South London Legal Partnership. The Shared Service Governance Board will determine how the savings will be applied.

**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 would need to consider the protected characteristics of the complement of staff likely to be affected at the time the savings are required. As this is not until 2017/18 and the establishment is fluid it is not possible to undertake this analysis at this time. It is, however, unlikely that there will be a negative impact.**

**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		✓		✓	
Disability		✓		✓	
Gender Reassignment		✓		✓	
Marriage and Civil Partnership		✓		✓	
Pregnancy and Maternity		✓		✓	
Race		✓		✓	
Religion/ belief		✓		✓	
Sex (Gender)		✓		✓	
Sexual orientation		✓		✓	
Socio-economic status		✓		✓	

7. If you have identified a negative impact, how do you plan to mitigate it?

N/A

**Stage 4: Conclusion of the Equality Analysis**

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

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

**Outcome 1** – The EA has not identified any potential for discrimination or negative impact and all opportunities to promote equality are being addressed. **No changes are required.**

**Outcome 2** – The EA has identified adjustments to remove negative impact or to better promote equality. **Actions you propose to take to do this should be included in the Action Plan.**

**Outcome 3** – The EA has identified some potential for negative impact or some missed opportunities to promote equality and it may not be possible to mitigate this fully. **If you propose to continue with proposals you must include the justification for this in Section 10 below, and include actions you propose to take to remove negative impact or to better promote equality in the Action Plan. You must ensure that your proposed action is in line with the PSED to have 'due regard' and you are advised to seek Legal Advice.**

**Outcome 4** – The EA shows actual or potential unlawful discrimination. **Stop and rethink your proposals.**



**Stage 5: Improvement Action Pan**

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

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

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

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

**Stage 6: Reporting outcomes**

**10. Summary of the equality analysis**

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

This Equality Analysis has resulted in an Outcome [add](#) Assessment

[From the analysis undertaken it is envisaged that the savings proposals will have no equalities impact.](#)

<b>Stage 7: Sign off by Director/ Head of Service</b>			
<b>Assessment completed by</b>	Fiona Thomsen, Head of Shared Legal Services	<b>Signature:</b>	<b>Date:</b>
<b>Improvement action plan signed off by Director/ Head of Service</b>	Paul Evans, AD Corporate Governance	<b>Signature:</b>	<b>Date:</b>

# Equality Analysis



Please refer to the guidance for carrying out Equality Impact Assessments is available on the intranet [LINK TO BE ADDED] Text in blue is intended to provide guidance – you can delete this from your final version.	
What are the proposals being assessed?	HR savings of £127,000 (CS74 - £69k for 2016/2017 and CS75 - £58k for 2017/18) by deletion of 3 x FTE in total and procurement economies of scale from partnership work with other councils
Which Department/ Division has the responsibility for this?	HR Division, Corporate Services Department
<b>Stage 1: Overview</b>	
Name and job title of lead officer	Dean Shoesmith, Joint Head of HR Services
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 deletion of two posts in the central operations team will be achieved by driving efficiencies in service delivery consolidation of shared structures. The deletion of one post in L&D will be achieved by further efficiency measures through reorganisation and service consolidation.
2. How does this contribute to the council's corporate priorities?	These proposals contribute to "Corporate Capacity"
3. Who will be affected by this proposal? For example who are the external/internal customers, communities, partners, stakeholders, the workforce etc.	The affected persons will be the Departments, Officer and Members of Merton and Sutton who use the HR service.
4. Is the responsibility shared with another department, authority or organisation? If so, who are the partners and who has overall responsibility?	The responsibility is shared with the London Borough of Sutton. The responsibility has potential for being shared more widely dependent on the review of a four-borough HR shared service with Kingston and Richmond. The HR Shared Service Governance Board has governance to determine how the savings will be applied.

**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 would need to consider the protected characteristics of the complement of staff likely to be affected at the time the savings are required. As this is not until 2017/18 and the establishment is fluid it is not possible to undertake this analysis at this time however the workforce is currently predominantly female and measurement will be taken before and after the recommended changes**

**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		✓		✓	
Disability		✓		✓	
Gender Reassignment		✓		✓	
Marriage and Civil Partnership		✓		✓	
Pregnancy and Maternity		✓		✓	
Race		✓		✓	
Religion/ belief		✓		✓	
Sex (Gender)		✓	✓		The affected part of the workforce is predominantly female
Sexual orientation		✓		✓	
Socio-economic status		✓		✓	

**7. If you have identified a negative impact, how do you plan to mitigate it?**

Ensure a fair, consistent application of selection for redundancy procedures and monitor impact before and after implementation of the measures

**Stage 4: Conclusion of the Equality Analysis**

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

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

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

**Stage 5: Improvement Action Plan**

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

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

Negative impact/ gap in information identified in the Equality Analysis	Action required to mitigate	How will you know this is achieved? e.g. performance measure/ target)	By when	Existing or additional resources?	Lead Officer	Action added to divisional/ team plan?
Potential gender impact on a predominantly female workforce	Ensure a fair, consistent application of selection for redundancy procedures and monitor impact before and after implementation of the measures	Seek to ensure the representation of staff.	31/3/17 and 31/3/18	No	Marissa Bartlett and Kim Brown	Yes

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

**Stage 6: Reporting outcomes**

**10. Summary of the equality analysis**

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

This Equality Analysis has resulted in an Outcome [add](#) Assessment

- Ensure a fair, consistent application of selection for redundancy procedures and monitor impact before and after implementation of the measures may not be possible to fully mitigate, explain your justification with full reasoning.

<b>Stage 7: Sign off by Director/ Head of Service</b>			
<b>Assessment completed by</b>	Dean Shoemith, Joint Head of HR	<b>Signature:</b>	<b>Date:23/12/13</b>
<b>Improvement action plan signed off by Director/ Head of Service</b>	Caroline Holland, Director of Corporate Services	<b>Signature:</b>	<b>Date:23/12/13</b>

# Equality Analysis



Please refer to the guidance for carrying out Equality Impact Assessments is available on the intranet [LINK TO BE ADDED] Text in blue is intended to provide guidance – you can delete this from your final version.	
What are the proposals being assessed?	<b>EV02:</b> Increase by £5 per year parking permits in the following categories: Teachers, Trade and Business permits. <b>EV11</b> : increase by 10% (average) pay and display parking charges for all On and Off Street locations
Which Department/ Division have the responsibility for this?	Environment & Regeneration, PP&D
<b>Stage 1: Overview</b>	
Name and job title of lead officer	Paul Walshe Parking Services Manager
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)	These increase in charges to parking permits and pay and display parking charges are where we have not made changes for over 3 years. The aim is to manage demand to improve the availability of parking spaces for ad hoc parking. Before any increases are implemented a survey must be carried to show if demand during peak times of operation reach or exceeded 85% of capacity as apposed to an average figure. The 85% figure is an industry benchmark.
2. How does this contribute to the council's corporate priorities?	Improves the availability of parking spaces leading to improved resident and customer satisfaction.
3. Who will be affected by this proposal? For example who are the external/internal customers, communities, partners, stakeholders, the workforce etc.	The residents and the ad hoc users of Permit and On Street pay and display parking bays will benefit by the increase in charges as the aim of any increase in charges to reduce demand for these types of parking spaces. The existing purchasers of these types of parking spaces and permits will be negatively affected as they will be required to pay more for to park.
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).

As part of these proposals an assessment of the capacity issues will need to be undertaken to confirm if there is a need to increase costs as way of managing demand. The groups using this service are Businesses, Trade, Teachers and the public in general. Whilst there will be impact due to an increase in costs to park groups such as blue badge holders will not be adversely affected and in fact may benefit as they are allowed to park in the parking spaces that we are attempting to increase capacity.

**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
	Positive impact		Potential negative impact		
	Yes	No	Yes	No	
Age				X	There is no data that indicates the types of groups as listed below will be affected by these proposals.
Disability				X	As above
Gender Reassignment				X	As above
Marriage and Civil Partnership				X	As above
Pregnancy and Maternity				X	As above
Race				X	As above
Religion/ belief				X	As above
Sex (Gender)				X	As above
Sexual orientation				X	As above
Socio-economic status				X	Whilst the status is unknown about this group the fact that the intention is to increase the costs of parking permits by £5 and pay and display parking may adversely affect this group.

**7. If you have identified a negative impact, how do you plan to mitigate it?**

If negative impacts are identified through any monitoring then an action plan will try to address this as far as is practicable.

**Stage 4: Conclusion of the Equality Analysis**

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

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

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

### Stage 5: Improvement Action Plan

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

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

Negative impact/ gap in information identified in the Equality Analysis	Action required to mitigate	How will you know this is achieved? e.g. performance measure/ target)	By when	Existing or additional resources?	Lead Officer	Action added to divisional/ team plan?
If any identified through service level changes	Action plan to mitigate	Measuring customer feedback	2014	Existing	Paul Walshe	Included as part of service review 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.**

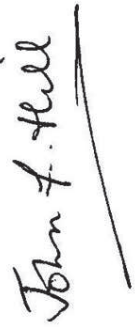
### Stage 6: Reporting outcomes

#### 10. Summary of the equality analysis

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

This Equality Analysis has resulted in an Outcome [add](#) Assessment

The realignment of management structures will ensure that there is no negative impact arising from this proposal.

<b>Stage 7: Sign off by Director/ Head of Service</b>			
<b>Assessment completed by</b>	Paul Walshe Parking Services Manager	<b>Signature: Paul Walshe</b>	<b>Date: 29/11/2012</b>
<b>Improvement action plan signed off by Director/ Head of Service</b>	John Hill , Head of Public Protection and Development	<b>Signature:</b> 	<b>Date: 30/11/2012</b>

# Equality Analysis



<p>Please refer to the guidance for carrying out Equality Impact Assessments is available on the intranet [LINK TO BE ADDED] Text in blue is intended to provide guidance – you can delete this from your final version.</p>	
<p>What are the proposals being assessed?</p>	<p>EV03, EV04, EV05, EV06, EV07:  <b>Deletion of 2 enforcement officer posts</b>  <b>Deletion of 1 admin officer( outsource admin functions)</b>  <b>Deletion of 1 admin officer (Shared service DC and BC admin)</b>  <b>Deletion of 2 planning officers</b>  <b>Deletion of 1 Development Control/ BC area team leader</b></p>
<p>Which Department/ Division has the responsibility for this?</p>	<p>PP@D/ E @ R</p>
<p><b>Stage 1: Overview</b></p>	
<p>Name and job title of lead officer</p>	<p>Neil Milligan</p>
<p>1. What are the aims, objectives and desired outcomes of your proposal? (Also explain proposals e.g. reduction/removal of service, deletion of posts, changing criteria etc)</p>	<p>Designed to deliver savings from 2015/16. The aim is to make financial savings whilst seeking to retain a statutory planning function. These proposed savings are in addition to others previously agreed.</p>
<p>2. How does this contribute to the council's corporate priorities?</p>	<p>This is a savings proposal and whilst it seeks to retain the statutory function it does not directly contribute to Corporate priorities. Service standards will be affected.</p>
<p>3. Who will be affected by this proposal? For example who are the external/internal customers, communities, partners, stakeholders, the workforce etc.</p>	<p>The reduction of the posts will result in a reduced capacity to support the planning applications processes resulting reduced ability to meet any government set performance targets. Applicants and residents will therefore receive a reduced service. Equalities groups are represented in the population served.</p>
<p>4. Is the responsibility shared with another department, authority or organisation? If so, who are the partners and who has overall</p>	<p>No</p>

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).

There is very limited information presently collected on such groups using the service. Planning applications are often submitted by planning agents and developers on behalf of residents. It is not believed that the equality groups are disproportionately represented in the client population in terms of planning applicants. Unauthorised development requiring enforcement action takes place in all parts of the borough. With the capacity of the team reduced, all groups would experience a reduced service.

**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		X	X		No evidence that any protected group will be disproportionately impacted'
Disability		X	X		
Gender Reassignment		X	X		
Marriage and Civil Partnership		X	X		
Pregnancy and Maternity		X	X		
Race		X	X		
Religion/ belief		X	X		
Sex (Gender)		X	X		
Sexual orientation		X	X		
Socio-economic status		X	X		

**7. If you have identified a negative impact, how do you plan to mitigate it?**

It is not believed that there would be a disproportionate impact on equality groups. Planning applicants are likely to have higher socio economic status since they are usually property owners and seeking to invest capital funds in development activity. The negative impact from these proposed budget changes cannot be wholly mitigated for any group. In the first instance better information on service users and impact would need to be sought in order to identify the impact and what action if any could be taken, however there are limited funds to support such activity.

**Stage 4: Conclusion of the Equality Analysis**

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

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

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



**Stage 5: Improvement Action Plan**

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

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

Negative impact/ gap in information identified in the Equality Analysis	Action required to mitigate	How will you know this is achieved? E.g. performance measure/ target)	By when	Existing or additional resources?	Lead Officer	Action added to divisional/ team plan?
Identified through significant service level reductions	Action plan to mitigate (subject to resources)	Measuring customer feedback. Significant complaint numbers inevitable	2016	additional for monitoring	Neil Milligan	no

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

**Stage 6: Reporting outcomes**

**10. Summary of the equality analysis**

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

This Equality Analysis has resulted in an Outcome [3](#) Assessment

There is a negative impact on all of the groups identified since the proposals involve the reduction in the size of the planning and planning enforcement function DC, however, there is no disproportionate effect on any protected group. Therefore, the range and breadth of service will be reduced to such an extent that it will affect members of the public, businesses, partner organisations, corporate objectives and regeneration proposals designed to benefit all groups. There is little if any mitigation that can be put in place to address this. The equality groups affected are not disproportionately affected.

<b>Stage 7: Sign off by Director/ Head of Service</b>			
<b>Assessment completed by</b>	Neil Milligan Building and Development Control Manager	<b>Signature: Neil Milligan</b>	<b>Date: 20/12/2013</b>
<b>Improvement action plan signed off by Director/ Head of Service</b>	John Hill , Head of Public Protection and Development / Chris Lee Director	<b>Signature:</b>	<b>Date: 6.1.14</b>

# Equality Analysis



What are the proposals being assessed? Which Department/ Division has the responsibility for this?	Renegotiation of the Leisure Centres Contract <b>EV09</b> Environment & Regeneration Department / Sustainable Communities Division
<b>Stage 1: Overview</b>	
<p>Name and job title of lead officer</p> <p>1. What are the aims, objectives and desired outcomes of your proposal? (Also explain proposals e.g. reduction/removal of service, deletion of posts, changing criteria etc)</p>	<p>Christine Parsloe, Leisure &amp; Culture Development Manager</p> <p>1.) Energy Savings – Remove the requirement of the contractor to invest £30k per annum for the next 7 years in energy savings initiatives and replace this with a one off bid to central government for investment into energy savings initiatives which the council would procure and implement with the contractor.</p> <p>2) Energy Savings – Bring back in house the responsibility for the payment of the energy bills making savings through tariff, etc. The negotiation will require the contractor still to take a usage risk, whilst the council would take back the tariff risk.</p> <p>3) Additional income generation through operation of the new floodlit multi-use games area within the contract, whilst still maintaining a mixed economy of use on the new facilities in order to meet the external funding agreements, sports development plan and local needs</p> <p>4) Pensions savings – the roll out of the Governments Opt-Out Pensions Agreement is now rolling out and there are some savings from this roll out.</p>
<p>2. How does this contribute to the council's corporate priorities?</p>	<p>Delivers savings through doing our business with our contractors differently making efficiency savings. Delivers increased opportunities for sports &amp; physical activity participation by all the community including those who can afford, thus generating additional income.</p>
<p>3. Who will be affected by this proposal? For example who are the external/internal customers, communities, partners, stakeholders, the workforce etc.</p>	<p>1, 2 &amp; 4 - These will affect the contractors (GLL), LB Merton's Facilities and Leisure &amp; Culture Development Teams who will all have changes to the way in which back office functions take place. This proposal benefits the Council by making savings</p> <p>3 - This will affect the contractors (GLL) and external customers in the delivery of new activities on the new sports facility. This proposal will benefit the local community and external customers by creating increased sporting and physical activity opportunities whilst making savings for the council through increased income.</p>
<p>4. Is the responsibility shared with another department, authority or organisation? If so, who are the partners and who has overall responsibility?</p>	<p>This responsibility is shared with the contractor, Greenwich Leisure Limited, and our Corporate Services Facilities Team and will require Legal Team support to carry out the contract change notices. External Funding Partners are supporting the building of the new Floodlit Multi-use Games Area. Overall the responsibility is jointly shared by the Environment &amp; Regeneration Department (on behalf of the Council) and the Contractor, Greenwich Leisure Limited</p>

## 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).

There are no negative equality impacts in this submission, rather the construction of two floodlit lit multi-use games areas will increase opportunities for sports & physical activities in the Mitcham area.

## 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	X			X	Football development plan will target people of all ages to increase physical activity
Disability	X			X	Football development plan will target disabled people to increase physical activity
Gender Reassignment		X		X	
Marriage and Civil Partnership		X		X	
Pregnancy and Maternity		X		X	
Race	X			X	Football development plan will welcome all people to increase physical activity and target any specific groups as appropriate
Religion/ belief		X		X	
Sex (Gender)	X			X	Football development plan will target women & girls to increase sport & physical activity
Sexual orientation		X		X	
Socio-economic status	X			X	Football development plan will ensure that there are a range of activities, events and programmes to suit all people including charges levied

7. If you have identified a negative impact, how do you plan to mitigate it?

None.

Stage 4: Conclusion of the Equality Analysis

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

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

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

**Stage 5: Improvement Action Plan**

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

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

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

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

**Stage 6: Reporting outcomes**

**10. Summary of the equality analysis**

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

This Equality Analysis has resulted in an Outcome [add](#) Assessment

In assessing these savings proposals it is clear that the burden of work will fall onto officers of the Council and the Contractor, GLL. All parties have already had early discussions and are working to bring these savings to fruition whilst minimizing any burden these changes may cause. From an equalities point of view none of these changes cause any concerns. On the introduction of a Floodlit Multi-use Games Area which will be added into the Leisure Management Contract, there is in place a Football Development Plan that will become a contractual obligation on GLL to deliver thus protecting the equalities issues that could arise in terms of access, costs and ability to participate. This is of positive benefit to the local community as it creates an opportunity that would not have otherwise had and it is in public ownership hence access to all can be protected through the contract. There are no negative impacts in this savings proposal. No particular groups will be affected more than another. There are no courses of action required as part of this assessment.

<b>Stage 7: Sign off by Director/ Head of Service</b>			
<b>Assessment completed by</b>	Christine Parsloe Leisure & Culture Development Manager	<b>Signature:</b>	<b>Date: 18 December 2013</b>
<b>Improvement action plan signed off by Director/ Head of Service</b>	James McGinlay Head of Sustainable Communities	<b>Signature:</b>	<b>Date: 18 December 2013</b>





# Equality Analysis

What are the proposals being assessed?	<b>EV10</b> Specific proposals will be determined for the Greenspaces service through the TOM process
Which Department/ Division has the responsibility for this?	Environment & Regeneration/Greenspaces

<b>Stage 1: Overview</b>	
Name and job title of lead officer	Doug Napier, Greenspaces Manager
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)	Specific proposals will be determined through the TOM process in order to generate budget savings either through reduced expenditure and/or increased income generation
2. How does this contribute to the council's corporate priorities?	The proposals will support efforts to ensure that the council operates more efficiently and at reduced cost, recognising current corporate priorities insofar as possible
3. Who will be affected by this proposal? For example who are the external/internal customers, communities, partners, stakeholders, the workforce etc.	A range of customers are likely to be affected including staff, service users and stakeholders and partners.  The outcome will contribute to the overall operation efficiency of the service and the council as a whole
4. Is the responsibility shared with another department, authority or organisation? If so, who are the partners and who has overall responsibility?	To be determined through the TOM process, but it is highly likely that some of the proposals will be shared with other departments and partners



**Stage 2: Collecting evidence/ data**

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

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

The evidence considered will depend upon the nature of the proposals developed through the TOM process

**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	TBC	TBC	TBC	TBC	TBC
Disability	TBC	TBC	TBC	TBC	TBC
Gender	TBC	TBC	TBC	TBC	TBC
Reassignment	TBC	TBC	TBC	TBC	TBC
Marriage and Civil Partnership	TBC	TBC	TBC	TBC	TBC
Pregnancy and Maternity	TBC	TBC	TBC	TBC	TBC
Race	TBC	TBC	TBC	TBC	TBC
Religion/ belief	TBC	TBC	TBC	TBC	TBC
Sex (Gender)	TBC	TBC	TBC	TBC	TBC
Sexual orientation	TBC	TBC	TBC	TBC	TBC
Socio-economic status	TBC	TBC	TBC	TBC	TBC

**7. If you have identified a negative impact, how do you plan to mitigate it?**

To be confirmed

**Stage 4: Conclusion of the Equality Analysis**

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

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

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

**Stage 5: Improvement Action Plan**

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

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

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

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

**Stage 6: Reporting outcomes**

**10. Summary of the equality analysis**

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

This Equality Analysis has resulted in an Outcome [add](#) Assessment

[To be confirmed](#)

<b>Stage 7: Sign off by Director/ Head of Service</b>			
<b>Assessment completed by</b>	Doug Napier, Greenspaces Manager	<b>Signature:</b>	<b>Date:</b> 17/12/13
<b>Improvement action plan signed off by Director/ Head of Service</b>	James McGinlay Head of Sustainable Communities	<b>Signature:</b>	<b>Date:</b>

**Reference from the Overview and Scrutiny Commission: pre-decision scrutiny of the Business Plan 2014-2018**

RESOLVED:

That Cabinet:-

- 1) acknowledges Scrutiny's support on savings CS60, CS61, CS62, CS63, CS64, CS65, CS66, CS67, CS68, CS70, CS71, CS72, CS73, CS74, CS75, EV01, CH6, CH5, CH9, CH10, CSF01, CSF02
- 2) agrees to give further thought to savings proposal CS63 over changing its risk rating to "medium", prior to Council
- 3) agrees to withdraw savings proposals CS69, and EV03-EV07
- 4) agrees to defer savings proposals EV10, and CSF03 until next year
- 5) notes the views expressed by scrutiny on CH6 and in paragraph 2.12
- 6) agrees to adopt a general principle of bringing forward budget savings whenever that can be done, including for the financial year 2014/15.
- 7) agrees with the proposal of the Sustainable Communities Overview and Scrutiny Panel on proposal EV02, rather than the recommendation contained within paragraph 2.13 of the report

**Business Plan 2014-18**

RESOLVED

That Cabinet:-

- 1) agrees to amend, as appropriate, the Medium Term Financial Strategy (MTFS) to incorporate its decision, taken previously on the Overview and Scrutiny Commission - pre decision scrutiny of the Business Plan 2014-2018, for the Council in March 2014;
- 2) having considered all of the information in the report, and noted the positive assurance statement given by the Director of Corporate Services based on the proposed strategy, the Council Tax in 2014/15, equating to a Band D Council Tax of £1,102.26 be approved and recommended to Council for approval. This represents a Council Tax freeze;
- 3) resolves that the Business Plan 2014-18 including the General Fund Budget and Council Tax Strategy for 2014/15, and the Medium Term Financial Strategy (MTFS) for 2014-2018 as submitted, be approved and recommended to Council for approval subject to any proposed amendments agreed at this meeting;

- 4) having considered all of the latest information and the comments from the scrutiny process, the Capital Investment Programme (as detailed in Annex 1 to the Capital Strategy); the Treasury Management Strategy (Section 5), including the detailed recommendations in that Section, incorporating the Prudential Indicators and the Capital Strategy (Appendix 12) as submitted and reported upon be approved and recommended to Council for approval, subject to any proposed amendments agreed at this meeting;
- 5) notes that the GLA precept that was agreed by the London Assembly on the 14 February, be incorporated into the draft MTFS;
- 6) notes that there may be minor amendments to figures in the report as a result of new information being received after the deadline for dispatch and that this will be amended for the report to Council in March;
- 7) in respect of the new business rates reliefs announced in the Autumn statement 2013, agrees the Retail Property Discount Policy and the Retail Premises Re- Occupation Policy set out in Appendices 12(a) and 12(b).

IMPACT OF CHANGES AGREED BY CABINET 17 FEBRUARY 2014 FOLLOWING SCRUTINY

Panel	Ref	Description of Saving	2015/16 £000	2016/17 £000	2017/18 £000
<b>DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2014/15</b>					
<b>DEPARTMENT: CORPORATE SERVICES - Delete Saving</b>					
O&S	CS69	Infrastructure & Transactions Description		5	
		Cease Councillors courier service and send items electronically or via the standard postal system.			
		Sub-total: Corporate Services - Savings Withdrawn Cumulative	0	5	0
			0	5	5
<b>DEPARTMENT: ENVIRONMENT &amp; REGENERATION - Delete Savings</b>					
SC	EV03	Service/Section Description			
		Building & Development Control			
SC	EV04	Service/Section Description	80		
		Deletion of two enforcement officer posts			
SC	EV05	Service/Section Description	30		
		Building & Development Control			
		Outsourcing of certain administrative functions			
SC	EV06	Service/Section Description	30		
		Building & Development Control			
		Development of shared service for Planning and Building Control admin			
SC	EV07	Service/Section Description	80		
		Building & Development Control			
		Deletion of two planning officer posts			
SC		Service/Section Description	50		
		Building & Development Control			
		Deletion of one planning area team leader post			
		Sub-total: Environment & Regeneration - Savings Withdrawn Cumulative	270	0	0
			270	270	270
<b>DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES - Saving Consideration Deferred until next year</b>					
C&YP	CSF03	Service/Section Description			239
		All CSF Divisions			
		Sub-total: Children, Schools and Families - Savings - Consideration Deferred until next year	0	0	239
			0	0	239
<b>DEPARTMENT: ENVIRONMENT &amp; REGENERATION - Saving Consideration Deferred until next year</b>					
SC	EV10	Service/Section Description	130		
		Greenspaces			
		To be determined through TOM, which will generate a series of business cases for volunteering channel shift and commercialisation of service.		100	
		Sub-total: Environment & Regeneration - Savings Consideration Deferred until next year Cumulative	130	100	0
			130	230	230
<b>TOTAL: IMPACT OF WITHDRAWN/DEFERRED SAVINGS ON MTFs</b>			<b>400</b>	<b>105</b>	<b>239</b>
			400	505	744

## SECTION 3: Schools funding 2014/15

### 1. Introduction

1.1 The Government announced the Dedicated Schools Grant allocation on 18<sup>th</sup> December 2013. Merton's allocation split over the three blocks is as follows:

Description	2014-15 £000	2013-14 £000
Schools Block	98,463	97,291
Early Years Block	12,149	11,423
High Needs Block	27,240	26,505
<b>Total as at Schools Forum meeting</b>	<b>137,852</b>	<b>135,219</b>
Academy recoupment	(4,999)	(4,086)
<b>Final allocation for the year</b>	<b>132,853</b>	<b>131,133</b>

1.2 This report will concentrate on the Schools Block and the allocation of this funding to Schools and Academies through the Schools Funding Formula.

### 2. Schools Block

2.1 The schools block funding is triggered based on the numbers of full time equivalent pupils registered as part of the annual October census. Based on the October 2013 census Merton had 21,752 pupils (21,450 at October 2012) at a rate of £4,534.27 (same as 2013/14).

2.2 The Schools Block allocation of £98.463m is split into the following blocks:

Description	2014-15 £000	2013-14 £000
Centrally Retained Items	339	489
September growth requirement	1,380	1,380
Transfers to other blocks	236	293
Individual School Budgets	96,508	95,129
<b>Total Schools Block</b>	<b>98,463</b>	<b>97,291</b>

2.3 There are three centrally retained items. These items include School Admissions (£266k), the cost of administering Schools Forum (£12k) and the cost of National Copyright Licences negotiated by the DfE (£61k).

2.4 The September growth requirement was set at £1.380m. This is based on supporting Primary schools with £60k additional funding to support a class of 30 pupils from September.

2.5 As per Schools Forum agreement on 10<sup>th</sup> December 2013 both Primary and Secondary schools opted to de-delegate the relevant services. The total de-delegated budget for 2014/15 is £1.652m. This together with the £94.856m



that will be paid over to schools equals the Individual Schools Budgets of £96.508m.

### 3. Early Years Block

3.1 The Early Years Block allocation is split into the following areas:

Description	2014-15 £000	2013-14 £000
Transfers between blocks	228	228
Centrally Retained Items	711	711
2 Year Old Offer	2,927	2,202
Contingency	26	49
3 and 4 year old funding- PVI	2,500	2,530
3 and 4 year old funding- maintained schools	5,757	5,703
<b>Total Early Years Block</b>	<b>12,149</b>	<b>11,423</b>

3.2 The £711k for centrally retained items includes funding for quality and standard, childcare and some enhanced early intervention services.

3.3 The two year old funding allocation for Merton for 2014/15 is £2.927m. The allocation is based on a notional amount for statutory places and an allocation for trajectory place funding and planning. Merton expects to spend £2.533m on places through the early years funding formula. The remaining £394k will be spent on improving quality and creating new places, OCN accredited training, development of complex needs places, market incentives, staffing and supporting budgets, start-up funding and locality working.

3.4 The contingency has been reduced to £26k for 2014/15. This is to cover the possible increase in PVI numbers during the year.

3.5 Based on the 2013/14 pupil counts, the estimated funding relating to 3 and 4 year old children for Merton maintained schools and PVI settings is expected to be £5.787m and £2.470 respectively for 2014/15. These are indicative budgets and the figures will be updated every term following the actual pupil counts. The formula used to allocate this funding as well as that of 2 year olds is detailed in section 3.

### 4. High Needs Block

4.1 A place-plus approach to High Needs funding was introduced in 2013/14 with the aim of ensuring that all providers, mainstream and specialist, will be funded on an equivalent basis.

4.2 The table on the next page shows how Merton's High Needs Block funding is allocated.

<b>Description</b>	<b>2014/15 £000</b>	<b>2013/14 £000</b>
Mainstream settings (Individual SEN statements)	3,331	3,331
Special Schools	7,075	7,075
Additional Resource Provision bases	2,661	2,661
Pupil Referral Unit (PRU)	1,334	1,334
Centrally retained High Needs funding for commissioned services	10,971	11,028
Post 16 FE and ISP funding	1,775	1,357
Centrally retained High Needs funding for special schools	236	235
Transfers from other blocks	(463)	(516)
NMSS expected grant adjustment	320	0
<b>Total Funding</b>	<b>27,240</b>	<b>26,505</b>

- 4.3 Schools will be expected to contribute the first £6,000 of additional educational support for High Needs pupils and students. This additional support is for a provision over and above the standard offer of teaching and learning for all pupils or students in a setting. Pre-16, schools and Academies will continue to receive a clearly identified notional SEN budget from which to make this contribution. Merton will provide this budget for maintained schools while the EFA will provide it for Academies. The notional SEN budget should be used to support pupils with low cost, high incidence SEN as well as the first £6,000 support for pupils with statements.
- 4.4 Specialist SEN and LDD schools will continue to receive a base level of funding on the basis of an agreed number of planned places at £10,000 per place. Top-up funding above this level will also continue at the same levels as agreed between Merton and the schools last year. Due to the funding pressures on the Schools Block, any increase in numbers in special schools will be funded from within the HNB.
- 4.5 Places in special units and resourced provision will attract a base level of funding of £10,000 per place as well as top-up funding at the same value as agreed for 2013/14.
- 4.6 The PRU will receive a base level of funding of £8,000 per place. Top-up funding above this level will continue at the same level as 2013/14 at £4,660.
- 4.7 The centrally retained services are retained centrally by the Local Authority to deliver direct services or procure services from external providers to ensure the most economic use of resources.
- 4.8 Since 2013/14 Local Authorities took on the responsibility for high level SEN or LDD cost for young people aged over 16 in Further Education (FE) College and Independent Specialist Providers (ISPs).

- 4.9 This includes the funding for centrally provided services for the special schools, similar to de-delegated budgets held for the maintained primary and secondary schools. It also includes £207k, for prudential borrowing that the Schools Forum agreed at their meeting on 15th October 2007.
- 4.10 Merton has informed the EFA of the expected number of pupils to attend each NMSS in 2014/15. We are still awaiting the final allocation of the High Needs Block grant for 2014/15.

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